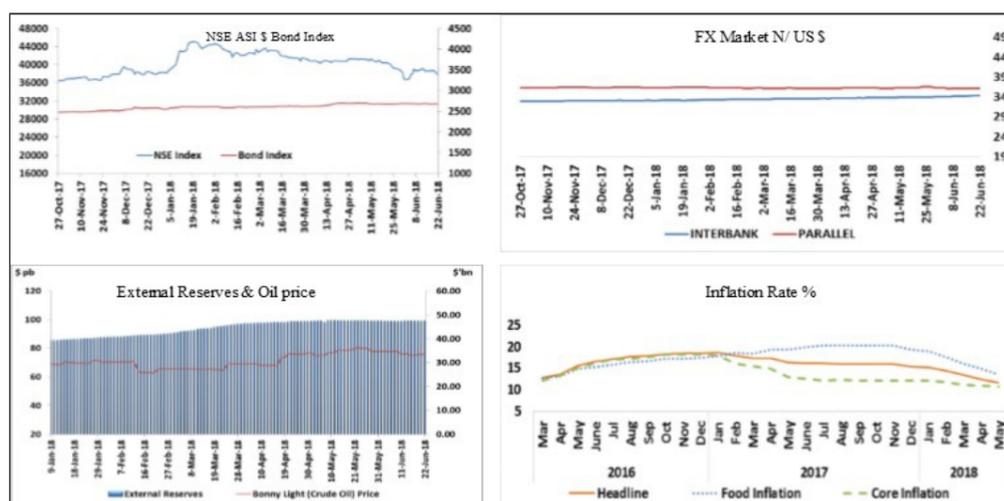


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.95	Q1 2018 — lower by 0.11% compared to 2.11% in Q4 2017
Broad Money Supply (M2) (N' trillion)	24.52	Increased by 0.90% in Apr' 2018 from N24.30 trillion in Mar' 2018
Credit to Private Sector (N' trillion)	22.25	Decreased by 0.85% in Apr' 2018 from N22.44 trillion in Mar' 2018
Currency in Circulation (N' trillion)	1.96	Increased by 17.31% in Apr' 2018 from N1.67 trillion in Mar' 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)	47.63	June 13, 2018 figure — an increase of 0.02% from June start
Oil Price (US\$/Barrel)	75.82	June 22, 2018 figure — an increase of 0.77% in 1 week
Oil Production mbpd (OPEC)	1.71	May 2018 figure — a decrease of 3% from Apr' 2018 figure



STOCK MARKET

Indicators	Friday	Friday	Change(%)
	22/06/18	14/06/18	
NSE ASI	37,862.53	38,928.02	(2.74)
Market Cap(N'tr)	13.72	14.10	(2.74)
Volume (bn)	0.17	0.34	(50.32)
Value (N'bn)	1.43	5.25	(72.76)

MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	22/06/18	14/06/18	
OBB	2.83	3.67	(84.0)
O/N	3.58	4.25	(67)
CALL	3.29	16.88	(1358.8)
30 Days	13.40	15.11	(171)
90 Days	13.50	15.35	(184.8)

FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	Rate (N/\$)
	22/06/18	14/06/18	22/05/18
Official (N)	305.85	305.90	305.90
Inter-Bank (N)	343.87	342.71	340.12
BDC (N)	359.81	360.99	360.00
Parallel (N)	362.00	362.00	364.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	22/06/18	14/06/18	
3-Year	0.00	0.00	0.0
5-Year	13.33	13.24	8.3
7-Year	13.04	12.67	36.8
10-Year	13.48	13.23	24.4
20-Year	13.81	13.59	22.0

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Market Analysis and Outlook: June 22 - June 29, 2018

Global Economy

In the U.K., the Bank of England left its key bank rate unchanged at 0.5% at its June 21st 2018 meeting. In the Monetary Policy Committee's most recent projection, the gross domestic product (GDP) is expected to grow by an average of 1.75% each year over the forecast period. The Committee also voted to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves at 10 billion pounds. They also voted to keep the stock of UK government bond purchases, financed by the issuance of central bank reserves at 435 billion pounds. Moving on to East Asia, Japan's inflation rate climbed to 0.7% year-on-year in May 2018 from 0.6% in the previous month. Prices rose at a faster pace for food and transport, it however fell for housing. Japan's statistics agency revealed that food index peaked by 0.8% in May from 0.7% in April while the core sub-index (excluding the prices of agricultural produce) stood at 0.7%, same as the preceding month. Month-on-month, consumer prices accelerated at a slower rate of 0.1% when compared to 0.4% in the previous month. In South America, the Central Bank of Brazil maintained its key policy rate at 6.50% during its June 20, 2018 meeting. The Committee reiterated at its meeting that economic conditions prescribe accommodative monetary policy.

