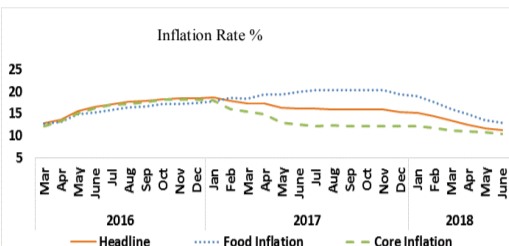
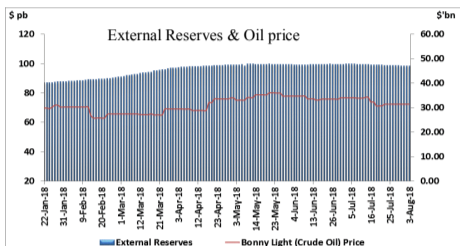
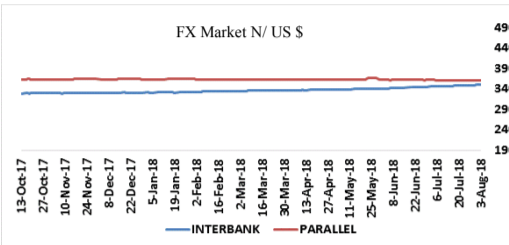
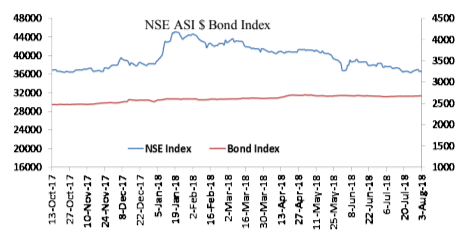


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.95	Q1 2018 — lower by 0.16% compared to 2.11% in Q4 2017
Broad Money Supply (M2) (N' trillion)	25.17	Increased by 2.64% in May 2018 from N24.52 trillion in Apr' 2018
Credit to Private Sector (N' trillion)	22.21	Decreased by 0.21% in May 2018 from N22.25 trillion in Apr' 2018
Currency in Circulation (N' trillion)	1.93	Decreased by 1.36% in May 2018 from N1.96 trillion in Apr' 2018
Inflation rate (%) (y-o-y)	11.23	Declined to 11.23% in June' 2018 from 11.61% in May' 2018
Monetary Policy Rate (%)	14	Raised to 14% in July '2016 from 12%
Interest Rate (Asymmetrical Corridor)	14 (+2/-5)	Lending rate changed to 16% & Deposit rate 9%
External Reserves (US\$ million)	47.07	August 3, 2018 figure — a decrease of 1.48% from July start
Oil Price (US\$/Barrel)	72.35	July 27, 2018 figure— no change from the prior week
Oil Production mbpd (OPEC)	1.66	June 2018 figure — an increase of 1.84% from May 2018 figure



STOCK MARKET

Indicators	Last Week	2 Weeks Ago	Change (%)
	3/8/18	27/7/18	
NSE ASI	36,499.67	36,636.97	(0.37)
Market Cap(N'tr)	13.32	13.27	0.38
Volume (bn)	0.27	0.31	(14.44)
Value (N'bn)	4.26	3.49	22.00

MONEY MARKET

NIBOR	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/8/18	27/7/18	
Tenor			
OBB	4.3300	6.8300	(250)
O/N	5.3300	7.2500	(192)
CALL	4.5500	7.7300	(318)
30 Days	11.8218	12.8380	(102)
90 Days	12.4322	13.5153	(108)

FOREIGN EXCHANGE MARKET

Market	Last Week Rate (N/\$)	2 Weeks Ago Rate (N/\$)	1 Month Ago Rate (N/\$)
	3/8/18	27/7/18	3/7/18
Official (N)	305.95	305.90	305.70
Inter-Bank (N)	350.63	349.41	346.00
BDC (N)	360.00	361.55	360.00
Parallel (N)	360.00	360.00	305.70

BOND MARKET

AVERAGE YIELDS	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/8/18	27/7/18	
Tenor			
3-Year	0.00	0.00	0
5-Year	13.58	13.70	(12)
7-Year	13.96	13.95	1
10-Year	13.81	13.82	(1)
20-Year	14.19	14.21	(2)

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Sources: CBN, Financial Market Dealers Quotation, NSE, NBS, Energy Information Agency, Bloomberg and Access Bank Economic Intelligence Group computation.

