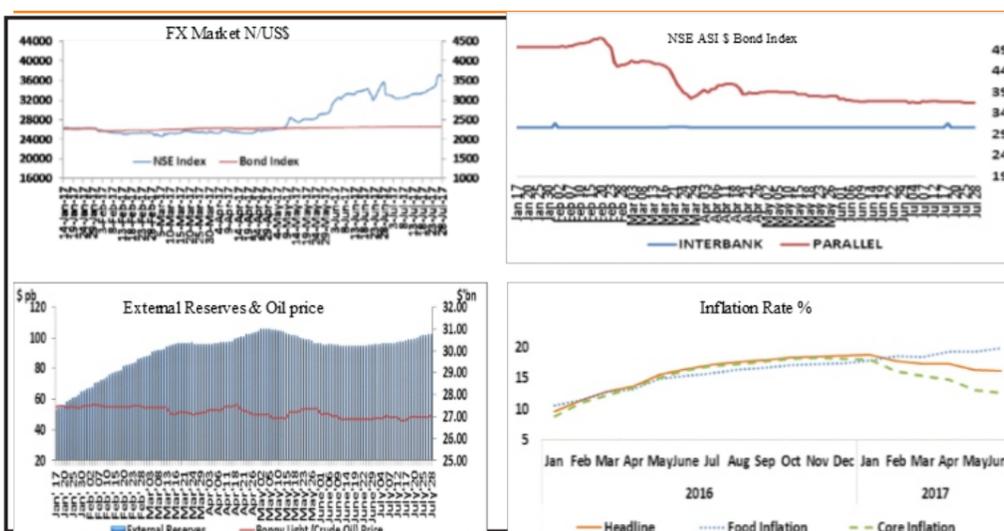


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	-0.52	Q1 2017 — higher by 1.21% compared to -1.73 in Q4 2016
Broad Money Supply (M2) (N' trillion)	21.67	Decreased by 1.37% in June 2017 from N21.98 trillion in May 2017
Credit to Private Sector (N' trillion)	21.98	Increased by 0.22% in June 2017 from N21.93 trillion in May 2017
Currency in Circulation (N' trillion)	1.87	Decreased by 1.28% in June 2017 from N1.89 trillion in May 2017
Inflation rate (%) (y-o-y)	16.10	Declined to 16.10% in June 2017 from 16.25% in May 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)	30.74	July 27, 2017 figure — an increase of 1.42% from July-start
Oil Price (US\$/Barrel)	49.84	July 28, 2017 figure — an increase of 3% in 1 week.
Oil Production mbpd (OPEC)	1.73	June 2017 figure — an increase of 5.86% from May 2017 figure



STOCK MARKET

Indicators	Friday 28/07/17	Friday 21/07/17	Change(%)
NSE ASI	36,864.71	34,020.37	8.36
Market Cap(N'tr)	12.71	11.73	8.36
Volume (bn)	0.53	0.38	38.98
Value (N'bn)	8.14	5.11	59.19

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	28/07/17	21/07/17	
OBB	5.0000	14.0000	(900)
O/N	5.8300	14.9200	(909)
CALL	11.3333	5.2000	613
30 Days	17.4835	18.2160	(73)
90 Days	20.7863	19.8502	94

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	28/07/17	21/07/17	28/06/17
Official (N)	306.65	305.80	305.90
Inter-Bank (N)	306.65	305.80	305.90
BDC (N)	362.00	362.00	362.00
Parallel (N)	365.00	366.00	370.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	28/07/17	21/07/17	
3-Year	0.00	0.00	0
5-Year	16.40	16.38	2
7-Year	16.74	16.72	3
10-Year	11.66	11.63	2
20-Year	16.22	16.17	5

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.

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

Market Analysis and Outlook: July 28 - August 04, 2017

Global Economy

In the United States, the gross domestic product (GDP) accelerated by 2.6% in the Q2 2017, an improvement over the 1.2% recorded in Q1 2017. The growth was driven by strong consumer spending and a rebound in government consumption. The Bureau of Economic Analysis (BEA) revealed that personal consumption expenditure (PCE) grew by 2.8% in Q2 2017 compared to 1.9% in Q1 2017. Government expenditure and investment rose by 0.7%, an improvement over a negative growth of 0.6% in the previous quarter. Exports and imports increased at a slower rate in the second quarter. Exports climbed by 4.1%, lower than 7.3% reported in the first quarter of the year, and imports rose by 2.1%, also lower than 4.3% reported in the previous quarter of 2017. In the United Kingdom, the gross domestic product (GDP) suffered a notable slowdown in the second quarter of 2017 as it grew by only 0.3% quarter-on-quarter. The growth is only slightly higher than 0.2% recorded in the first quarter of the year. The mild growth was driven by services mainly in film production & distribution and retail trade, as reported by the Office for National Statistics (ONS). The services sector was the major contributor to the Q2 2017 GDP, as it contributed 0.42% to the GDP. In East Asia, Japan's unemployment rate fell back to 2.8% in June 2017, from 3.1% in the previous month. This is the lowest rate recorded in twenty-three years. In the month of June, 1.89 million unemployed persons were recorded, less than the figure reported by Japan statistics in May by 160,000 persons.

