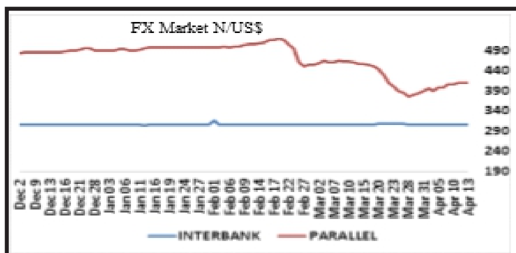
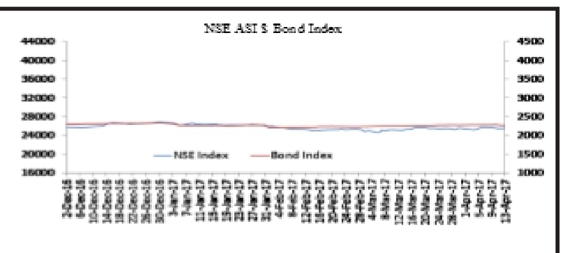
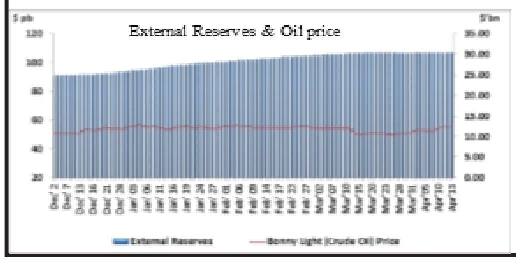
Access Bank Rateswatch

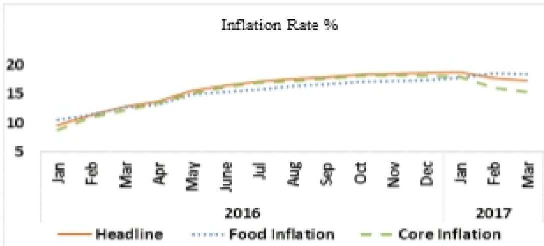
KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-1.30	Q4 2016 — an increase of 0.94% from -2.24 in Q3 2016
Broad Money Supply (M2) (N' trillion)	22.37	Decreased by 4.3% in Feb'2017 from N23.38 trillion in Jan'2017
Credit to Private Sector (N' trillion)	22.36	Increased by 0.09% in Feb'2017 from N22.34 trillion in Jan'2017
Currency in Circulation (N' trillion)	1.98	Decreased by 0.8% in Feb'2017 from N1.99 trillion in Jan'2017
Inflation rate (%) (y-o-y)	17.78	Declined to 17.78% in Feb'2017, from 18.72% in Jan'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)	30.42	April 12, 2017 figure — an increase of 0.36% from April-start
Oil Price (US$/Barrel)	55.16	April 13, 2017 figure — an increase of 4.65% in 1 week.
Oil Production mbpd (OPEC)	1.54	Mar'2017 figure — a decrease of 1.90% from Feb'2017 figure









STOCK MARKET

Indicators	Friday 13/4/17	Friday 7/4/17	Change(%)
NSE ASI	25,510.01	25,746.52	(0.92)
Market Cap(N'tr)	8.83	8.91	(0.92)
Volume (bn)	0.35	0.11	223.60
Value (N'bn)	2.28	0.91	151.17

MONEY MARKET

NIBOR

Tenor	Friday Rate (%) 13/4/17	Friday Rate (%) 7/4/17	Change (Basis Point)
Call	166.7500	15.0000	15175
7 Days	0.0000	0.0000	0
30 Days	18.5671	16.3167	225
60 Days	0.0000	0.0000	0
90 Days	21.6018	20.0440	156

FOREIGN EXCHANGE MARKET

Market	Friday (N/$) 13/4/17	Friday (N/$) 7/4/17	1 Month Rate (N/$) 13/3/17
Official (N)	306.05	306.15	306.0
Inter-Bank (N)	306.05	306.15	306.0
BDC (N)	0.0	0.0	0.0
Parallel (N)	410.0	405.0	460.0

