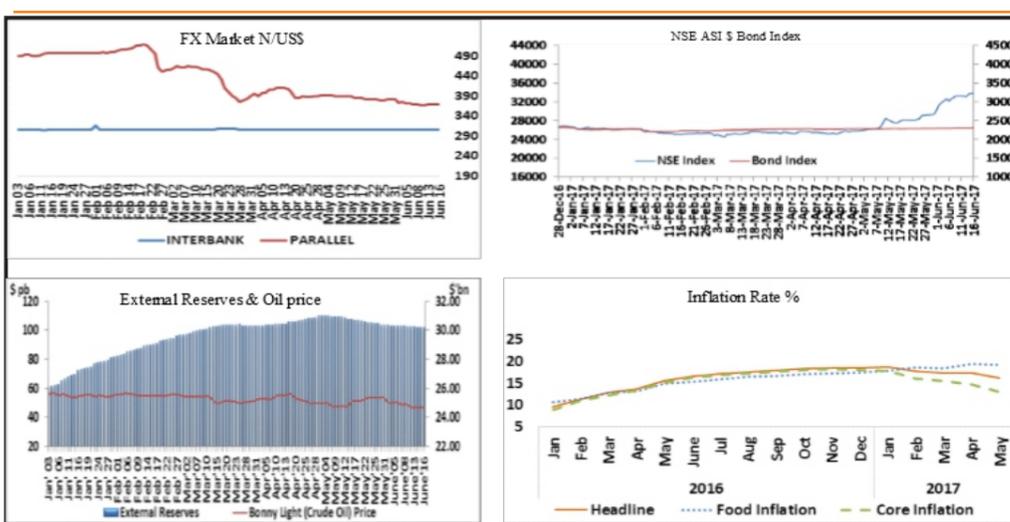


Access Bank Rateswatch

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)	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)	30.21	June 15, 2017 figure — a decrease of 0.40% from June-start
Oil Price (US\$/Barrel)	46.9	June 16, 2017 figure — a decrease of 4.15% in 1 week.
Oil Production mbpd (OPEC)	1.68	May'2017 figure — an increase of 11.55% from Apr'2017 figure



STOCK MARKET

Indicators	Friday 16/06/17	Friday 09/06/17	Change(%)
NSE ASI	33,810.56	33,276.68	1.60
Market Cap(N'tr)	11.69	11.50	1.63
Volume (bn)	0.49	0.69	(28.13)
Value (N'bn)	6.24	6.07	2.75

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	16/06/17	09/06/17	
OBB	15.1700	17.6700	(250)
O/N	15.6700	18.5000	(283)
CALL	7.3750	86.2917	(7892)
30 Days	19.5539	20.7203	(117)
90 Days			

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	16/06/17	09/06/17	16/05/17
Official (N)	305.75	305.60	305.45
Inter-Bank (N)	305.75	305.60	305.60
BDC (N)	362.00	362.00	362.0
Parallel (N)	370.00	367.00	362.0

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	16/06/17	09/06/17	
3-Year	0.00	0.00	0
5-Year	16.22	16.34	(13)
7-Year	16.36	16.42	(6)
10-Year	11.46	11.52	(7)
20-Year	15.94	15.99	(4)

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: June 16– June 23, 2017

Global Economy

In the United States, the policy-making committee of the Federal Reserve during its June meeting, increased the target range for its federal funds by 25 basis points to a range of 1% to 1.25%. Growth forecasts for gross domestic product (GDP) in 2017 was increased to 2.2% from 2.1% and unemployment is estimated at 4.3%. The Federal Open Market Committee (FOMC) observed that the labour market has continued to strengthen and economic activity has been rising moderately since the year began. Unemployment rate has declined since the beginning of the year. Household spending has increased and business fixed investment has continued to expand. The Committee also stated that the stance of monetary policy remains accommodative. Elsewhere, in the Eurozone, trade surplus declined to €17.85 billion in April 2017 from €26.63 billion surplus in the previous year. Figures from European Union Statistics Agency (Eurostat) revealed that exports fell by 2.8% year-on-year to €167.67 billion, after a 14.4% rise in March, while imports climbed by 2.7% to €149.82 billion, after a 16% rise in March. In the European Union (EU), exports dropped by 2% in April while imports climbed by the same 2% in April resulting in a trade deficit of €0.1 billion. In the first four months of 2017, EU 28 exports climbed by 9% to €607.4 billion, driven by machinery and vehicles and other manufactured goods. Imports also increased by 10% to €613.7 billion as energy purchases went up. In a separate development, consumer prices in India rose by 2.18% year-on-year in May 2017, lower than 2.99% recorded in April. Inflation figures came in lower for the second consecutive month as food prices fell for the first time. The food index declined by 1.05% compared to a 0.3% rise in April. The inflation rates for rural and urban areas were 2.3% and 2.13% in May from 3.02% and 3.03% respectively in April.

