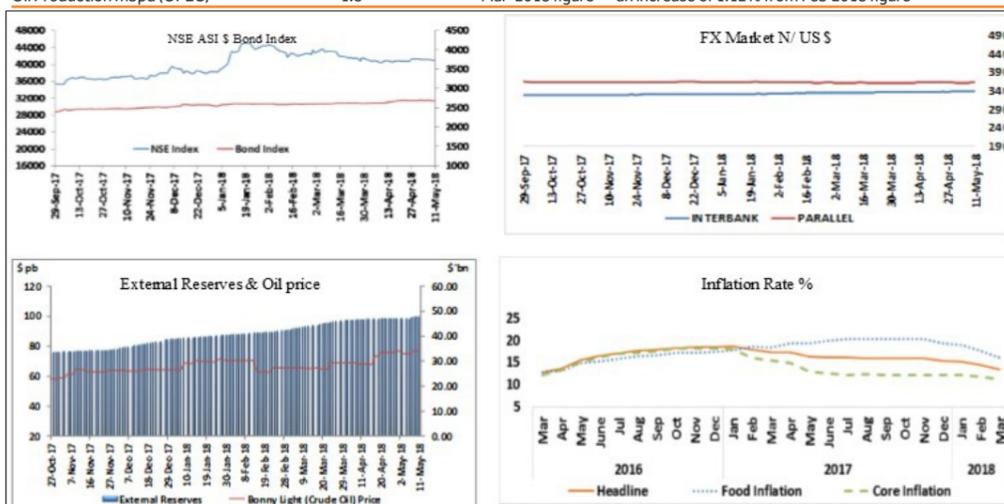


Access Bank Rateswatch

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)	24.30	Increased by 1.18% in Mar' 2018 from N24.02 trillion in Feb' 2018
Credit to Private Sector (N' trillion)	22.44	Decreased by 0.78% in Mar' 2018 from N22.62 trillion in Feb' 2018
Currency in Circulation (N' trillion)	1.67	Decreased by 13.88% in Mar' 2018 from N1.94 trillion in Feb' 2018
Inflation rate (%) (y-o-y)	13.34	Declined to 13.34% in Mar' 2018 from 14.33% in Feb' 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)	47.86	May 10 2018 figure — an increase of 1.06% from May Start
Oil Price (US\$/Barrel)	76.86	May 11, 2018 figure — a decrease of 2.29% from the previous week
Oil Production mbpd (OPEC)	1.8	Mar' 2018 figure — an increase of 1.12% from Feb' 2018 figure



STOCK MARKET

Indicators	Friday	Friday	Change(%)
	11/5/18	4/5/18	
NSE ASI	41022.31	41218.72	(0.48)
Market Cap(N'tr)	14.86	14.93	(0.47)
Volume (bn)	0.21	0.25	(13.63)
Value (N'bn)	4.23	3.77	12.41

MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	11/5/18	4/5/18	
OBB	65.0000	2.8300	2196
O/N	73.4200	3.3300	2105
CALL	76.0500	3.0000	7305
30 Days	14.5038	11.2696	323
90 Days	15.4722	12.9418	253

FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	Rate (N/\$)
	11/5/18	4/5/18	11/4/18
Official (N)	305.75	305.70	305.55
Inter-Bank (N)	338.91	338.71	337.39
BDC (N)	360.50	360.00	359.81
Parallel (N)	363.00	362.00	362.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	11/5/18	4/5/18	
3-Year	0.00	0.00	0
5-Year	13.38	12.68	70
7-Year	12.60	12.52	8
10-Year	13.30	12.98	32
20-Year	13.26	13.07	19

Disclaimer

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

Market Analysis and Outlook: May 11 - May 18, 2018

Global Economy

In the US, the non-farm payrolls registered 164,000 job gains in April, up from an upwardly revised 135,000 in March, a report by the Bureau of Labour Statistics showed. The gain in payrolls reduced the unemployment rate by 0.2 percentage points to 3.9% in April, after it had remained unchanged at 4.1% for six months. This is the lowest unemployment rate since 2000. In China, the Caixin Manufacturing Purchasing Managers Index (PMI) rose by 0.1 index points to 51.1 in April, an indication of sustained growth momentum. While the output sub index rose modestly on a monthly basis, new export orders declined for the first time in seventeen months, indicating cooling foreign demand. In the UK, the Monetary Policy Committee (MPC) of the Bank of England (BoE) last week voted to leave the Bank Rate unchanged at 0.50%. The Bank voted unanimously to continue its purchases of investment-grade corporate bonds of up to GBP 10 billion and to maintain the total stock of UK government bond purchases at GBP 435 billion. In the Eurozone, the preliminary GDP figure for Q1 2018 moderated to 0.4% quarter-on quarter (q-o-q), from 0.7% in Q4 2017, data from the European Union Statistics agency showed. Growth was pulled down slightly by France and Austria, while growth was unchanged in Spain and Italy. Temporary factors, including cold weather, striking workers, and an outbreak of the flu weighed on GDP growth in Q1 2018. In Brazil, the consumer price index rose 2.76% in April from a year before, up from the 2.68% pace in March according to the country's statistics office (IBGE). April's acceleration in inflation came as prices for clothing and health care rose more quickly. Even with the faster pace of price increases, the inflation rate remains below the Central Bank of Brazil's target range of 3% to 6%.

