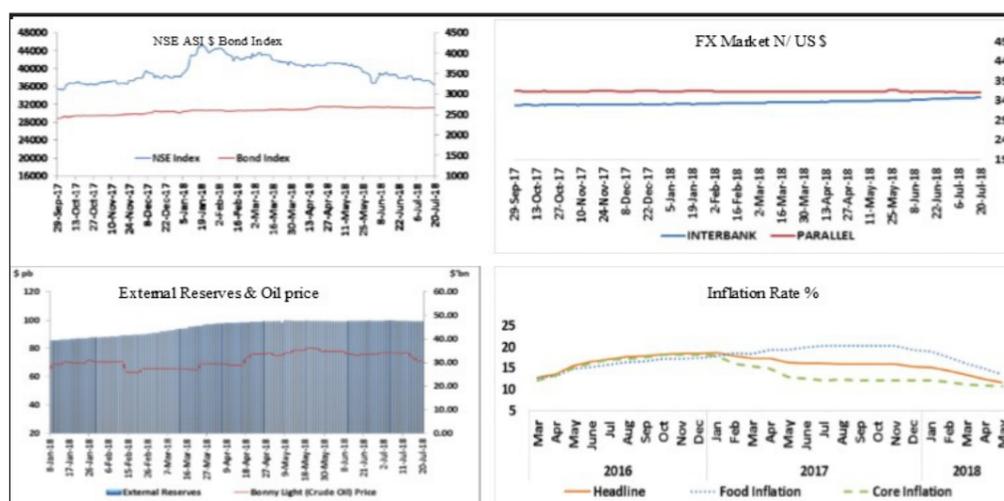


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.95	Q1 2018 — lower by 0.16% compared to 2.11% in Q4 2017
Broad Money Supply (M2) (N' trillion)	25.17	Increased by 2.64% in May 2018 from N24.52 trillion in Apr' 2018
Credit to Private Sector (N' trillion)	22.21	Decreased by 0.21% in May 2018 from N22.25 trillion in Apr' 2018
Currency in Circulation (N' trillion)	1.93	Decreased by 1.36% in May 2018 from N1.96 trillion in Apr' 2018
Inflation rate (%) (y-o-y)	11.61	Declined to 11.61% in May' 2018 from 12.48% in Apr' 2018
Monetary Policy Rate (%)	14	Raised to 14% in July' 2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	47.45	July 18, 2018 figure — a decrease of 0.73% from July start
Oil Price (US\$/Barrel)	71.25	July 20, 2018 figure — a decrease of 7.49% from the previous week
Oil Production mbpd (OPEC)	1.66	June 2018 figure — an increase of 1.84% from May 2018 figure



STOCK MARKET

Indicators	Friday 20/07/18	Friday 13/07/18	Change (%)
NSE ASI	36,603.44	37,392.77	(2.11)
Market Cap(N'tr)	13.26	13.55	(2.11)
Volume (bn)	0.68	0.21	219.40
Value (N'bn)	3.90	3.24	20.63

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	20/07/18	13/07/18	
OBB	15.0000	8.9200	608
O/N	15.6700	9.4200	625
CALL	8.1500	9.9500	(180)
30 Days	12.7020	12.8406	(14)
90 Days	13.3316	13.3944	(6)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	20/07/18	13/07/18	20/06/18
Official (N)	305.85	305.80	305.85
Inter-Bank (N)	348.12	346.82	343.75
BDC (N)	361.00	361.00	359.81
Parallel (N)	360.00	361.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	20/07/18	13/07/18	
3-Year	0.00	0.00	0
5-Year	13.68	13.64	4
7-Year	13.99	13.94	5
10-Year	13.78	13.85	(6)
20-Year	14.14	14.10	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.

Market Analysis and Outlook: July 20 - July 27, 2018

Global

The International Monetary Fund (IMF) has warned that rising trade tensions between the United States and the rest of the world could cost the global economy \$430 billion if all the tariff threats are carried out. Recall that the US earlier this month imposed steep tariffs duties on \$34 billion in imports from China, with another \$200 billion slated for September, on top of duties on steel and aluminium from around the world including key allies. Beyond the immediate threat from weaker levels of international trade, the IMF said greater use of protectionist measures could hinder business investment, disrupt global supply chains, slow the spread of productivity-boosting technologies and raise the price of consumer goods. Despite highlighting greater risks for the world economy, the Fund left its global growth forecast of 3.9% for both this year and next unchanged. In a separate development, in the UK, the Office for National Statistics (ONS) reported that the annual rate of inflation rose by 2.4% in June, matching May's figure. Meanwhile, the core inflation gauge (excluding volatile food and energy items) printed at 1.9% year-on-year (y-o-y), down from 2.1% recorded in May. The ONS said that while rising energy and transport prices exerted notable upward pressure on the rate of inflation last month, this was countered by falling prices for clothing, games, children's toys and hobbies items. Elsewhere, in Japan, the consumer confidence index weakened marginally in June, survey data from the Cabinet Office showed. According to the data, consumer confidence index dropped to 43.7 in June from 43.8 in May. The index measures consumers' expectations for the next six months on a scale of 0-100. The slight deterioration in June came on the back of declines across all sub-indices, except employment.