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%) 13/4/17	Friday (%) 7/4/17	Change (Basis Point)
3-Year	0.00	0.00	0
5-Year	16.38	15.85	53
7-Year	16.10	15.81	29
10-Year	14.38	14.19	19
20-Year	15.96	15.73	23

COMMODITIES MARKET

Indicators	13/4/17	1-week Change (%)	YTD (%)
Energy			
Crude Oil $/bbl)	55.16	4.65	51.71
Natural Gas ($/MMBtu)	3.16	(4.24)	34.47
Agriculture			
Cocoa ($/MT)	1951.00	(4.92)	(39.49)
Coffee ($/lb.)	141.55	3.32	14.38
Cotton ($/lb.)	76.40	2.85	19.92
Sugar ($/lb.)	16.90	1.26	11.11
Wheat ($/bu.)	447.50	5.85	(4.89)
Metals			
Gold ($/t oz.)	1285.75	1.80	21.10
Silver ($/t oz.)	18.55	0.98	33.74
Copper ($/lb.)	256.40	(2.51)	20.12

NIGERIAN INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Friday (%) 13/4/17	Friday (%) 7/4/17	Change (Basis Point)
1 Mnth	16.25	14.48	177
3 Mnths	19.70	17.81	189
6 Mnths	20.33	19.57	76
9 Mnths	21.76	0.00	2176
12 Mnths	22.58	0.00	2258

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Friday (%) 13/4/17	Friday (%) 7/4/17	Change (Basis Point)
Index	2,272.86	2282.82	(0.44)
Mkt Cap Gross (N'tr)	6.67	6.70	(0.44)
Mkt Cap Net (N'tr)	4.21	4.25	(0.94)
YTD return (%)	-7.40	-6.99	(0.41)
YTD return (%)(US $)	-62.75	-62.42	(0.33)

TREASURY BILLS (MATURITIES)

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	35,000	13.5511	05-Apr-2017
182 Day	33,490.88	17.2121	05-Apr-2017
364 Day	166,403.15	18.7411	05-Apr-2017

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

Market Analysis and Outlook: Apr 14 - Apr 21, 2017

Global Economy

In the United States, the unemployment rate declined to 4.5% in March 2017 compared to 4.7% in February. It is the lowest unemployment rate since May 2007. Data from the Bureau of Labour Statistics (BLS) revealed that the number of unemployed persons dropped by 326,000 to 7.2 million. The labour force participation rate remained unchanged at 63% in March and the employment-population ratio was 60.1%. Elsewhere in East Asia, China recorded a trade surplus of $23.9 billion in March 2017, rebounding from the trade deficit of $9.15 billion posted in February and higher than a trade surplus of $25.2 billion in the previous year. According to the General Administration of Customs of China, exports in March increased by 16.4% year-on-year after a decline of 1.3% in February, and imports climbed 20.3%, lower than the 38.1% jump in the previous month. In the first quarter of 2017, exports rose by 8.2%. Exports increased to Hong Kong, India, Japan, South Korea, Taiwan, ASEAN countries, EU countries, South Africa, Brazil, Russia, the US, Australia and New Zealand. Imports rose by 24%, driven by purchases of crude and agricultural products amongst others. The European Union was the major import partner. In a separate development, India's consumer prices rose to 3.81% year-on-year in March 2017, higher than 3.65% increase recorded in February. According to the Central Statistics Office, food inflation slowed to 1.93% from 2.01% in February. Year-on-year, cost of food and beverages climbed 2.54%. Inflation rates in rural and urban areas rose to 3.75% and 3.88% from 3.67% and 3.55% in February.

