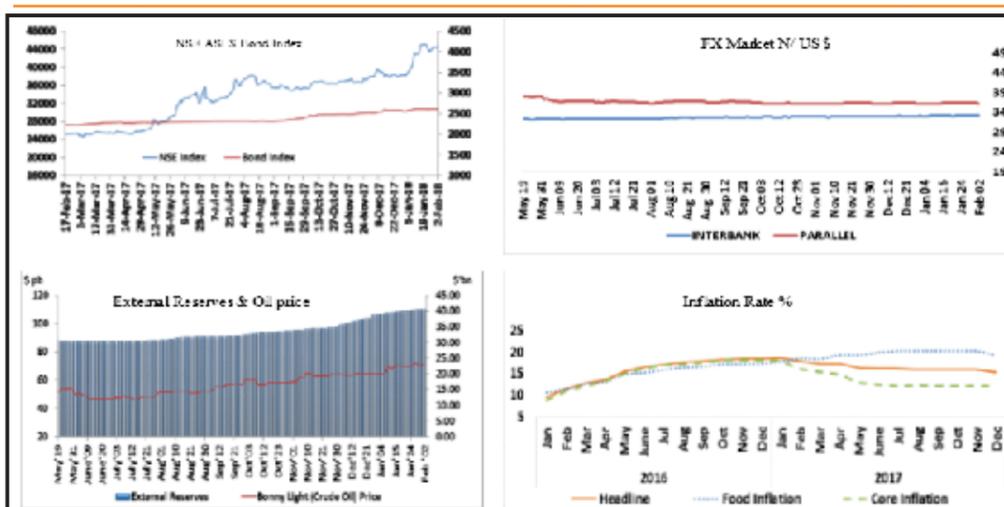


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.40	Q3 2017 — higher by 0.68% compared to 0.72% in Q2 2017
Broad Money Supply (M2) (N' trillion)	24.00	Increased by 7.04% in Dec' 2017 from N22.31 trillion in Nov 2017
Credit to Private Sector (N' trillion)	22.29	Increased by 1.50% in Dec' 2017 from N21.96 trillion in Nov 2017
Currency in Circulation (N' trillion)	2.15	Increased by 13.15% in Dec' 2017 from N1.90 trillion in Nov 2017
Inflation rate (%) (y-o-y)	15.37	Declined to 15.37% in Dec' 2017 from 15.90% in Nov' 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)	40.63	January 30, 2018 figure — an increase of 4.41% from Jan start
Oil Price (US\$/Barrel)	70.44	February 02, 2018 figure - a decrease of 1.7% from the previous wk
Oil Production mbpd (OPEC)	1.86	Dec' 2017 figure — an increase of 4.25% from Nov' 2017 figure



STOCK MARKET

Indicators	Friday 2/02/18	Friday 26/01/18	Change(%)
NSE ASI	44,639.99	43,773.76	1.98
Market Cap(N'tr)	16.02	15.69	2.09
Volume (bn)	0.54	0.94	(43.35)
Value (N'bn)	3.61	7.13	(49.36)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	2/02/18	26/01/18	
OBB	11.60	4.50	710
O/N	12.17	5.33	684
CALL	4.88	16.38	(1150)
30 Days	13.43	14.53	(110)
90 Days	14.38	15.32	(93)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	2/02/18	26/01/18	2/01/18
Official (N)	305.65	305.70	306.10
Inter-Bank (N)	332.16	331.16	331.03
BDC (N)	360.00	360.88	362.00
Parallel (N)	364.00	364.00	364.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	2/02/18	26/01/18	
3-Year	0.00	0.00	0
5-Year	13.49	13.57	(8)
7-Year	13.83	13.87	(5)
10-Year	13.42	13.43	(1)
20-Year	13.38	13.33	5

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Market Analysis and Outlook: February 2 - February 9, 2018

