Monthly Economic Forecast

**Inflation:**
- Producer price inflation decreased to 2.58% month-on-month in July, from 2.70% in June.
- Consumer price inflation decreased to 3.42% year-on-year in July, from 3.51% in June.
- Core inflation (excluding food and energy) declined to 3.17% year-on-year in July, from 3.35% in June.

**GDP Growth:**
- Real GDP growth in the second quarter of 2018 is estimated at 0.75%, up from 0.5% in the first quarter.
- The economy is expected to continue growing at a moderate pace, driven by private consumption and investment.

**Balance of Payments:**
- The current account deficit increased to $3.5 billion in June, from $2.6 billion in May.
- Imports were up by 23.4% year-on-year, while exports declined by 0.5%.

**External Reserves:**
- External reserves declined to $22.4 billion in July, from $22.7 billion in June.
- The CBN sold foreign exchange to slow the appreciation of the naira against the US dollar.

**Monetary Policy:**
- The Monetary Policy Committee raised the benchmark interest rate by 25 bps to 14.25%.
- The policy rate was raised to 14% in July 2016 from 12%.

**Banking System:**
- Bank credit to the private sector increased by 12.3% year-on-year in June.
- Total assets of banks increased by 12.0% month-on-month in July.

**Non-Oil Trade:**
- Non-oil trade deficit declined to $7.3 billion in June, from $8.0 billion in May.
- Crude oil prices declined last week after data showed increased 2.1 points in July to 84.2 points from 82.1 points in June. According to the 23.4% from May 2018 figure.

**Global Markets:**
- In the US, the US dollar index declined to 94.84 from 95.44 in the previous week.
- The euro decreased to 1.1246 from 1.1286.
- The yen increased to 108.30 from 108.05.

**Commodities:**
- Crude oil prices declined last week after data showed that eligible financial instruments for clearing purposes must include ‘Paper-based’ payment instruments such as cheques, managers’ drafts, bank drafts, bank notes, credit/credit notes, bankers’ payments and electronic payment instruments i.e. ACH instruments that are approved for clearing/settlement in the Clearing System as well as any other instrument that may be approved by the CBNI. The clearing system sanctions for fraud. The clearing system sanctions for fraud.

**Equity Market:**
- The All Share Index (ASI) closed down 1.15% to 30,500.90 on July 27, 2018.
- The stock market was dominated by profit-taking activities.

**Foreign Exchange Market:**
- The naira depreciated at the interbank window by 0.5% to 351.17/$ from 350.34/$ the previous week. The local currency also weakened slightly at the official market to N369.95/$ from N369.45/$ the previous week. At the parallel market, the local currency remains unchanged at N369.95/$.

**Stock Market:**
- The stock market was driven by profit-taking activities.
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**Access Bank Rateswatch**

**Key MACRO-ECONOMIC INDICATORS**

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<th>Current Figure</th>
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<tr>
<td>GDP Growth (%)</td>
<td>1.95 Q1 2018 — lower by 0.16% compared to 2.11% in Q4 2017</td>
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<tr>
<td>Inflation (CPI)</td>
<td>10.20 on a year-on-year basis in June 2018</td>
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<tr>
<td>Inflation (Core CPI)</td>
<td>8.39 on a year-on-year basis in June 2018</td>
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