Local Economy

According to the National Bureau of Statistics (NBS), the recently released Capital Importation report showed that there was an upswing in the total value of capital imported in Q1 2018 which stood at \$6.30 billion. This marked the fourth consecutive quarterly increase since Q2 2017. A breakdown of the total capital inflow revealed that 72.4% came via portfolio investments, 23.67% from other investments (comprising trade credits, loans, currency deposits and other claims) and 3.9% from Foreign Direct Investment (FDI). The Portfolio Investment grew to \$4.56 billion from \$3.47 billion in the previous quarter while other investment recorded \$1.49 billion in Q1 2018, declining by 2.29% from Q4 2017, however, growing by 289.25% compared to the corresponding period of 2017. FDI settled at \$246.62million. The top 3 countries with the highest value for capital importation are UK, US and Republic of South Africa leaving Canada, Botswana and India as the lowest 3 countries. In another news, total credit to private sector stood at N15.06trillion in Q1 2018. Oil & gas continued to receive the highest allocation at N3.43 trillion (21.92%), followed by manufacturing with N2.08 trillion (13.29%). The lowest contribution is to the mining and quarrying sector with N10.47 million (0.07%) of total allocation. In a separate development, total volume of transactions recorded on Electronic Payment Channels (EPC) in Q1 2018 was 457.23 million valued at N32.48 trillion. Automated Teller Machine (ATM) transactions dominated with 212.37million valued at N1.57 trillion.

Stock Market

Trading indicators at the local bourse ticked down last week. The negative performance occurred at a time when it is expected that investors should be positioning their portfolio in anticipation for Q1 earnings scorecards. The All Share Index (ASI) slipped by 196.41 points to close at 41,022.31 points from 41,218.72 points the previous week, representing a loss of 0.5%. Similarly, market capitalization lost 0.5% to close at N14.86 trillion from N14.93 trillion the previous

week. Stocks in the industrial goods, consumer goods and the oil & gas sectors aided the decline in the market as investors took profit from gains that had built up in previous weeks. This week, performance gauges may trend upwards as bargain-hunting sentiment takes hold.

Money Market

Rates significantly accelerated last week as a result of Open Market Operation (OMO) auction of about N450 billion and retail Secondary Market Intervention Sales (SMIS) sucked up market liquidity. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates ascended to 65% and 73.42% from 2.83% and 3.33% respectively the previous week. Longer dated placements also increased. The 30-day and 90-day NIBOR finished higher at 14.50% and 15.47% from 11.27% and 12.94% the previous week. This week, rates may remain elevated due to expected OMO auction.

Foreign Exchange Market

The naira-dollar exchange rate at all market segments depreciated last week. At the official window, it lost 5 kobo to settle at N305.75 from N305.70 the previous week. Interbank rate pared 20 kobo to close at N338.91/\$ from N338.71/\$ while the parallel market rate lost N1, closing at N363/\$. The depreciation recorded at the parallel market may have resulted from high demand occasioned by tight dollar liquidity following some exit from the bond market by offshore investors due to fall in yields. Multinational companies also repatriating dividends contributed to the naira weakness. This week, the naira may likely face more pressure stemming from more FX outflows relating to low yields in the fixed income space.

Bond Market

Bond yields ticked higher for the third consecutive week due to large sell-offs across all placements from counterparties. Sales were driven by investor's appetite for higher rates in OMO instruments and tight liquidity. Yields on the five-, ten- and twenty-year debt papers closed at 13.38%, 13.30% and 13.26% from 12.68%, 12.98% and 13.07% respectively the previous week. The Access Bank Bond index declined by 15.52 points or 0.58% to finish at 2,679.49 points from 2,695.01 points the previous week. The direction of bond yields would be determined by the expected bond auction and the release of the bond calendar.

Commodities Market

Oil prices surged in the week ended May 11, 2018 due to concerns on the potential disruption to oil flows from major exporter Iran in view of U.S. sanctions as well as Venezuela's crude production further declining. The Organization of Petroleum Exporting Countries (OPEC) benchmark crude added \$3.80 or 5.38% to \$74.46 per barrel from \$71 the previous week. Bonny light, the Nigerian benchmark crude also marginally increased to \$76.86 from \$75.14 by \$1.72 in the previous week. The price of precious metals rebounded after the third week-on-week drop. Prices were driven up by a weaker dollar and lower U.S. bond yields. Gold price inched higher by \$15.28 to \$1324.41 per ounce from \$1309.13 per ounce in the preceding week representing a 1.17% rise. Silver price on the other hand slightly increased to \$16.78 from \$16.39 depicting a 2.4% expansion. The tension between Iran and the U.S. may continue to uphold crude oil prices. Precious metals prices may remain elevated due to the geopolitical tension between the U.S and Iran.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	May'18	Jun'18	Jul'18
Exchange Rate (Official) (N/\$)	338.50	339.90	340.10
Inflation Rate (%)	11.89	11.50	10.80
Crude Oil Price (US\$/Barrel)	76	77	77