Market Analysis and Outlook: August 3 — August 10, 2018

Global

In the US, economic growth experienced a significant acceleration in the second quarter, a report released by the Commerce Department showed. According to the report, US real gross domestic product increased at an annual rate of 4.1% in the second quarter (Q2) of 2018. The latest GDP figure was nearly double the 2.2% growth rate in the first quarter, which was revised up from a previous estimate of 2% growth. Consumer spending was the main driver of growth, along with business investment and exports. Consumer spending, which accounts for 70% of economic activity, rose to a 4% annual growth rate after recording a lacklustre 0.5% gain in the first quarter. In a separate development, the nine-person Monetary Policy Committee of the Bank of England (BoE) voted unanimously to raise the base rate to 0.75%, up from 0.5% on the back of a strong labour market and credit growth. The interest rate is now at its highest level since March 2009 when it was drastically dropped following the global financial crisis. The BoE said in a statement that it recognizes "that the economic outlook could be influenced significantly by the response of households, businesses and financial markets to developments related to the process of EU withdrawal. Elsewhere, in Brazil, the Consumer Confidence Index (CCI) compiled by the Getulio Vargas Foundation, increased 2.1 points in July to 84.2 points from 82.1 in June. According to the Getulio Vargas Foundation (FGV), despite the improvement and partial recovery of the losses recorded in the previous month, the index remains low in historical terms. From June to July, the Current Situation Index rose by 2.3 points, to 74.1 points, the lowest year-to-date, while the Expectations Index rose by 1.9 points to 91, 9 points, after three months falling.

Domestic

The Central Bank of Nigeria (CBN) has released revised clearing system rules for Deposit Money Banks. In a circular posted on its website, signed by the Director, Banking and Payments System Department, the CBN stated that the revision of the Nigeria Bankers' Clearing System (NBCS) Rules was in furtherance of its mandate for the development of electronic payments system in the country. According to the revised rules, which would take effect from September 1, 2018, electronic payment instruments will be presented to the clearing system in the next applicable session if instruction is received from customers less than two hours before closure of session available for the financial instrument, unless the relevant service agreement dictates otherwise. It further stated that eligible financial instruments for clearing purposes will include: "Paper-based payment instruments such as cheques, managers' cheques, drafts, dividend/interest warrants, debit/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 CBN. Regarding sanctions for flouting the NBCS rules, the apex bank said: "Transmission of data that is not in agreement with the images will attract a sanction of N1,000 per item; Banks charging beneficiaries for Inward ACH credits except as prescribed by the CBN attracts 200 percent of the charge/fee subject to a minimum of N5,000 to be charged per item against the bank; Delayed presentation of customers ACH instruments on the clearing system attracts a 10% of ACH item with a cap of N10,000 per payment instrument; A bank refusing to pay its own instrument drawn on itself (Manager's Cheque/Draft) other than in cases of forgery or theft will pay 10% flat charge of face value or N10,000 flat charge per cheque, whichever is higher. In addition, Paying Bank shall pay full instrument value to Presenting Bank. In a separate development, The Manufacturing Purchasing Managers' Index Survey conducted by the Central Bank of Nigeria (CBN) eased to 56.8 in July, from 57 index points in June. This marked the sixteenth consecutive month expansion in the manufacturing sector. Of the 14 subsectors surveyed, 13 reported growth in the review month in the following order: petroleum & coal products; printing & related support activities; paper products; electrical equipment; primary metal; furniture & related products; non-metallic mineral products; transportation equipment; textile, apparel, leather & footwear; chemical & pharmaceutical products; food, beverage & tobacco products; cement; and fabricated metal products. The Plastics & rubber products subsector declined in the review month.

Stock Market

Trading activities at the Nigerian Stock Exchange (NSE) closed on a negative note for the week ended August 3rd, 2018. The downtrend in gauges of market performance was largely due to sustained sell-offs by foreign and some domestic investors as bearish sentiments prevailed. Consequently, the All Share Index (ASI) closed down 0.37% or 137.30 points to end at 36,499.67 points from 36,636.97 points the previous week. Meanwhile, market capitalization edged up, albeit slightly, by 0.38% to close at N13.32 trillion from N13.27 trillion the previous week. The market was dragged down by stocks in the oil, consumer goods and industrial sectors. This week we expect mixed performance as investors continue to study the economy and as Q2 earnings scorecards filter out.

