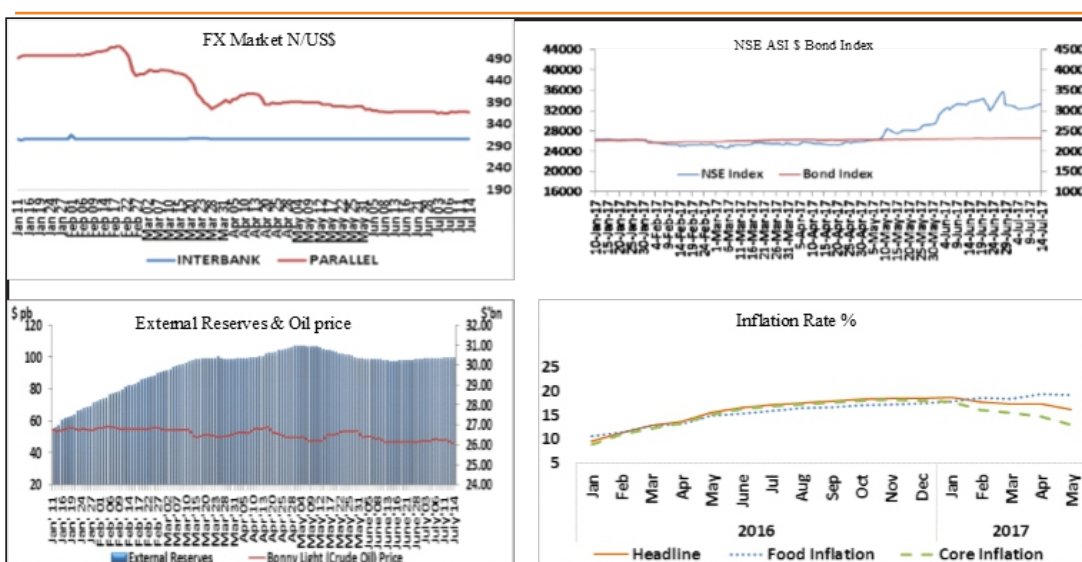


Access Bank Rateswatch

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)	21.97	Increased by 1.22% in May 2017 from N21.71 trillion in Apr'2017
Credit to Private Sector (N' trillion)	21.93	Decreased by 0.05% in May 2017 from N21.94 trillion in Apr'2017
Currency in Circulation (N' trillion)	1.89	Decreased by 3.94% in May 2017 from N1.98 trillion in Apr'2017
Inflation rate (%) (y-o-y)	16.25	Declined to 16.25% in May'2017 from 17.24% in Apr'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)	30.36	July 11, 2017 figure — an increase of 0.16% from July-start
Oil Price (US\$/Barrel)	46.21	July 14, 2017 figure — an decrease of 4.05% 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 14/07/17	Friday 7/07/17	Change(%)
NSE ASI	33,261.66	32,459.17	2.47
Market Cap(N'tr)	11.46	11.19	2.47
Volume (bn)	0.31	0.21	46.72
Value (N'bn)	3.27	2.47	32.19

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	14/07/17	7/07/17	
OBB	9.0000	15.0000	(600)
O/N	9.7500	15.2500	(550)
CALL	8.3333	15.7500	(742)
30 Days	19.8295	20.1166	(29)
90 Days	21.5121	21.9968	(48)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	14/07/17	7/07/17	14/06/17
Official (N)	305.90	306.00	305.70
Inter-Bank (N)	305.90	306.00	305.70
BDC (N)	362.00	362.00	362.0
Parallel (N)	367.00	370.00	370.0

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	14/07/17	7/07/17	
3-Year	0.00	0.00	0
5-Year	16.30	16.32	(2)
7-Year	16.55	16.49	6
10-Year	11.59	11.55	4
20-Year	16.14	16.02	13

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: July 14 - July 21, 2017

Global Economy

In the United Kingdom, the unemployment rate declined to 4.5% between March and May from 4.6% between February and April. According to the UK's Office for National Statistics (ONS), this rate is the lowest since June 1975. The number of unemployed persons dropped to 1.49 million people from 1.53 million people between February and April. Elsewhere in Asia, China recorded a slightly higher trade surplus of \$42.77 billion in June 2017 from a trade surplus of \$40.79 billion in May. The General Administration of Customs of China showed that year-on-year, exports rose by 11.3% to \$196.6 billion and imports climbed by 17.2% to \$153.8 billion. China's trade surplus to the U.S. expanded to \$25.4 billion in the month of June, from \$22 billion in the month of May. In a separate development, consumer prices in India rose by 1.54% year-on-year in June 2017. This was significantly lower than the rise of 2.18% in May 2017. The lower inflation rate was driven by a fall in food and oil prices as revealed by government data. The food index fell by 2.12% compared to a fall of 1.05% in May. Inflation rates for rural and urban areas came in at 1.59% and 1.41% respectively.

