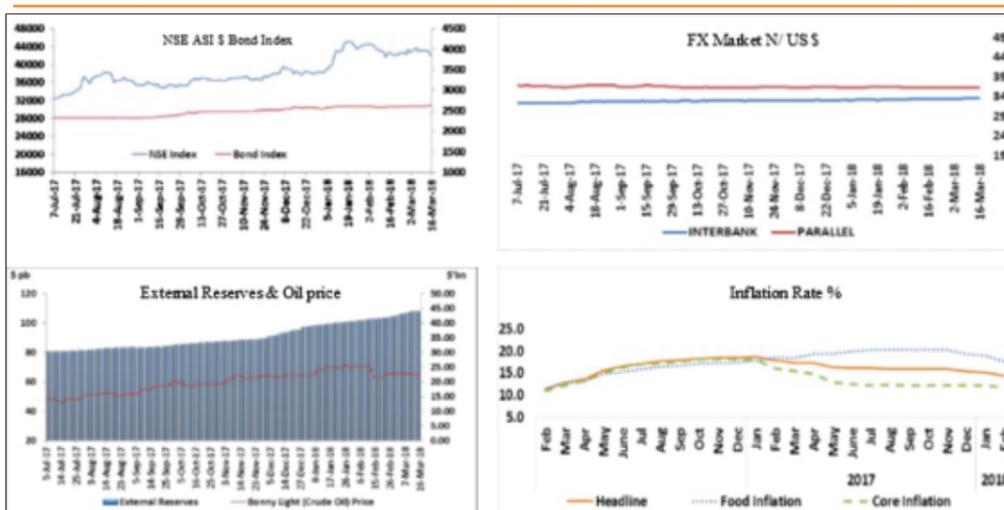


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.92	Q4 2017 — higher by 0.52% compared to 1.40% in Q3 2017
Broad Money Supply (M2) (N' trillion)	24.02	Increased by 0.79% in Feb' 2018 from N23.83 trillion in Jan 2018
Credit to Private Sector (N' trillion)	22.62	Increased by 2.88% in Feb' 2018 from N21.99 trillion in Jan 2018
Currency in Circulation (N' trillion)	1.94	Decreased by 0.42% in Feb' 2018 from N1.95 trillion in Jan 2018
Inflation rate (%) (y-o-y)	14.33	Declined to 14.33% in Feb' 2018 from 15.13% in Jan'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)	43.68	March 13, 2018 figure — an increase of 3.37% from Feb start
Oil Price (US\$/Barrel)	65.79	March 16, 2018 figure - an increase of 0.12% from a prior week
Oil Production mbpd (OPEC)	1.81	Feb' 2018 figure — an increase of 1.40% from Jan'2018 figure



STOCK MARKET

Indicators	Friday 16/03/18	Friday 9/03/18	Change(%)
NSE ASI	41,935.90	43,167.86	(2.85)
Market Cap(N'tr)	15.00	15.51	(3.26)
Volume (bn)	0.43	1.54	(72.23)
Value (N'bn)	7.10	19.71	(63.98)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	16/03/18	9/03/18	
OBB	11.83	8.50	333.0
O/N	12.92	9.17	375
CALL	8.31	10.20	(188.8)
30 Days	15.23	15.85	(61)
90 Days	16.60	16.79	(18.2)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	16/03/18	9/03/18	16/02/18
Official (N)	305.75	305.80	305.95
Inter-Bank (N)	335.81	335.67	334.71
BDC (N)	360.00	360.42	360.50
Parallel (N)	363.00	362.00	363.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	16/03/18	9/03/18	
3-Year	0.00	0.00	0.0
5-Year	13.40	13.76	(36.2)
7-Year	13.69	13.96	(26.8)
10-Year	13.54	13.75	(20.7)
20-Year	13.46	13.55	(9.7)

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Market Analysis and Outlook: March 16 - March 23, 2018

Global Economy

In the U.S., consumer prices rose by 2.2% year-on-year in February 2018, a slight increase from the 2.1% recorded the previous month. Inflation rate edged up as a result of higher prices of fuel, transportation services, energy and apparel. Month-on-month consumer prices eased to 0.2% from 0.5% gain in January according to the Bureau of Labor Statistics. Core inflation rose to 1.8% from a year ago for the third straight month. Elsewhere in the UK, trade deficit in goods and services expanded by a huge gap to GBP 3.074 billion in February 2018 from GBP 0.6 billion in January 2018. According to the Office for National Statistics (ONS), this was largely as a result of increase in imported goods such as aircraft and cars from non-EU countries and fuels (refined oil) from European Union countries. Import of goods and services to the UK increased to 2.6% to GBP 56.72 billion in January revised GBP 55.28 billion in the prior month while exports increased at a slower rate to 1.6% GBP 53.65 billion in January revised GBP 52.78 billion in December. In a separate development, India's inflation rate rose at a slower pace of 4.44% year-on-year in February 2018, 0.63% lower than the rate recorded in January 2018. It is the lowest inflation rate in four months according to the Reserve Bank of India. Among the Consumer Price Index (CPI) components, food inflation dipped to 3.38% in February 2018 from 4.58% in January, mainly contributing to the decline in headline inflation.

