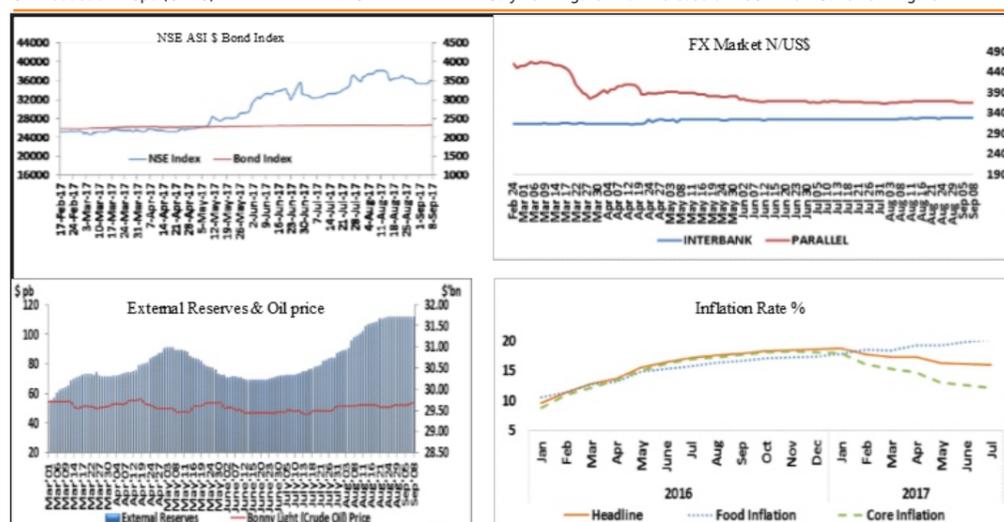


Access Bank Rateswatch

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)	16.05	Declined to 16.05% in July 2017 from 16.10% in June 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% from August-start
Oil Price (US\$/Barrel)	55.15	September 08, 2017 figure — an increase of 5.92% from a week prior.
Oil Production mbpd (OPEC)	1.75	July 2017 figure — an increase of 1.98% from June 2017 figure



STOCK MARKET

Indicators	Friday 8/09/17	Friday 31/08/17	Change(%)
NSE ASI	35,957.24	35,504.62	1.27
Market Cap(N'tr)	12.39	12.24	1.27
Volume (bn)	0.15	0.27	(42.79)
Value (N'bn)	3.08	4.04	(23.63)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	8/09/17	31/08/17	
OBB	29.17	7.33	(733)
O/N	30.92	8.42	(842)
CALL	10.57	16.04	(547)
30 Days	18.49	19.60	(111)
90 Days	20.44	22.17	(173)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	8/09/17	31/08/17	8/08/17
Official (N)	305.95	305.85	305.50
Inter-Bank (N)	327.87	327.75	305.50
BDC (N)	362.00	362.00	362.00
Parallel (N)	365.00	365.00	366.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	8/09/17	31/08/17	
3-Year	0.00	0.00	0
5-Year	16.71	16.79	(9)
7-Year	16.67	16.67	0
10-Year	16.57	16.64	(8)
20-Year	16.53	16.65	(11)

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 08 - September 15, 2017

Global Economy

In the United States, trade deficit notched up slightly to \$43.7 billion in July 2017 from \$43.5 billion in June. According to the Bureau of Economic Analysis (BEA), total exports fell by 0.3% from the preceding month to \$194.38 billion. Total imports also declined by 0.2% to \$238.1 billion. Exports to Canada, Mexico, the European Union (EU) and Organization of Petroleum Exporting Countries (OPEC) fell, but rose to China, Japan, and Brazil. Imports from Canada, Mexico, EU, OPEC and Brazil dropped. However, imports rose from China and Japan. Elsewhere in Eurozone, the European Central Bank (ECB) left its benchmark interest rate unchanged at 0% on September 7th 2017. According to ECB, this was done in order to support inflation and boost the economy. The central bank raised its annual real Gross Domestic Product (GDP) forecast for 2017 to 2.2% up from a previous forecast of 1.9%. The annual inflation forecast was also left unchanged at 1.5% for the year 2017. In a separate development, Brazil inflation rate rose by 2.46% year on year in August 2017, a reduction from its July inflation rate of 2.71%. According to the Brazilian Institute of Geography and Statistics (IBGE) this is the 12th consecutive month that the inflation rate is easing. Month-on-month, Consumer prices rose by 0.19% during the month of August from 0.24 reported in the previous month.