Local Economy

The apex bank in its Credit Conditions Survey report for Q2 2018 reported that the availability of secured credit to households increased during the second quarter of the year due to increased liquidity position. The demand for secured lending by households also rose during the quarter under review. The proportion of loan applications that were approved increased despite lenders' maintaining the same credit scoring criteria. It was also reported that the availability of unsecured credit to households increased during the reference quarter as well as the demand for unsecured lending from households. The availability of credit to the corporate sector increased as well as the demand for corporate credit across all firm sizes during the quarter. Regarding loan defaults, secured loan performance as measured by default rates improved in the review quarter while total unsecured loan performance to households worsened in Q2 2018. Corporate loan performance improved across all firm sizes. Regarding loan pricing, lenders reported that the overall spreads on secured lending rates on approved new loans to households relative to Monetary Policy Rate (MPR) remained unchanged in Q2 2018. The spreads on overall unsecured lending also remained static in the reference quarter.

Stock Market

Trading activities at the Nigerian Stock Exchange plunged in the week ended June 22, 2018. The bearish performance was due to profit taking. The All Share Index (ASI) plummeted by 2.74% or 1,065.49 points to 37,862.53 from 38,928.02 points the previous week. Likewise, market capitalization declined by 2.74% to N13.72 trillion from N14.10 trillion the preceding week. The performance was influenced by losses in the stocks of companies in the industrial goods sector. This week, investors may begin to reposition in anticipation of the release of listed companies' half year scorecards.

Money Market

Liquidity prevailed at the money market last week causing rates to decline across most

tenors. Inflows from Open Market Operation (OMO) maturity flooded the market with no corresponding OMO auction to mop up liquidity during the week. Open Buy Back (OBB) and the Over Night (O/N) rates slipped to 2.83% and 3.58% from 3.67% and 4.25% respectively the previous week. Longer tenured interbank rates also dropped. The 30-day and 90-day Nigerian Interbank Offer Rates (NIBOR) settled at 13.40% and 13.50% from 15.11% and 15.35% respectively. This week, rates may trend northwards due to expected Retail Secondary Market Intervention Sales (SMIS).

Foreign Exchange Market

The naira rates recorded varying performances at the different segments of the market. The interbank window depreciated marginally to N343.87/\$ from N342.71/\$ representing a drop of N1.16kobo. The parallel market rate remained stable at N362/\$. However, the official rate appreciated marginally by 5 kobo to settle at N305.85/\$ from N305.90/\$ the previous week. The appreciation and stability recorded in the parallel and official market segments may be attributed to the apex bank's regular efforts to boost FX liquidity and alleviate dollar shortages. This week, we envisage the stability in the market would continue due to consistent FX liquidity by the CBN.

Bond Market

Average bond yields ascended in the week ended June 22, 2018 as local and international counterparties increased supply in the market. Yields on the five-, seven- and ten-year debt papers finished at 13.33%, 13.04% and 13.48% from 13.24%, 12.67% and 13.23% respectively the previous week. The Access Bank Bond index dived by 8.38 points or 0.31% to close at 2,677.34 points from 2,685.72 points the previous week. This week bond yields may decline depending on the volume of bonds sold at the expected auction and the rate at which they are auctioned.

Commodities

Oil prices spiked last week, as the Organization of the Petroleum Exporting Countries (OPEC) made efforts to conclude on the deal to increase output to compensate for losses in production at a time of rising global demand. Bonny light, Nigeria's benchmark crude, settled higher at \$75.82 per barrel, up 58 cents, or 0.77%, from the previous week. In contrast, the prices of precious metals plunged last week, weighed down by a firm dollar and the possibility of higher interest rates in the U.S. Gold lost 2.2% or \$28.55 to settle at \$1,270.15 per ounce. Silver also dropped by 54 cents, or 3.2%, to settle at \$16.41 an ounce. This week, oil prices would be determined by the decision taken by OPEC and Russia at the Vienna meeting, as a more relaxed policy may push prices lower to \$70 per barrel and a restrictive measure may support crude prices towards \$80 per barrel mark. Precious metals prices may likely remain pressured due to expectations of additional rate hikes by the US Fed as well as the strengthening dollar.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jun'18	Jul'18	Aug'18
Exchange Rate (Official) (N/\$)	344.80	345	346.02
Inflation Rate (%)	11.00	10.50	10.20
Crude Oil Price (US\$/Barrel)	75.2	75.9	76