Local Economy

The Central Bank of Nigeria (CBN) in its economic report for the month of May revealed that Gross Federally-collected revenue in May 2017 was estimated at N458.42 billion, which was lower by 13.4% than the amount received in April. This therefore reflects a decline in both oil and non-oil revenue components. Domestic crude production was estimated at 1.63 million barrels per day (mbpd) or 50.53 million barrels (mb) in the month of May 2017, higher than 1.18 mbpd or 36.58 mb in the previous month. Under foreign exchange transaction, foreign exchange inflow through the CBN was reported at \$2.26 billion while foreign exchange outflow through the CBN was \$3.02 billion. Aggregate foreign exchange flow through the economy result in net inflow of \$2.60 billion. The CBN sold foreign exchange worth \$2.64 billion to authorised dealers in May. Regarding the fiscal operations of the government, the estimated total expenditure of the Federal Government (FGN) was reported at N583.32 billion. Recurrent and capital expenditure accounted for 61% and 34.3%, respectively. Overall, the fiscal operations of the FGN resulted in an estimated deficit of N397.74 billion. In another development, the Federal Government in its quarterly publication of the financial inclusion newsletter revealed that the financial exclusion rate slowed over a two year period from 39.5% in 2014 to 41.6% in 2016. According to the findings of Enhancing Financial Innovation and Access (EFInA), the major cause of the increase in exclusion rate was the challenging environment between 2015 and 2016 which had a direct negative effect such as low employment rate, lower disposable income and rising inflation rate. North West witnessed the highest increase in financial exclusion rate from 56% in 2014 to 70% in 2016, while South West witnessed a decrease in financial exclusion rate from 25% in 2014 to 18% in 2016.

Stock Market

The Nigerian stock exchange market closed on a positive note last week as major market indicators trended upwards. The All Share Index (ASI) gained 802.49 points to close at 33,261.66 points from 32,459.17 points the previous week, representing a 2.5% increase. Similarly, market capitalization gained 2.5% to close at N11.46 trillion from N11.19 trillion the previous week. The bullish trend witnessed may be attributed to improving positive sentiment in the economy.

Gains were witnessed in stocks of companies in the consumer goods, industrial goods and oil & gas sectors. This week, we envisage the upward trend to continue up until listed companies begin releasing results.

Money Market

Average cost of borrowing in the interbank market trended downwards last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates fell to 9% and 9.75% from 15% and 15.25% respectively the previous week. Longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) also fell to 19.83% and 21.51% from 20.12% and 22% the previous week. Market liquidity was boosted due to the Open Market Operation (OMO) maturity of N90 billion. This week, liquidity may be further boosted due to expected OMO maturity of N97 billion.

Foreign Exchange Market

The naira strengthened at the interbank segment by 10kobo last week to a new rate of N305.90/\$ from N306/\$ the previous week. The naira also appreciated at the parallel market segment to N367/\$ from the previous week's rate of N370/\$. The appreciation at both segments of the market may be attributed to the increasing participation in the market by both foreign and domestic investors as the apex bank now accounts for less than 30% of the transactions in the investor & exporter space. This week, we envisage the naira remaining at current levels due to increasing investor participation.

Bond Market

Bond yields on the average rose across most maturities last week. This was largely due to sell-offs by participants in the market. Yields on the seven-, ten- and twenty-year debt paper rose to 16.55%, 11.59% and 16.14% from 16.49%, 11.55% and 16.02% respectively. The Access Bank Bond index declined by 0.83 points to close at 2,321.41 points from 2,322.24 points the previous week, while market capitalization lost N2.3 billion to settle at N6.61 trillion. This week, activities in the market might improve due to the commencement of trading in the bond with maturity date of April 2037.

Commodities Market

Oil prices dipped last week as a result of higher production by key Organization of Petroleum Exporting Countries (OPEC) exporters. Output from exempt members; Libya and Nigeria is currently about 700,000 barrels per day (bpd) higher than at the time of OPEC agreement in November 2016. This was revealed by a report from the International Energy Agency (IEA). Bonny light, the Nigerian benchmark crude, fell by 1.3% or \$1.95 to \$46.21 per barrel last week from the \$48.16 per barrel the previous week. In contrast, precious metals prices gained momentum last week as the dollar fell amid expectations of a slower path to further U.S. interest rate rises. Gold rose by 0.5% or \$5.92 to \$1,221.83 an ounce, silver also gained 0.1% to \$15.78 an ounce. This week, oil prices might trend upwards on reports of increasing demand from China. For precious metals, a stronger greenback would likely weigh on prices.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	July'17	Aug'17	Sept'17
Exchange Rate (Official) (N/\$)	305	305	305
Inflation Rate (%)	16.31	16.31	16.31
Crude Oil Price(US\$/Barrel)	50	50	50

* Revised