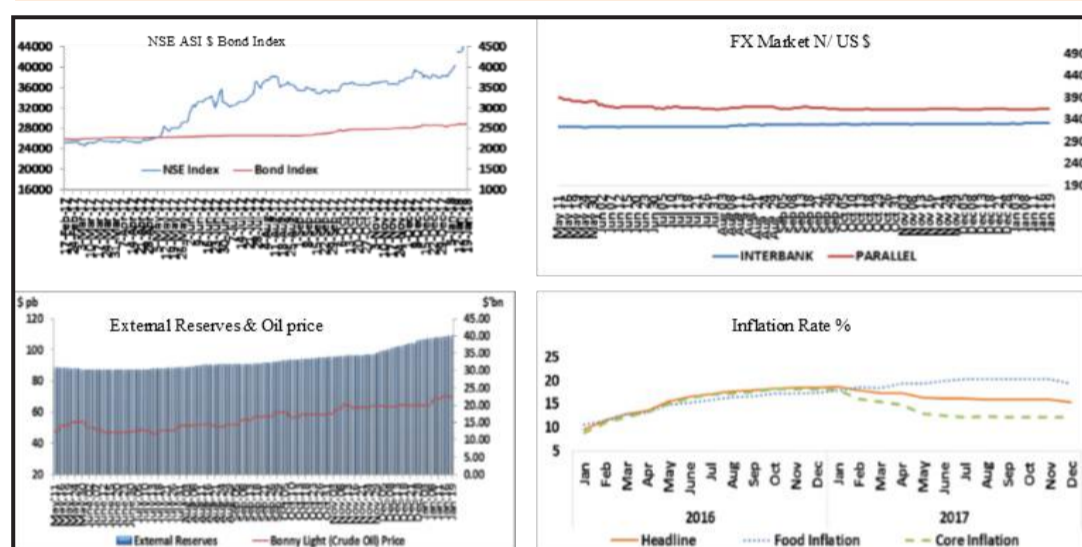


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.40	Q3 2017 — higher by 0.68% compared to 0.72% in Q2 2017
Broad Money Supply (M2) (N' trillion)	24.00	Increased by 7.04% in Dec' 2017 from N22.31 trillion in Nov 2017
Credit to Private Sector (N' trillion)	22.29	Increased by 1.50% in Dec' 2017 from N21.96 trillion in Nov 2017
Currency in Circulation (N' trillion)	2.15	Increased by 13.15% in Dec' 2017 from N1.90 trillion in Nov 2017
Inflation rate (%) (y-o-y)	15.37	Declined to 15.37% in Dec'2017 from 15.90% in Nov'2017
Monetary Policy Rate (%)	14	Raised to 14% in July '2016 from 12%
Interest Rate (Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	39.92	January 18, 2018 figure — an increase of 2.61% from Jan start
Oil Price (US\$/Barrel)	69.74	January 19, 2018 figure - an increase of 1.6% from the previous wk
Oil Production mbpd (OPEC)	1.86	Dec' 2017 figure — an increase of 4.25% from Nov'2017



STOCK MARKET

Indicators	Friday 19/01/18	Friday 12/01/18	Change(%)
NSE ASI	45,092.83	42,898.90	5.11
Market Cap(N'tr)	16.15	15.37	5.11
Volume (bn)	1.34	1.39	(3.97)
Value (N'bn)	8.63	14.24	(39.39)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	19/01/18	12/01/18	
OBB	16.6700	9.0000	767
O/N	17.6700	9.5800	809
CALL	5.5000	10.2833	(478)
30 Days	13.6346	14.8656	(123)
90 Days	14.7063	16.2151	(151)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	19/01/18	12/01/18	19/12/17
Official (N)	305.70	305.80	305.90
Inter-Bank (N)	331.31	331.41	330.25
BDC (N)	360.88	360.00	362.00
Parallel (N)	364.00	363.00	364.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	19/01/18	12/01/18	
3-Year	0.00	0.00	0
5-Year	13.70	13.27	43
7-Year	13.59	13.78	(19)
10-Year	13.39	13.27	11
20-Year	13.27	13.23	4

Disclaimer

This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not take responsibility or liability for errors or fact or for any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Access Bank Plc.

Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: January 19—January 26, 2018

Global Economy

In China, the economy grew by 6.8% year -on- year in the final quarter of 2017, unchanged from the figure reported in the previous quarter. According to the National Bureau of Statistics, Gross Domestic Product for the year 2017 expanded 6.9%, higher than the 6.7% recorded in 2016. This expansion was driven by growth in the industry, exports and property market. In a separate development, Eurozone consumer price declined to 1.4% year -on- year in December 2017, lower by 0.1% recorded in the month of November 2017. This decline in inflation stemmed from fall in prices of food and energy according to Statistical Office of the European Communities. Among the Eurozone largest economy, highest annual rate were recorded in Germany (1.6%), France (1.2%), Spain (1.2%), Italy (1%), Greece (1%) and Ireland (0.5%). Annual core inflation stood at 0.9% unchanged from the prior month, while month on- month, consumer prices increased by 0.4%, 0.3% higher than the rate recorded in November 2017. Elsewhere in India, data from the Central Statistics Office (CSO) revealed that consumer prices rose 5.21% year -on- year in December 2017, higher than 4.88% in the previous month. It is the highest inflation rate since July 2016. The rise in consumer prices was due to increase in the price of food and housing.

