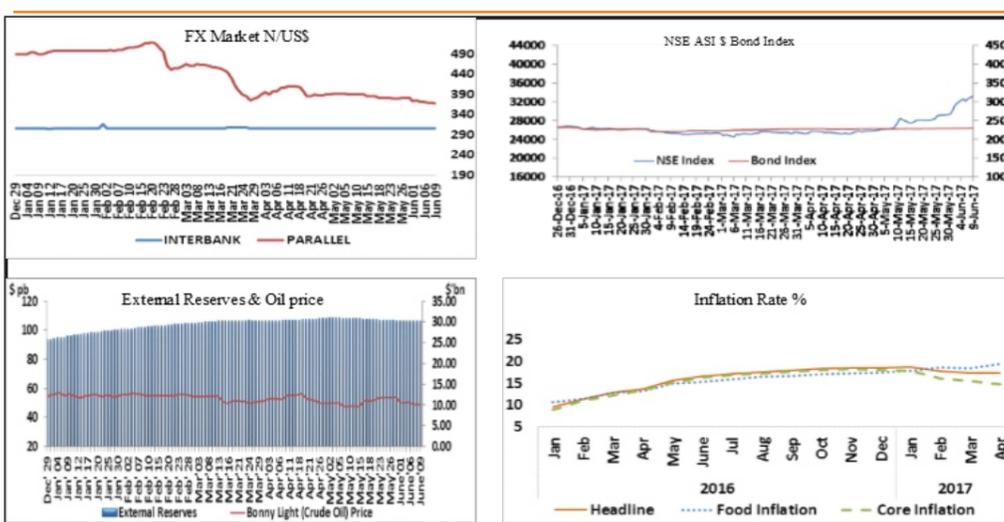


Access Bank Rateswatch

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)	21.71	Decreased by 1.42% in Apr'2017 from N22.02 trillion in Mar'2017
Credit to Private Sector (N' trillion)	21.94	Decreased by 1.48% in Apr'2017 from N22.27 trillion in Mar'2017
Currency in Circulation (N' trillion)	1.98	Decreased by 0.39% in Apr'2017 from N1.983 trillion in Mar'2017
Inflation rate (%) (y-o-y)	17.24	Declined to 17.24% in Apr'2017 from 17.26% in Mar'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)	30.28	June 08, 2017 figure — a decrease of 0.16% from June-start
Oil Price (US\$/Barrel)	48.93	June 09, 2017 figure — a decrease of 2.84% in 1 week.
Oil Production mbpd (OPEC)	1.51	Apr'2017 figure — an increase of 3.50% from Mar'2017 figure



STOCK MARKET

Indicators	Friday 09/06/17	Friday 02/06/17	Change(%)
NSE ASI	33,276.68	31,371.63	6.07
Market Cap(N'tr)	11.50	10.85	6.07
Volume (bn)	0.69	0.71	(3.12)
Value (N'bn)	6.07	8.26	(26.47)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	09/06/17	02/06/17	
OBB	17.67	8.33	934
O/N	18.50	9.08	942
CALL	86.29	11.58	7472
30 Days	20.72	20.00	72
90 Days	22.23	22.03	19

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	09/06/17	02/06/17	09/05/17
Official (N)	305.60	305.50	305.65
Inter-Bank (N)	305.60	305.50	305.65
BDC (N)	362.00	362.00	362.00
Parallel (N)	367.00	375.00	390.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	09/06/17	02/06/17	
3-Year	0.00	0.00	0
5-Year	16.34	16.39	(4)
7-Year	16.42	16.43	(1)
10-Year	11.52	11.58	(6)
20-Year	15.99	16.07	(8)

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

Market Analysis and Outlook: June 09 – June 16, 2017

Global Economy

In the United States, the trade deficit widened to \$47.6 billion in April 2017, from \$45.6 billion recorded a month earlier. Figures from the Bureau of Economic Analysis (BEA) revealed that exports declined by 0.3% to \$190.98 billion, as a result of lower sales of consumer goods and vehicles. Imports on the other hand, climbed by 0.8% to \$238.6 billion, driven by purchases of cell phones and capital goods. Exports dropped to Canada, Mexico, the European Union (EU) and Organization of Petroleum Exporting Countries (OPEC). While exports rose to China, Japan and Brazil. Imports rose from China, but declined from Canada, Mexico, OPEC, the EU, Brazil and Japan. Elsewhere, in the Eurozone, the gross domestic product (GDP) accelerated by 0.6% in the first quarter of 2017, higher than the growth of 0.5% in the previous quarter. It is the strongest growth rate recorded since the first quarter of 2015. The growth was driven by fixed investment and household consumption. Countries such as Germany, Spain and Italy recorded faster growth, while France recorded slower growth in the first quarter of 2017. According to the European Union Statistics Agency (Eurostat), from the expenditure side, gross fixed capital formation rose by 0.3%, household final consumption expenditure by 0.2% and government spending by 0.1%. On the production side, industry production grew by 0.2%, lower than 0.7% in Q4 2016. Exports climbed by 1.2%, lower than 1.7% in the previous quarter and imports increased by 1.3%, also lower than 3.8% in Q4 2016. Year-on-year, the economy expanded by 1.9%. In a separate development, China's consumer prices increased by 1.5% year-on-year in May 2017, higher than the 1.2% rise recorded in April. It is the highest inflation rate since January due to increases in the cost of non-food items. Figures shown on Statistics China reveal that the cost of non-food items dropped to 2.3% in May from 2.4% in the previous month, while cost of consumer goods climbed by 0.7% from 0.2% the previous month. Month-on-month, consumer prices fell by 0.1% after rising by 0.1% in the previous month. The Producer Price Index (PPI) climbed by 5.5% year-on-year in May compared to 6.4% rise in April and on a monthly basis, producer prices fell by 0.3% compared to a decline of 0.4% in April.

