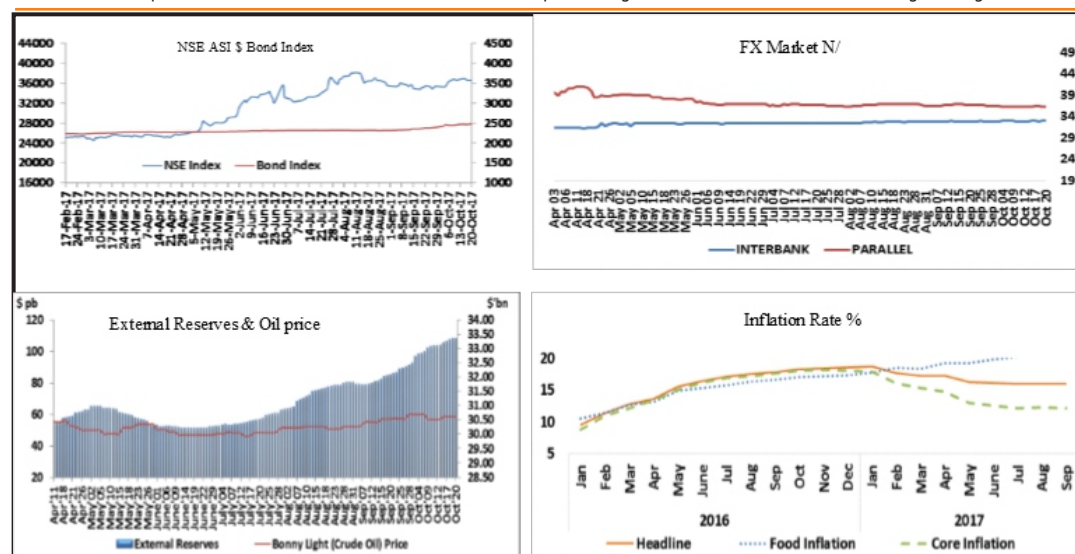


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	0.55	Q2 2017 — higher by 1.46% compared to -0.91% in Q1 2017
Broad Money Supply (M2) (N' trillion)	21.85	Decreased by 1.55% in Aug' 2017 from N22.19 trillion in July 2017
Credit to Private Sector (N' trillion)	21.99	Decreased by 0.79% in Aug' 2017 from N22.17 trillion in July 2017
Currency in Circulation (N' trillion)	1.87	Increased by 5.59% in Aug' 2017 from N1.77 trillion in July 2017
Inflation rate (%) (y-o-y)	15.98	Declined to 15.98% in September 2017 from 16.01% in August 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)	33.36	October 18, 2017 figure — an increase of 1.88 % from Oct start
Oil Price (US\$/Barrel)	58.42	October 20, 2017 figure - an increase of 2.7% from a week prior
Oil Production mbpd (OPEC)	1.86	Sept' 2017 figure — an increase of 2.83% from Aug'2017 figure



STOCK MARKET

Indicators	Friday 20/10/17	Friday 13/10/17	Change(%)
NSE ASI	36,587.31	36,848.17	(0.71)
Market Cap(N'tr)	12.59	12.68	(0.71)
Volume (bn)	0.11	0.16	(33.25)
Value (N'bn)	1.88	2.24	(16.04)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	20/10/17	13/10/17	
OBB	118.3300	35.3300	8300
O/N	110.0000	33.3300	7667
CALL	22.2143	25.0417	(283)
30 Days	21.1936	21.1389	5
90 Days	21.4406	21.7792	(34)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	20/10/17	13/10/17	20/09/17
Official (N)	305.65	305.50	305.85
Inter-Bank (N)	329.50	329.12	328.67
BDC (N)	362.00	362.00	362.00
Parallel (N)	363.00	363.00	367.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	20/10/17	13/10/17	
3-Year	0.00	0.00	0
5-Year	14.82	14.55	27
7-Year	14.65	14.66	(1)
10-Year	14.81	14.82	(1)
20-Year	14.82	14.94	(13)

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: October 20 - October 27, 2017

Global Economy

In the United States, annual consumer prices jumped to 2.2% in September 2017 after a 1.9% the previous month, figures from the Bureau of Labour Statistics (BLS) showed. It is the highest inflation rate since April, and came largely on the back of increased energy prices due to hurricane-related production disruptions at oil refineries in the Gulf Coast area. Month-on-month, consumer prices climbed 0.5% compared to a 0.4% uptick in August and the biggest gain since January 2017. The core index which excludes prices of food and energy remained low at 1.7% for the fifth consecutive month. Elsewhere in the United Kingdom, inflation rate edged up to 3% in September 2017, up from the 2.9% rise in August. It is the highest inflation rate recorded since April 2012 and was driven by increasing prices of food, transport and leisure activities according to the Office of the Naval Statistics (ONS). Consumer prices rose 0.3% month-on-month, a decline from the 0.6% gain recorded in August. Annual core inflation rate which excludes energy, food, alcohol and tobacco remained unchanged from last month high at 2.7%. In a separate development, China economy is said to have expanded by 6.8% year-on-year in September 2017, a slight decline from its 6.9% rise in the previous two quarters. It is said to be the weakest rate of expansion since the fourth quarter of 2016. Quarter-on-quarter, the Chinese economy grew by 1.7% from a revised 1.8% increase in the second quarter according to the National Bureau of Statistics. The Chinese government expects the economy to grow by 6.5% in the year 2017.