Domestic Economy

The Consumer Price Index (CPI) which measures inflation rose by 15.37% year-on-year in the month of December 2017, which is 0.53% points lower than the 15.90% recorded in November. This represents the eleventh consecutive month of decline in the rate of inflation since January 2017. The food index decreased by 19.42% (year-on-year) in December, slightly lower than 20.21% recorded in November, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce fell to 12.10% year-on-year in December which is 0.11% higher than 12.21% recorded in November. In a separate development, the Nigerian Stock Exchange published the Domestic & Foreign Portfolio investment report for the month of November. The report revealed that the total of transactions at the nation's bourse increased significantly in the month of November by 117.88% to N278.49 billion from N127.82 billion recorded in October. Foreign transactions increased by 121.91% to N150.10 billion from N67.64 billion the prior month. Domestic transactions also increased by 113.34% to N128.39 billion from N60.18 billion in October though 7.8% lower than the figure for foreign transactions. An increase of 129.93% in monthly foreign inflows was recorded at N90.96 billion from N39.56 billion in October. Foreign outflows also climbed by 110.61% to N59.14 billion in November from N28.08 billion in the previous month. Total foreign portfolio investments (FPI) transactions from January to November 2017 rose by 95.45% to N2.062 trillion from N1.055 trillion recorded in the same period of 2017. Market activities has picked up significantly in recent months due to the introduction of the Investors & Exporters window which has improved foreign exchange liquidity and boosted transparency in FX transactions

Stock Market

Performance at the local bourse closed on a bullish note for the third consecutive week in the year 2018. The positive performance was due to investors repositioning ahead of earnings season and continued improvement in the nation's economic data. The All Share Index (ASI) gained 2193.93 points to close at 45,092.83 points from 42,898.90 points the previous week, representing an increase of 5.1%. Similarly,

market capitalization ascended by 5.1% to close at N16.15 trillion from N15.37 trillion the previous week. Market indicators were majorly boosted by stocks in the banking and consumer goods sectors. This week, market indicators may likely trend upwards as investors continue to position for expected dividends amidst positive macro-economic fundamentals.

Money Market

Cost of borrowing ascended across short dated placements last week due to Retail Secondary Market Intervention Sales (SMIS), Primary Market Auction and Open Market Operations which took liquidity off the market. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose to 16.67% and 17.67% from 9% and 9.58% respectively the previous week. However, the call, 30-day and 90-day NIBOR closed lower at 5.50%, 13.63% and 14.71% from 10.28%, 14.87% and 16.22% the prior week. This week, rates may trend upwards due to anticipated bond auction.

Foreign Exchange Market

Last week, the local unit depreciated against the dollar at the parallel market by N1 to close at N364/\$ from N363/\$ the previous week. In contrast, the naira appreciated slightly at the official and interbank window by 0.10% to close at N305.70/\$ and N331.31/\$ from N305.80/\$ and N331.41 respectively. This week, we expect the naira to strengthen further at the official channels as the CBN continues to intervene in the forex market backed by rising foreign reserves.

Bond Market

Bond yields ascended across most maturities for the week ended January 19, 2018. Yields went up as a result of profit taking by investors who were selling off their position in the market. Yields on the five-, ten- and twenty-year debt papers closed higher at 13.70%, 13.39% and 13.27% from 13.27%, 13.27% and 13.23% respectively for the corresponding maturities the previous week. The Access Bank Bond index declined by 4.98 points to close at 2,603.57 points from 2,608.54 points the previous week. The expected bond auction by the Debt management Office (DMO) this week will determine market trend.

Commodities Market

Oil prices sustained its current trend as the Energy Information Administration (EIA) and American Petroleum Institute reported large draw of 6.9 million and 5.12 million barrels respectively this week. Bonny light, Nigeria's benchmark crude climbed to \$69.74 per barrel from \$68.65 per barrel the previous week. The prices of gold ascended last week due to the depreciating U.S. dollar and worries about the U.S. government shutting down late this week due to budget disagreements among Republicans and Democrats. Gold appreciated by 3.1% to \$1,334.80 an ounce. Silver however depreciated slightly by 0.4% to \$17.08 an ounce due to lower demand for the metal from the previous week. This week, crude oil prices are likely to sustain their current trend as global economic growth fuels demand and output cuts by OPEC. Precious metal prices are expected to trend upward due to high industrial and jewellery demand.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jan'18	Feb'18	Mar'18
Exchange Rate (Official) (N/\$)	331.33	331.12	332.93
Inflation Rate (%)	15.3	15.2	15.1
Crude Oil Price (US\$/Barrel)	62	61	60

For enquiries, contact: Rotimi Peters (Team Lead, Economic Intelligence) (01) 2712123 rotimi.peters@accessbankplc.com