Domestic

The International Monetary Fund (IMF) has raised its forecast for Nigeria's growth rate in 2019 to 2.3% from its earlier projection of 1.9%. In its latest World Economic Outlook (WEO) Update, July 2018 titled, 'Less Even Expansion, and Rising Trade Tensions', the Fund said that the upgraded forecast, "reflects improved prospects for Nigeria's economy" and an increase in commodity prices. The multilateral institution also retained the 2.1% growth projection for the country this year from 0.8% in 2017. However, it raised a few concerns about Nigeria's policy environment and the sub-optimal performance of its non-oil and non-agricultural sectors. According to the IMF, Nigeria's revenue remains stifled by net losses from its retail fuel sales and sub-optimal performance of its non-oil sectors. In a separate development, the Bankers' Committee of the Central Bank of Nigeria has launched a new initiative designed to give Small and Medium Enterprises (SMEs) access to loans, funds and grants to expand their business. Christened "Funding Nigeria Small and Medium-Scale Enterprises", the initiative is part of the government's economic diversification effort towards increased SMEs' easy access to intervention funds, and aims at growing small and medium-scale businesses for effective contribution to the Nigerian economy. A spokesman for the Committee stated that one-day public enlightenment workshops would be organized across three states of the federation on how SMEs can access funds, loans and grants available in the Funding Nigeria SMEs' initiative to create the necessary awareness. The workshops would be facilitated by experts from Deposit Money Banks, the CBN, the Ease of Doing Business group, Bank of Agriculture, Bank of Industry Small and Medium Enterprises Development Agency of Nigeria.

Stock Market

The Nigerian stock exchange market closed on a bearish note last week as major market indicators trended downwards. The All Share Index (ASI) lost 789.33 points to close at

36,603.44 from 37,392.77 the previous week, representing a 2.11% decline. Similarly, market capitalization shed 2.11% to close at N13.26 trillion from N13.55 trillion the previous week. The downward trend in performance gauges comes amidst ongoing sell pressure in high-value stocks. This week, we expect that the direction of the market's trend will be dictated by the news and earnings scorecards that filter into the market.

Money Market

The overnight lending rate surged last week as outflows for OMO and bond auctions, as well as FX sales totaling about N729 billion, outweighed inflows from matured OMO bills worth around 232 billion. Consequently, short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose to 15% and 15.67% from 8.92% and 9.42% respectively the previous week. In contrast, longer dated placements trended downwards. The 30-day and 90-day NIBOR closed lower at 12.70% and 13.33% from 12.84% and 13.39% respectively the previous week. This week, cost of funds in the interbank money market is expected to tick up in response to expected OMO auction by the CBN.

Foreign Exchange Market

The local currency posted differing directional performances in various segments of the foreign exchange market last week. At the interbank window, it depreciated slightly to N348.12/\$ from N346.82/\$ representing a drop of 1.30 Kobo. Similarly, the official rate weakened marginally by 5 kobo to settle at N305.85/\$ from N305.8/\$ the previous week. Conversely, at the parallel market, the local unit gained one naira to exchange at N360/\$, stronger than N361 posted week before. This week, we envisage the naira remaining close to prevailing levels as the CBN continues to intervene in the market to improve liquidity.

Bond Market

Bond yields ticked higher owing to weak demand and sell-offs across all curves from counterparties. The sell-offs was spurred by investors drifting towards OMO instruments for higher returns. Yields on the five-, seven-, ten- and twenty-year debt papers finished at 13.68%, 13.99%, 13.78%, and 14.14% from 13.64%, 13.94%, 13.85%, and 14.10% respectively last week. The Access Bank Bond index rose by 3.83 points or 0.14% to close at 2,670.31 points from 2,666.49 points the previous week. The direction of bond yields would likely hinge on the outcome of the CBN Monetary Policy Committee meeting holding this week.

Commodities

Oil prices fell last week after data showed an unexpected rise in US crude oil production. The Energy Information Administration reported that production hit 11 million barrels per day (bpd) for the first time in the nation's history, as the ongoing boom in shale production continues to drive output. Nigeria's crude oil benchmark, Bonny light, was down \$5.77 or 7.5% at \$71.25 per barrel from the previous week's close. In a similar vein, precious metals prices slipped last week weighed down by strength in the dollar and an escalation U.S.-China trade dispute. Gold \$16.40, or 1.32%, to settle at \$1224.94 an ounce, while silver fell 2.7% to \$15.38 an ounce. This week, concerns about mounting supply is likely to depress crude oil prices further. For precious metals, we see a continuation of price weakness driven by expectations of a hike in interest rates by the US Fed later this month.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jul'18	Aug'18	Sept'18
Exchange Rate (Official) (N/\$)	346.90	347.02	348
Inflation Rate (%)	9.34	9.00	9.00
Crude Oil Price (US\$/Barrel)	76.75	76.00	77.00