Local Economy

The Consumer Price Index (CPI) which measures inflation further declined to 17.26% (year-on-year) in March 2017, which is 0.52% points lower than the 17.78% recorded in February. This is the second consecutive month of decline in the headline CPI on a year-on-year basis. Increases were recorded in all Classification of Individual Consumption by Purpose (COICOP) divisions that result in the Headline Index. The food sub index dropped by 18.44% (year-on-year) in March, slightly lower by 0.09% points from 18.53% recorded in February. During the month, slowest increases were recorded in soft drink, coffee, tea and cocoa. The core sub-index, which excludes prices of farm produce declined by 15.40% year-on-year in March which is 0.6% lower than 16% that was recorded in February. During the month, the highest increases were seen in housing, water, electricity, gas & other fuels, education, food & alcoholic beverages, clothing & footwear and transportation services. In another development, the Central Bank of Nigeria (CBN), opened a special foreign exchange window for Small and Medium Enterprises (SMEs), to enable them import eligible finished and semi-finished items not exceeding $20,000 for an enterprise per quarter. The apex bank also reduced the tenor for its forwards foreign exchange transactions from 60 days to 30days. Under this arrangement, enterprises with employee strength of between 10 to 199 and asset base of between N5 million to less than N500 million will be offered the opportunity to import eligible items within the approved threshold.

Stock Market

The local bourse closed on a negative note last week, reversing the gains of the previous week as the major market indicators trended downwards. The All Share Index (ASI) lost 236.51 points to close at 25,510.01 points from 25,746.52 points the previous week, representing 0.9% decline. Similarly, market capitalization lost 0.9% to close at N8.83 trillion from N8.91 trillion the previous week. The negative performance may be attributed to profit taking by investors due to the recent rally in oil and gas stocks and other highly capitalized stocks. This week, we anticipate that the benchmark indices will further trend downwards on profit taking activities by short-term investors.

Money Market

Cost of borrowing trended upwards last week across most tenor placements. Short tenor placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 60.83% and 66.83% from 14.67% and 15.25% the previous week. Market liquidity was drained due to the Secondary Market Intervention Sales (SMIS) and debit for the special window for Small and Medium Enterprises (SMEs). Longer tenured rates such as the 30-day and 90-day NIBOR also rose to 18.57% and 21.60% from 16.32% and 20.04% respectively the previous week. This week, rates may likely remain high due to CBN debit for bond auction of about N105.32 billion.

Foreign Exchange Market

The naira appreciated by 0.03% at the interbank segment last week to a new rate of N306.05/$ from N306.15/$ the previous week. In contrast, at the parallel market segment, the local unit further depreciated to a rate of N410/$, from the previous week's rate of N405/$. The depreciation at the unofficial window may be attributed to demand by customers for immediate transactions. This was despite the $250 million in forwards sold to airlines, fuel importers and businesses and the $100 million sold on the spot market for PTA, school and medical fees. This week, naira is likely to remain stable at the interbank segment and appreciate at the unofficial segment due to the commencement of the special window for Small and Medium Enterprises.

Bond Market

Bond yields on the average rose across most maturities last week. The rise came as a result of sell-offs on particular bonds by investors in anticipation of higher rates at the bond auction during the week. Yields on the five-, ten- and twenty-year debt papers respectively rose to 16.38%, 14.38% and 15.96% from 15.85%, 15.81% and 15.73% for the corresponding maturities the previous week. The Access Bank Bond index declined by 9.96 points to close at 2,272.86 points from 2,282.82 points the prior week. This week, due to bond maturities, prices are expected to rise.

Commodities Market

Oil prices edged up last week supported by reports that the Organization of the Petroleum Exporting Countries (OPEC) may extend a coordinated production cut beyond the first half of the year. Consequently, Bonny Light, Nigeria's benchmark crude gained $2.45, or 4.6%, to close at $55.16 a barrel. In a similar vein, precious metals soared as rising global tension around Syria and North Korea increased demand for safe haven assets. Gold rose by 1.8% to close at $1,285.75 per ounce, while silver climbed 1.0% to settle at $18.55 an ounce. This week oil prices are likely to trend higher, supported by a shutdown at Libya's largest oilfield. For precious metals, heightened geopolitical jitters will sustain safe-haven demand and drive prices upward.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Apr'17	May'17	Jun'17
Exchange Rate (Official) (N/$)	305	305	305
Inflation Rate (%)	16.6	15.5	14.4
Crude Oil Price (US$/Barrel)	51	50	50

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