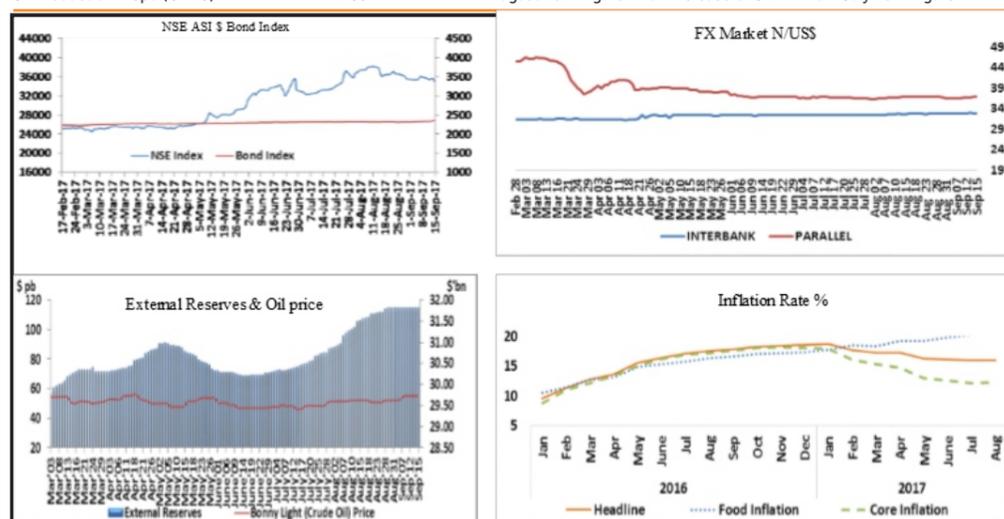


Access Bank Rateswatch

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)	22.20	Increased by 2.43% in July 2017 from N21.67 trillion in June 2017
Credit to Private Sector (N' trillion)	22.17	Increased by 0.88% in July 2017 from N21.98 trillion in June 2017
Currency in Circulation (N' trillion)	1.77	Decreased by 5.54% in July 2017 from N1.87 trillion in June 2017
Inflation rate (%) (y-o-y)	16.01	Declined to 16.01% in August 2017 from 16.05% in July 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)	31.81	August 29, 2017 figure — an increase of 3.02% from August-start
Oil Price (US\$/Barrel)	56.98	September 15, 2017 figure - an increase of 3.32% from a week prior.
Oil Production mbpd (OPEC)	1.86	August 2017 figure — an increase of 8.14% from July 2017 figure



STOCK MARKET

Indicators	Friday 15/09/17	Friday 9/09/17	Change(%)
NSE ASI	35,005.57	35,957.24	(2.65)
Market Cap(N'tr)	12.07	12.39	(2.63)
Volume (bn)	0.16	0.15	5.03
Value (N'bn)	2.96	3.08	(4.10)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	15/09/17	9/09/17	
OBB	11.33	29.17	(1784)
O/N	12.17	30.92	(1875)
CALL	13.25	10.57	268
30 Days	17.90	18.49	(59)
90 Days	20.59	20.44	15

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	15/09/17	9/09/17	15/08/17
Official (N)	305.95	305.95	305.65
Inter-Bank (N)	328.50	327.87	326.75
BDC (N)	362.00	362.00	362.00
Parallel (N)	369.00	365.00	370.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	15/09/17	9/09/17	
3-Year	0.00	0.00	0
5-Year	16.29	16.71	(42)
7-Year	16.21	16.67	(46)
10-Year	16.30	16.57	(27)
20-Year	16.34	16.53	(19)

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: September 15 - September 22, 2017

Global Economy

In the United States, consumer prices rose by 1.9% year-on-year in August 2017, higher than 1.7% posted in July 2017. According to the Bureau of Labour Statistics (BLS), this is the highest inflation rate in the past three months and is said to be as a result of rising shelter and gasoline cost as Hurricane Harvey shut down refineries. Month-on-month, inflation increased by 0.4% in August. Core inflation rate excluding food and energy remained at 1.7% for the fourth consecutive month. The energy index rose 6.4% year-on-year and food index increased slightly to 1.1%. In a separate development, the United Kingdom unemployment rate dropped to 4.3% in the month of May to July 2017 from 4.6% in the February to April period according to the Office of Naval Statistics. The number of unemployed people fell to 1.46 million, 75,000 less than the number recorded in the February-April period of 2017. The number of employed persons went up to 32.14 million, 181,000 more than the number recorded in the February-April period of 2017. Elsewhere, inflation rate in China climbed to a seven-month high of 1.8% in August 2017 after a 1.4% rise in April, data from National Bureau of statistics show. The increase was due to higher cost of non-food items as cost of food declined. Month-on-month consumer prices went up by 0.4%. Producer price index also rose to 6.3% year-on-year, its twelfth consecutive month of increase and highest recorded since April.