Local Economy

In the fourth quarter of 2016, the number of unemployed in the labour force, increased by 351,015 persons, thus resulting in an increase in the national unemployment rate to 14.2% from 13.9% in Q3 2016 and 10.4% in Q4 2015 respectively. The economically active population or working age population (persons within ages 15 and 64) increased to 108.59 million in Q4 2016 from 108.03 million in Q3 2016, this represents a 0.5% increase over the previous quarter and a 3.4% increase when compared to Q4 2015. In Q4 2016, the labour force population (i.e. those within the working age population willing, able and actively looking for work) increased to 81.15 million from 80.67 million in Q3 2016, representing an increase of 0.6% in the labour force during the quarter. The unemployment rate was highest for those within the ages of 15-24 (25.2% in Q4 2016). Unemployment and underemployment was higher for women than men in Q4 2016. In another development, the Central Bank of Nigeria (CBN), in its effort to further develop the Nigerian foreign exchange market, has issued additional directives regarding the establishment of the investors' & exporters' (I&E) window. The directives were contained in a circular posted on the apex bank's website. In it, the Bank announced that interbank market transactions will now be subject to a maximum spread of 1 naira. In addition authorised dealers are now authorized to sell their excess FX positions to other authorised dealers without pre-approval from the CBN. It further stated that all inter-bank trades such as spot, futures, forwards, options and swaps that have an impact on an authorised dealer's FCTPL are expected to comply with rate reasonability standards and authorised dealers are again advised to encourage their corporate clients to on-board the FMDQ-advised FX trading system immediately. Other directives can be viewed on CBN's website. In a separate development, in the continued effort to ensure that all export transactions are carried out through the formal channels, bills of lading in respect of exports from Nigeria shall henceforth carry the form NXP number of the underlying cargo. All exporters are required to register forms NXP with an authorised dealer of their choice prior to shipment in line with Memorandum 11 Section 1(a)(i). It shall be a breach of existing regulations for any shipper to take

on-board any cargo for which the form NXP is not duly completed by the exporter.

Stock Market

The local bourse closed on a positive note for the third consecutive week as major market indicators trended upwards. The All Share Index (ASI) gained 1,905.05 points to close at 33,276.68 points from 31,371.63 points the previous week, representing a 6.1% increase. Similarly, market capitalization gained 6.1% to close at N11.51 trillion from N10.85 trillion the previous week. The sustained upward trend may be attributed to the recent investors' & exporters' FX window, the recent review of the pension guidelines as well as the recent passage of the Petroleum Industry Governance Bill (PIGB). Gains were seen in stocks of companies majorly in the oil & gas and consumer goods sectors. This week, we expect the positive trend to continue due to improved economic outlook.

Money Market

Average cost of borrowing trended upwards last week. Short dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 17.67% and 18.50% from 8.33% and 9.08% respectively the previous week. Longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) also rose to 20.72% and 22.23% from 20.0% and 22.03% the previous week. Market liquidity was drained due to one wholesale Secondary Market Intervention Sales (SMIS) of N100 billion and one retail SMIS. This week, liquidity may improve due to expected Paris club loan refund.

Foreign Exchange Market

The naira depreciated slightly at the interbank segment by 10kobo last week to a new rate of N305.60/\$ from N305.50/\$ the previous week. At the parallel market segment, the naira appreciated significantly by N8 to a rate of N367/\$, from the previous week's rate of N375/\$. The appreciation at the unofficial segment of the market may be attributed to the recent further liberalization of the inter-bank foreign exchange (FX) market as well as the retail and wholesale SMIS. This week, naira is likely to further appreciate based on the recent liberalization of FX policy.

Bond Market

Bond yields on the average fell across most maturities for the third consecutive week. Yields dipped across most tenors largely due to demand from off-shore investors as well as improved liquidity in the system. Yields on the five-, seven-, and ten-year debt papers fell to 16.34%, 16.42%, and 11.52% from 16.39%, 16.43%, and 11.58% respectively for the corresponding maturities the previous week. The Access Bank Bond index rose by 9.57 points to close at 2,306.72 points from 2,297.15 points the prior week, while market capitalization added N30 billion to N6.45 trillion. This week, we expect the bullish trend to continue due to more interest from international fund managers.

Commodities Market

Oil prices further tumbled last week pressured by widespread evidence of a fuel glut despite efforts led by the Organization of Petroleum Exporting Countries (OPEC) to tighten the market. Last week, United States data showed a 3.3 million barrel build in commercial crude oil stocks to 513.2 million. Bonny light, the Nigerian benchmark crude, lost \$1.43 or 2.8% to settle at \$48.93 per barrel. In the same vein, prices of precious metals fell as British elections failed to deliver a clear majority for Prime Minister Theresa May. Gold fell 0.3% or \$4.25 to \$1,273.79 an ounce, silver also declined 1.2% to \$17.36 an ounce. This week, oil prices are likely to maintain their downward trend due to oil glut in the market aided by increased U.S crude production and the recent re-opening of Libya's 270,000 barrels per day Sharara oilfield. For precious metals, the likelihood of an interest rate hike by the Federal Reserve may cause prices to fall.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	June'17	July'17	Aug'16
Exchange Rate (Official) (N/\$)	305	305	305
Interest Rate (Normal Lending) (%)	16.8	16.6	16.4
Crude Oil Price (US\$/Barrel)	50	50	50

* Revised