Local Economy

Acting President, Professor Yemi Osinbajo, signed the 2017 appropriation bill of N7.44 trillion into law. The budget titled; "Budget of Economic Recovery and Growth" has projected revenue of N5.08 trillion with deficit of N2.36 trillion. A total of N2.98 trillion was set aside for recurrent non-debt expenditure, N2.17 trillion was set aside for contribution to the development fund for capital expenditure, N434.41 billion for statutory transfers, N1.84 trillion for debt service and N177.46 billion for sinking fund for maturing bonds. In a separate development, the Consumer Price Index (CPI) which measures inflation declined significantly in the month of May to 16.25% (year-on-year), which is 0.99% points lower than the 17.24% recorded in April. This is the fourth consecutive month of decline in the rate of inflation since January 2017. The composite food index rose by 19.27% (year-on-year) in May, slightly lower than 19.30% recorded in April, thus indicating continued pressure in the prices of food items. The core sub-index, which excludes prices of farm produce rose by 13% year-on-year in May which is 1.8% lower than 14.80% that was recorded in April. During the month, the highest increases were seen in solid fuel, liquid fuel, clothing materials and other articles of clothing, lubricants for personal transport equipment, motor cars, wine, spirits, bicycles, shoes and other footwear, motorcycle and air transport.

Stock Market

The Nigerian stock exchange market closed on a bullish note for the fourth consecutive week as major market indicators trended upwards. The All Share Index (ASI) gained 533.88 points to close at 33,810.56 points from 33,276.68 points the previous week, representing a 1.6% increase. Similarly, market capitalization gained 1.6% to close at N11.69 trillion from N11.50 trillion the previous week. The persistent upward trajectory was due to increasing foreign investor participation in the market. The extended gains were led by stocks in companies such as in the

consumer goods, financial services and oil & gas sectors. This week, we expect the bullish trend to continue due to persistent positive earnings as well as the general optimism that pervades the bourse following the muted but improving macroeconomic fundamentals.

Money Market

Average cost of borrowing moderated downwards last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates fell to 15.17% and 15.67% from 17.67% and 18.50% respectively the previous week. Longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) also declined to 19.55% and 21.28% from 20.72% and 22.23% the previous week. Market liquidity was boosted due to Open Market Operation (OMO) maturity on Treasury bills of N205 billion. This week, liquidity may be drained due to bond auction of N140 billion and likely Secondary Market Intervention Sales (SMIS).

Foreign Exchange Market

The naira depreciated at the interbank segment by 15kobo last week to a new rate of N305.75/\$ from N305.60/\$ the previous week. In the same light, the naira depreciated at the parallel segment by N3 to a rate of N370/\$, from the previous week's rate of N367/\$. The depreciation at both segments of the market may be attributed to the mop up of liquidity by the CBN and the bid to narrow the spread between the interbank and parallel market rates. This week, naira is likely to oscillate around current levels based on the apex bank's continuation of its intervention in the FX market.

Bond Market

Bond yields on the average fell across most maturities for the fourth consecutive week. Yields dipped across most tenors largely due to more buying activity resulting from the lower inflation rate of 16.25% and CBN's special Open Market Operation (OMO) debit to banks at 16%, which was lower than the previous rate of 18% causing banks to charge lower yields on fixed income assets. Yields on the five-, seven-, and ten-year debt papers fell to 16.22%, 16.36% and 11.46% from 16.34%, 16.42%, and 11.52% respectively for the corresponding maturities the previous week. The Access Bank Bond index rose by 8.56 points to close at 2,315.28 points from 2,306.72 points the prior week, while market capitalization added N20 billion to N6.47 trillion. This week, we expect yields to rise due to tight liquidity in the market.

Commodities Market

Oil prices continued its downward trend as data showed that the global market remains flooded with surplus oil, rising U.S. crude production and weak domestic gasoline demand. The U.S Energy Information Administration revealed that U.S. crude inventories rose by 3.3 million barrels last week. Bonny light, the Nigerian benchmark crude, lost \$2.03 or 4.1% to settle at \$46.9 per barrel. In the same light, prices of precious metals declined due to the U.S. Fed hike in interest rates. Gold fell 1.4% or \$18.35 to \$1,255.44 an ounce, silver also declined 3.6% to \$16.73 an ounce. This week oil prices may likely continue their downward trend on the back of increasing rig count in the U.S. as well as increasing U.S. crude production. For precious metals, the hike in Fed rates and the improving U.S. economy could cause investors to stay away from safe haven assets and invest in risk assets causing the prices of such precious metals to fall.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	June'17	July'17	Aug'17
Exchange Rate (Official) (N/\$)	305	305	305
Interest Rate (Normal Lending) (%)	16.2	16.1	16.0
Crude Oil Price	50	50	50

* Revised