Local Economy

Nigeria's gross domestic product (GDP) grew by 0.55% year-on-year in Q2 2017, reflecting the emergence of the economy from recession after five consecutive quarters of contraction since Q1 2016. According to the National Bureau of Statistics (NBS), this is 2.04% higher than the rate recorded in the corresponding quarter of 2016 (-1.49%) and higher by 1.46% from rate recorded in the preceding quarter, (revised to -0.91% from -0.52%). Quarter on quarter, real GDP growth was 3.23%. In Q2'17, aggregate GDP stood at N26.99 trillion in nominal terms, compared to N23.55 trillion in Q2'16. This resulted in a nominal GDP growth of 14.06% down from 17.06% recorded in Q1'17. The oil industry grew by 1.64% year-on-year in Q2'17, rebounding from a negative growth of 15.60% in Q1'17. The oil sector contributed 8.89% of total GDP in Q2'17. Average oil production stood at 1.84 million barrels per day in Q2'17, 0.15 million barrels higher than the daily average production recorded in Q1'17 (1.69 million barrels per day). Non-oil GDP grew by 0.45%, lower than the growth of 0.72% witnessed in Q1'17. The non-oil sector contributed 91.11% of total GDP in Q2'17. Considering the 46 activity sectors, 20 sectors remained resilient in Q2'17, some of which are: Crop production, Financial Institutions, Oil Refining, Construction and Air transport among others. Other sectors such as Crude Petroleum & Natural Gas, Electricity, Gas, Steam & Air and Public Administration amongst others rebounded in Q2'17 from the negative growth recorded in the previous quarter. Electricity, Gas, Steam & Air recorded the highest growth rate of 35.50% in Q2'17, compared to a negative growth of 5.04% in the previous quarter. However, activity sectors such as Education, Road Transport, Cement and 9 others recorded negative growth rates for the first time this year. Eight (8) sectors remained in recession as shown by the Q2'17 report, some of these sectors include: Trade, Real Estate, and Motor Vehicle & Assembly among others. In a separate development, the Central Bank of Nigeria in a recent circular informed authorised dealers and the public of the deployment of Electronic Certificate of Capital Importation (eCCI) platform. This is in a bid to enhance transparency and efficient processing of foreign investment flows to the country. The eCCI shall replace the hard copy CCI normally issued in respect of all capital inflows either in form of cash or machinery /equipment. The processing of certificate of capital importation on the electronic platform will take effect from Monday 11th September, 2017.

Stock Market

Performance indicators at the Nigeria stock exchange edged higher in the week ended September 8, 2017. The All Share Index (ASI)

notched 1.3% or 452.62 points to settle at 35,957.24 points from 35,504.62 points the previous week. Similarly, market capitalization added N156 billion or 1.3% to finish at N12.39 trillion from N12.24 trillion the previous week. Market optimism was boosted by the improved GDP figure released by NBS which showed that Nigeria had finally come out of recession after 5 consecutive quarters. The All Share Index (ASI) notched 1.3% or 452.62 points to settle at 35,957.24 points from 35,504.62 points the previous week. Similarly, market capitalization added N156 billion to finish at N12.39 trillion from N12.24 trillion the previous week. The commendable performance witnessed at the local bourse was largely due to gains in the consumer goods, industrial goods sectors and oil and gas sectors. This week, market rally is expected to continue as investors come in to the market to take advantage of the improving economy.

Money Market

The direction of the money market rates was mixed for the week ended September 08, 2017. Short dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose to 29.17% and 30.92% from 7.33% and 8.42% respectively the previous week. While longer dated rates such as the 30-day and 90-day Nigeria Interbank Offered Rate (NIBOR) declined to 18.49% and 20.44% from 19.60% and 22.17% respectively the previous week. The increase in OBB and Overnight rates was due to Retail Secondary Market Intervention Sales (SMIS) and Open Market Operations (OMO) auctions conducted by the Central Bank of Nigeria (CBN). This week we expect rates to trade around the same levels due to continuous OMO sales been carried out by the CBN.

Foreign Exchange Market

The naira depreciated slightly against the U.S. dollar at the interbank segment by N0.12kobo in the week ended September 8, 2017 to a new rate of N327.87/\$ from N327.75/\$ the previous week. Meanwhile, the naira remained unchanged with a rate of N365/\$ at the parallel market segment. These rates are expected to prevail as CBN continues to intervene in the foreign exchange market.

Bond Market

Bond yields on fixed income instruments took a southward dive last week. Yields on the ten- and twenty-year debt papers fell to 16.57% and 16.53% from 16.64% and 16.65% respectively for the corresponding maturities the previous week. Consequently, the Access Bank Bond index rose marginally by 10.66 points to close at 2,331.57 points from 2,320.91 points the previous week. The decline in yields was due to higher demand for bonds both from the local and international market, which likely is a result of the improved GDP result released by NBS. This week, trading activities are expected to remain flat.

Commodities Market

Oil prices rose last week due to a cut in production by the Organization of the Petroleum Exporting Countries (OPEC) in August for the first time in five months. According to a Reuters' survey, the group produced 32.65 million barrels down 170,000 barrels a day from July. Oil prices were also boosted as a result of refinery outages in the U.S. caused by Hurricane Harvey. Bonny light, the Nigerian benchmark crude, gained 5.9% or \$3.08 to settle at \$55.15 per barrel last week from \$52.07 per barrel the previous week. Prices of precious metals ascended on a weaker U.S. dollar and worries about Hurricane Irma. Gold price added by \$47.41 to close at \$1,353.97 an ounce, silver also gained 4.6% or 0.80 cents to settle at \$18.19 an ounce. This week, oil prices may further trend upwards as Saudi Arabia reveals plans to cut crude supplies in October. For precious metals, we expect prices to further trend northwards due on weaker U.S. dollar and North Korea tension.

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