Local Economy

According to the Nigerian Stock Exchange report on domestic and foreign portfolio investment (FPI), the total number of transactions at the nation's bourse increased by 7.13% in June to N220.27 billion from N205.61 billion recorded in May. Domestic transactions surged by 7.53% to N118.74 billion in June from N110.42 billion in May. Foreign transactions also increased by 6.66% to N101.51 billion from N95.19 billion the prior month. Compared to the month of May, monthly foreign inflows dropped by 10.95% to N65.93 billion in June from N73.15 billion in May. While, foreign outflows climbed by 38.09% to N35.60 billion in June from N22.04 billion in the previous month. Compared to the first half of year 2016, total foreign portfolio investments (FPI) transactions increased by 59.81% to N430.23 billion from N269.22 billion, while total domestic transactions climbed by 42.19% to N355.19 billion from N505.03 billion. In a separate development, the Monetary Policy Committee of the Central Bank of Nigeria at their meeting on July 24th and 25th, 2017 retained the monetary policy rate (MPR) at 14%, after considering the headwinds plaguing the domestic economy as well as the uncertainties in the global space. The committee also retained other monetary policy parameters such as the Cash Reserves Ratio at 22.5%, the Liquidity Ratio at 30% and the Asymmetric Corridor at +200 basis points and -500 basis points around the MPR.

Stock Market

Last week, trading activities at the local bourse closed on an impressive note once again, as stock market indicators soared above previous weeks' close. The positive performance reflects investors positioning for earnings season as well as increasing confidence in the economy. Consequently, the All Share Index (ASI) closed higher by 8.4% or 2,844.71 points to settle at 36,864.71 points from 34,020.37 points the previous week. Similarly, market capitalization gained 8.4% to close at N12.71 trillion from N11.73 trillion the previous week. The market

was all in the green thanks to the consumer goods, industrial goods and agriculture sectors. This week, the upward trend may be sustained as investors wait on corporate earnings release.

Money Market

The direction of money market rates was mixed last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 5% and 5.83% from 14% and 14.92% respectively the previous week, triggered by an inflow of about N310 billion from monthly Federal Account Allocation Committee (FAAC) as well as Open market Operation (OMO) maturity and bond maturity. The 30-day Nigerian Interbank Offered Rate (NIBOR) declined to 17.48% from 18.22% while the 90-day NIBOR rose to 20.79% from 19.85% the previous week. This week, rates are likely to remain subdued as a result of improved liquidity from OMO maturity of about N229 billion.

Foreign Exchange Market

The naira weakened against the U.S. dollar at the interbank segment by 85kobo last week to a new rate of N306.65/\$ from N305.80/\$ the previous week, reflecting a higher closing rate at which the apex bank sold the greenback to commercial banks. Meanwhile, the naira appreciated slightly at the parallel market segment to N365/\$ from the previous week's rate of N366/\$, reflecting improved supply of the greenback in the FX market. This week, we envisage the naira hovering around current levels.

Bond Market

Average bond yields at the fixed income market rose across most maturities last week due to sell-offs by participants in the space. Yields on the five-, seven-, and ten-year debt paper rose to 16.40%, 16.74% and 11.66% from 16.38%, 16.72% and 11.63% respectively. The Access Bank Bond index rose marginally by 1.42 points to close at 2,323.64 points from 2,322.21 points the previous week. This week, yields are expected to decline due to improved liquidity.

Commodities Market

Oil prices edged higher last week, reaching fresh two-month highs as investors observed signs of easing oversupply. A report by the Energy Information Administration (EIA) revealed that U.S. crude stocks fell sharply by 7.2 million barrels last week due to strong refining activity. Bonny light, the Nigerian benchmark crude, gained 3% or \$1.45 to settle at \$49.84 per barrel last week from \$48.39 per barrel the previous week. Prices of precious metals trailed the same path as oil prices stemming from the statement by the Federal Reserve that it would begin to reduce its massive holdings of bonds. Gold touched its highest price in six weeks as it rose by 0.9% or \$11.69 to close at \$1,262.47 an ounce, silver also gained 1.2% or 20 cents to settle at \$16.65 an ounce. This week, oil prices may keep up the upward trajectory buoyed by oil exporter Saudi Arabia's plans to further reduce oil output in August. Prices of precious metals are also likely to continue their upward trend buoyed by the probability that the Federal Reserve would not raise the interest rate during their September meeting.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	July'17	Aug'17	Sept'17
Exchange Rate (Interbank) (N/\$)	305	305	305
Inflation Rate (%)	15.9	15.8	15.7
Crude Oil Price (US\$/Barrel)	49	48	48

* Revised