Local Economy

The Consumer Price Index (CPI) which measures inflation increase by to 15.98% (year-on-year) in September 2017, which is 0.03% points lower than the 16.01% recorded in August. This represents the eight consecutive decline in the headline inflation rate year-on-year. Increases were recorded in all Classification of Individual Consumption by Purpose (COICOP) divisions that result in the Headline Index. The food sub index increased by 20.32% (year-on-year) in February, up by 0.07% points from 20.25% recorded in August. The rise in the food sub-index was caused by increases in the prices of potatoes, yams and other tubers, milk cheese and eggs, bread and cereals, coffee tea and cocoa, soft drinks, fish, meat and oil and fats. The core sub-index, which excludes prices of volatile agricultural produce edged lower to 12.10% in September which is 0.2% lower than 12.30% that was recorded in August. During the month, the highest increases were seen in Solid fuels, clothing materials and other articles of clothing, garments, motorcycles, furniture and furnishings, non-durable household goods, shoes and other footwear as well as passenger transport by air. In a separate development, the Central Bank of Nigeria (CBN) had in a previous circular requested all Deposit Money Banks (DMBs) to enforce the mandatory use of the Government Integrated Financial Management Information System (GIFMIS) Reference Number (RRN) at the point of Revenue collection into the Treasury Single Account (TSA). In order to further enhance its smooth implementation, the CBN released another circular to further clarify how it works. The CBN stated that not all payments by revenue payers require the use of GIFMIS RRN. Revenue collections that require the RRN will have a mandatory field for such Remita system and that the use of GIFMIS RRN applies only to payments going into the consolidated revenue fund (CRF) on behalf of Ministries, Departments, and Agencies (MDAs) under the GIFMIS platform. SystemSpecs Ltd has been directed to ensure that only MDAs whose names appear on the list provided by the Office of the Accountant-General of the Federation (OAGF) are made mandatory on the Remita system for the use of GIFMIS RRN.

Stock Market

The Nigeria Stock Exchange All Share Index (NSE ASI) witnessed a negative swing as the positive momentum recorded last week was replaced by bearish sentiments. The All Share Index (ASI) lost 260.86 points to close at 36,587.31 points from 36,848.17 points the previous week, representing 0.7% decline. Similarly, market capitalization

declined 0.7% to close at N12.59 trillion from N12.68 trillion the previous week. The weak performance came on the back of profit takings as financial corporates released Q3 2017 score cards. The worst performing sectors were the consumer goods, conglomerates, oil & gas and financial sectors. This week, we expect market to continue its bearish sentiments as profit taking persist.

Money Market

The direction of money market rates was mixed for the week ended October 20 2017. Whilst Short dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose to 118.33% and 110% from 35.33% and 33.33% respectively the previous week, most Nigerian Interbank Offered Rates (NIBOR) trended slightly southwards. The call and 90-day rate declined to 22.21% and 21.44% from 25.04% and 21.78% respectively. The decline in market liquidity stemmed from open market operations (OMO) sales carried out by the CBN. Total amount of treasuries bill sold was N231.2 billion. This week, NIBOR may likely trend downward as inflows from maturing treasury bills enhance systemic liquidity.

Foreign Exchange Market

Last week, the Naira weakened slightly against the US dollar at the interbank and central bank window by 38 kobo and 15 kobo to new rates of N329.50 and N305.65 respectively from the previous week figures. At the parallel market, the local unit remained unchanged at N363 for the third consecutive week. The local currency has been stable for the past three weeks largely supported by CBN intervention, foreign inflows and tight liquidity. This week, the local currency will likely trade around the same levels due to continued support from the CBN.

Bond Market

Average bond yields declined for the week ended October 20, 2017. The bond market has recorded consistent drop in yields for the past six week—an indication of the level of positive sentiment in the market and faith in the economy by both local and international investors. Yields on the seven-, ten- and twenty-year debt papers settled at 14.65%, 14.8% and 14.82% from 14.66%, 14.82% and 14.94% for the corresponding maturities the previous week. The Access Bank Bond index rose by 7.51 points to close at 2,478.97 points from 2,471.46 points the previous week. This week the bullish sentiment should likely continue as investors confidence rise on positive economic fundamentals like declining inflation.

Commodities Market

Agricultural products and precious metal prices dropped last week, while energy prices in contrast ascended. Oil price- Bonny Light notched up 2.65% to close the week at \$58.42 per barrel from \$56.91. The oil price increase was a result of tensions in the Middle East, as reports of clashes between Iraqi troops and Kurdish armed forces sent prices higher. President Trump decision to decertify the Iran nuclear deal is also a likely cause for the increase in oil prices. Gold prices slowed down by 0.9% or \$11.31 to close at \$1,282.37 an ounce, while silver declined by 0.7% or 12 cents to settle at \$17.11 an ounce. Bullion prices closed lower as dollar regained ground on the news that the US Senate passed a budget blueprint that will help pave the way for the Republican Party's planned \$1.5 trillion tax-cut package which would help stimulate the economy. This week oil price is expected to rise as OPEC forecast higher demand for 2018 and continued tension in the Middle East. Precious metal prices would be strongly influenced by the reaction of separatists as Spain revokes Catalonia's autonomy.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Oct'17	Nov'17	Dec'17
Exchange Rate (Interbank) (N/\$)	328.50	328.32	327.90
Inflation Rate (%)	15.9	15.8	15.7
Crude Oil Price (US\$/Barrel)	59	57	57