Money Market

The money market was flush with liquidity as both short and long dated placement drifted lower. This came on the back of inflow from Federation Account Allocation Committee (FAAC) payments for the second consecutive week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates fell to 4.33% and 5.33% from 6.83% and 7.25% respectively the previous week. Similarly, longer dated placements trended downwards. The call, 30-day and 90-day NIBOR closed at 4.55%, 11.82% and 12.43% from 7.73%, 12.84% and 13.52% the previous week. This week, rates are expected to trend higher as banks are expected to fund for another round of FX sales in the Wholesale, invisibles and SME Market.

Foreign Exchange Market

The naira depreciated at the interbank window by N1.22 to close at N350.63/\$ from N349.41/\$ the previous week. The local currency also weakened slightly at the official market to N305.95/\$ from N305.90/\$ the previous week. At the parallel market, the local currency remained unchanged at N360. The depreciation in the interbank rate could be attributed to bidding at higher rates by commercial banks in FX auctions from the apex bank. This week, we envisage the naira remaining around prevailing levels, as the CBN sustains its interventions.

Bond Market

Last week, most bonds yields declined due to higher market demand spurred by attractive yields after the last bond auction. Yields on the five, ten- and twenty-year debt papers settled at 13.58%, 13.81% and 14.19% from 13.70%, 13.95% and 14.21% respectively the previous week. The Access Bank Bond index increased by 5.79 points or 0.22% to close at 2,677.20 points from 2,671.41 points the previous week. This week we expect the bullish sentiment to wane as the market on profit-taking activities.

Commodities

Oil prices declined last week after data showed an unexpected increase in US inventories of crude, reigniting worries about oversupply. Data released by the Energy Information Administration (EIA) showed that the country's commercial crude inventories jumped by 3.8 million barrels. The OPEC Basket price per barrel of crude oil ended down \$2.01, or 3%, at \$71.61 a barrel. Precious metals prices on the other hand diverged as Gold prices drifted lower following strengthening of the US dollar, while silver prices rose. Gold lost \$7.64, or 0.63%, to settle at \$1,211.68 an ounce. In contrast, silver gained \$0.05 to close at \$15.42 an ounce. This week, we see oil prices extending losses due to mounting concerns about oversupply. For precious metals, the outlook tilts to the downside as major Central Banks continue on the path of monetary policy normalisation.

COMMODITIES MARKET

Indicators	3/8/18	1-week Change (%)	YTD Change (%)
Energy			
Crude Oil (\$/bbl)	72.35	0.00	12.24
Natural Gas (\$/MMBtu)	2.83	1.80	(7.40)
Agriculture			
Cocoa (\$/MT)	2,136.00	(6.93)	10.33
Coffee (\$/lb.)	107.30	(1.51)	(17.59)
Cotton (\$/lb.)	88.93	1.46	14.75
Sugar (\$/lb.)	10.76	(2.09)	(29.81)
Wheat (\$/bu.)	586.25	10.15	35.24
Metals			
Gold (\$/t oz.)	1,211.68	(0.63)	(8.04)
Silver (\$/t oz.)	15.42	0.33	(10.30)
Copper (\$/lb.)	276.65	(1.53)	(15.60)

NIGERIA INTERBANK TREASURY BILLS TRUE YIELDS

Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	3/8/18	27/7/18	
1 Mnth	10.76	10.42	34
3 Mnths	11.11	11.07	4
6 Mnths	12.40	12.48	(8)
9 Mnths	12.76	12.76	0
12 Mnths	13.01	13.10	(9)

ACCESS BANK NIGERIAN GOV'T BOND INDEX

Indicators	Last Week	2 Weeks Ago	Change (Basis Point)
	3/8/18	27/7/18	
Index	2,677.20	2,671.41	0.22
Mkt Cap Gross (N'tr)	8.61	8.51	1.15
Mkt Cap Net (N'tr)	5.56	5.49	1.28
YTD return (%)	8.99	8.75	0.24
YTD return (%) (US \$)	-46.32	-46.53	0.21

TREASURY BILLS PMA AUCTION

Tenor	Amount (N' million)	Rate (%)	Date
91 Day	9,541.92	10	1-Aug-2018
182 Day	69,565.35	10.4	1-Aug-2018
364 Day	136,522.57	11.3	1-Aug-2018

Monthly Macro Economic Forecast

Variables	Aug'18	Sept'18	Oct'18
Exchange Rate			
(Interbank) (N/\$)	346.90	347.02	348
Inflation Rate (%)	9.34	9.00	9.00
Crude Oil Price (US\$/Barrel)	76.75	76.00	77.00

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