Local Economy

The Consumer Price Index (CPI) which measures inflation rose by 16.01% year-on-year in the month of August 2017, which is 0.04% points lower than the rate recorded in July of 16.05%. This represents the seventh consecutive month of decline in the rate of inflation since January 2017. The food index declined marginally by 20.25% (year-on-year) in August, lower than 20.28% % recorded in July, representing the first decline since May 2017. The core sub-index, which excludes prices of farm produce rose by 12.30% year-on-year in August which is 0.10% lower than 12.20% recorded in July. During the month, the highest increases were seen in prices of garments, clothing materials and other articles of clothing, passenger transport by air, motorcycles, shoes and other footwear, furniture and furnishing, books and stationary, non-durable household goods, pharmaceutical products and maintenance, repair of personal transport equipment and glassware, tableware & household utensils. In another development, the Central Bank of Nigeria released a circular reviewing the limit on daily mobile money wallet transaction and balance as well as bank verification numbers (BVN) requirement for mobile money wallet holders. The revised limits on transaction and balances, shows that for, Know-Your-Customer (KYC) level-1, daily cumulative transaction limit is N50,000 while cumulative balance limit is N300,000, in line with the three-tiered KYC requirements. For KYC level-2, daily cumulative transaction limit is N200,000 while cumulative balance limit is N500,000. The revised limits for KYC level-3, according to the circular, are: N5 million daily cumulative transaction limit while cumulative balance is unlimited. Bank Verification number is no longer required of Mobile money wallet holders on tiered KYC Level 1 but for the mobile money wallet holders on KYC levels 2 and 3 it compulsory. This is in line with the initiative of the Bank to enhance access to financial services through the mobile money services and increase flexibility in the use of mobile money wallet.

Stock Market

Trading activities at the Nigerian Stock Exchange (NSE) closed on a negative note for the week ended September 15, 2017 as the bears reigned supreme after closing on a positive note last week. This was as a result of profit taking by investors. The All Share Index (ASI) closed lower by 2.6% or 951.67 points to settle at 35,005.57 points from 35,957.24. Similarly, market capitalization declined

by 2.6% to close at N12.07trillion from N12.39 trillion the previous week. The negative performance on the stock market came on the back of losses in the industrial goods, consumer goods and Oil & Gas sectors. This week, we expect share prices to improve marginally as investors take position on expectation that positive quarter three financial scorecard will drive the market.

Money Market

The direction of the money market rates was mixed for the second consecutive week. Short dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates fell to 11.33% and 12.17% from 29.17% and 30.92% respectively the previous week. While longer dated rates such as the 90-day Nigeria Interbank Offered Rate (NIBOR) rose to 20.59% from 20.44% and 30-day NIBOR rate declined to 17.90% from 18.49% the previous week. The decrease in the short tenor placement was as a result of Open Market Maturities (OMO) of N159 billion, which introduced liquidity into the system. This week rates might prevail around the same level as there would be OMO maturity of N140 billion and also Primary Market Auction of N140 billion.

Foreign Exchange Market

Last week, the naira further weakened against the dollar by N1.03 or 0.31% to close at N328.90/US\$ at the interbank market compared with N327.87/US\$ recorded the previous week. In the same light, the naira depreciated at the parallel market segment to a rate of N369/\$ from N365/\$ the previous week. However, at the CBN window, the local unit remained unchanged at N305.95/US\$ for the week ended September 15, 2017. The naira likely weakened due to high demand coming from school fees payment outside the country as schools resume. This week naira will likely remain around prevailing levels at the CBN window.

Bond Market

Last week, the bond market was in a bullish mood as there was a significant increase in bond prices. In the period, average yields dropped across most maturities due to high demand fuelled by the growing appetite for government securities by pension fund administrators (PFAs), local counter party and international fund managers. The Access Bank Bond Index rose by 1.30% to close the week at 2,361.81 points. This week, demand is expected to dwindle and bond prices to drop.

Commodities Market

Crude oil prices – Bonny Light climbed up 3.3% to close at \$56.98 per barrel last week from \$55.15 the preceding week. The rise was as a result of strong demand by European and U.S markets and restart of refineries in the U.S. after the hurricane Harvey crisis. Gold prices declined by 1.9% or \$25.66 to \$1,328.31 an ounce. Silver also declined by 2.4% or 43 cents to settle at \$17.76 an ounce. The fall in precious metals prices came after a European Central Bank (ECB) official called for scaling back the bank's stimulus programme and strong US inflation data raised the prospects of another rate hike. This week, we expect crude oil prices to go up due to increased demand as forecasted by the U.S. Energy Information Administration (EIA), tightening market supply due to Organization of Petroleum Exporting Countries (OPEC) pullback on supply and geopolitical events in Venezuela, Iraq, Libya and Nigeria. This week precious metal prices are likely to push slightly higher as geopolitical risks in the Korean peninsula boost demand for safe-haven assets.

MONTHLY MACRO ECONOMIC FORECASTS

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