Local Economy

The Consumer Price Index (CPI) which measures inflation rose by 14.33% year-on-year in the month of February 2018, which is 0.8% points lower than the 15.13% recorded in January 2018. This represents the thirteenth consecutive month of decline in the rate of inflation since January 2017. Food index increased by 17.59% (year-on-year) in February, slightly lower than 18.92% recorded in January, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce increased by 11.7%, 0.4% points lower than 12.1% in January. During the month, the highest increases were seen in the prices of bread & cereals, vegetables, meat, potatoes, yams, & other tubers, coffee, tea & cocoa, milk, cheese & egg and fish. Others are Fuel and lubricants for personal transport equipment, Maintenance and repair of personal transport equipment, Narcotics, Vehicle spare parts, Passenger transport by air, Clearing, repair and hire of clothing and Hospital services. In a separate development, the Central Bank of Nigeria (CBN) in a recent publication introduced guidelines for the regulation of bills payments directed at protecting stakeholders in the system. The stakeholders include: the payer, the biller, the payer's bank, the biller's bank and the payments service provider (PSP). The regulation mandates billers and payment service providers to provide customer support services by creating help desks to facilitate resolution of service issues in different payment methods such as cheques, cards, direct debit, instant payments and automated clearing houses. The scope of the regulation, titled "Regulation for Bill Payments in Nigeria" covers bill payments on various bill payment channels and any payment platform that seeks to integrate the payment side of commercial activity and merchant aggregators in Nigeria. Objectives of this regulation is to document the minimum standards that must be complied with for the processing of bill payment transactions; to identify stakeholders in Bill Payment system space; to ensure achievement of the vision of a 'nationally utilized and international recognized' payments system in Nigeria and to ensure adequate protection for the stakeholders in the Bill Payment system space.

Stock Market

Trading at the local bourse closed on a bearish note as investors' sentiment remained negative despite the release of impressive 2017 results by some blue chip companies.

The All Share Index (ASI) lost 2.9% or 1,231.96 points to close at 41,935.90 points from 43,167.86 points the previous week. Similarly, market capitalization fell by 3.3% to close at N15 trillion from N15.51 trillion the previous week. Market outlook maybe positive this week with the possibility of a rebound as investors take advantage of stocks with attractive valuations.

Money Market

The direction of money market rates trended upwards in the week ended March 16, 2018 due to retail Secondary Market Intervention Sales (SMIS) held during the week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 11.83% and 12.92% from 8.5% and 9.17% respectively the previous week. Longer dated placements however, trended downwards. The 30-day and 90-day NIBOR closed lower at 15.23% and 16.60% from 15.85% and 16.79% the prior week. This week, rates may trend lower due to expected Open Market Operation (OMO) maturity of N151 billion.

Foreign Exchange Market

The local currency depreciated marginally at the parallel market to N363/\$, from N362/\$ the previous week. The naira also depreciated at the interbank window by 14kobo to close at N335.81/\$ from N335.67/\$ the previous week. The local currency however appreciated slightly at the official market to N305.75/\$ from N305.80/\$ the previous week. The relative stability of the local currency was bolstered by some offshore inflow for the apex bank's Open Market Operation (OMO) auction. This week, we envisage the naira remaining around current levels, sustained by the apex bank.

Bond Market

Last week, average bond yields moderated for the third consecutive week due to demand on short term placements. Positive counterparty sentiment towards short term placements resulted in lower yields. The release of the Bond offer circular may have also contributed as the offer revealed that less bonds will be offered. Yields on the five-, seven-, ten- and twenty-year debt papers settled at 13.40%, 13.69%, 13.54% and 13.46% from 13.76%, 13.96%, 13.75% and 13.55% respectively the previous week. The Access Bank Bond index increased by 14.42 points or 0.55% to close at 2,621.11 points from 2,606.69 points the previous week. This week, the bond auction expected to hold will determine the trend of the market.

Commodities Market

Oil prices picked up last week after the International Energy Agency (IEA) said global crude demand would accelerate this year. The IEA raised its forecast for oil demand in 2018 to 99.3 million barrels per day (bpd) from 97.8 million bpd in 2017. Nigeria's benchmark crude, Bonny light, rose to \$65.79 per barrels from \$65.71 per barrel the previous week. Prices of precious metals also picked up, supported by a weaker dollar and safe-haven demand amid U.S. political concerns and tensions between the United Kingdom and Russia. Gold price rose marginally by 0.1% to \$1,320.01 an ounce from \$1,319.20 an ounce the previous week. Silver also rose by 0.1% to \$16.49 from \$16.48 an ounce the previous week. The potential of an increase in global oil demand may continue to support oil prices even as concerns on increasing global supply persist. Precious metal prices may be pressured by expectations of a rate hike by the U.S. Federal Reserve this week.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Mar'18	Apr'18	May'18
Exchange Rate (Official) (N/\$)	335.85	336.02	337.50
Inflation Rate (%)	14.14	13.96	13.74
Crude Oil Price (US\$/Barrel)	65	67	68