Global Economy

In the U.S., the Federal Open Market Committee (FOMC) of the Federal Reserve left its target range for the federal funds unchanged at 1.25% to 1.5% at their January 31st 2018 meeting. The Committee however signalled a rate hike in March. According to policy makers, inflation is envisaged to rise this year and stabilize around the Committee's 2% objective over the medium term. Economic conditions are also expected to evolve in a manner that will allow for further gradual increases in the federal funds rate. In a separate development, Japan's unemployment rate rose to 2.8% in December 2017 from 2.7% in the previous month. The number of unemployed rose to 1.86 million in the review month, 10,000 persons above the number in November. Employment declined by 70,000 to 65.51 million from 65.58 million in November. For ages 15 to 24 years, the jobless rate went up to 4.6% from 4.1% in November. In December 2016, unemployment rate was 3.1%. Elsewhere in Brazil, the Brazilian Institute of Geography and Statistics (IBGE) reported that the country's unemployment rate declined to 11.8% in the last quarter of 2017 from 12% in the previous period. The average unemployment rate in 2017 was 12.7%, higher than 11.5% in 2016. For full year 2017, 13.2 million persons were unemployed compared to 11.7 million unemployed persons in 2016. The number of employed persons rose by 264,000 to 90.6 million and the labour force increased by 1.7 million to 103.9 million.

Local Economy

The Manufacturing Purchasing Managers' Index (PMI) stood at 57.3 index points in January 2018, compared against 59.3 points in December 2017. This was shown in the latest PMI report by the Central Bank of Nigeria (CBN). This indicates an expansion in the manufacturing sector for the tenth consecutive month, albeit at a slower rate compared to the previous month. A composite PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Thirteen of the sixteen sub-sectors recorded growth during the month. The electrical equipment; chemical & pharmaceutical products; and transportation equipment sub-sector contracted in the month under review. In another development, Nigeria was ranked 158 globally out of 181 countries on macroeconomic stability, institutional strength, openness and human capital in a report by KPMG titled Growth Promise 2018. Nigeria was dropped five places from the previous year and is now behind 28 other African countries including Rwanda. Nigeria's macroeconomic stability is the third best in the world ahead of its top ranked African countries such as Ghana, Tunisia and Egypt. On human development, Nigeria is ranked 1.27 behind seven other countries, for openness (that is the stock of foreign direct investment and total trade performance), Nigeria is ranked 0.29, only ahead of Pakistan. Rwanda is put ahead of other African countries due to its institutional strength (that is the quality of regulation, judicial independence, and transparency of government policymaking, control of corruption as well as business and property rights).

Stock Market

Trading activities on the floor of the Nigerian Stock Exchange (NSE) closed on a positive note in the week ended February 2, 2018. The bullish performance witnessed was due to sustained positive investor sentiment as well as expectation of the full year financial scorecards of companies. The All Share Index (ASI) gained 2.0% or 866.23 points to close at 44,639.99 points from 43,773.76 points the previous week. Similarly, market capitalization soared by 2.1% to close at N16.02 trillion from N15.69 trillion the previous week.

Market indicators closed in the green on stocks in the banking, industrial and consumer goods sectors. This week, we expect the positive performance to continue amidst some profit taking.

Money Market

Liquidity was drained at the money market last week as rates were seen to ascend due to Retail Secondary Market Intervention Sales (SMIS) which took place on the last trading day of the week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates accelerated to 11.60% and 12.17% from 4.50% and 5.33% respectively the previous week. However, the 30-day and 90-day NIBOR closed slightly lower at 13.43% and 14.38% from 14.53% and 15.32% the prior week. This week, liquidity may be boosted by Open Market Operations (OMO) maturity of N68 billion.

Foreign Exchange Market

Last week, the naira exchange rate to the dollar appreciated marginally at the parallel market to N363/\$ from N364/\$ the previous week. In contrast, at interbank window and the official market, the naira depreciated slightly by 0.29% and 0.03% to close at N333.13/\$ and N305.75/\$ from N332.16/\$ and N305.65/\$ respectively. Offshore investors have been buying local debt in search of yields thus boosting liquidity at the currency market. This week, the naira is expected to remain stable due to weak dollar demand.

Bond Market

Average bond yields trended lower in the week ended February 02, 2018 on investors high demand for the bond with maturity date of year 2027 due to the fact that it would no longer be offered by the Debt Management Office (DMO) as well as it been considered a viable investment due to its high coupon rate. Yields on the five-, seven-, and ten-year debt papers settled lower at 13.49%, 13.83% and 13.42% from 13.57%, 13.87% and 13.43% respectively the previous week. The Access Bank Bond index rose by 0.7 points to close at 2,606.27 points from 2,605.56 points the previous week. This week, yields may likely remain around current levels due to lull in market activity.

Commodities Market

Oil prices retreated last week on US inventory build-up by 6.8 million barrel, figures from the Energy Information Administration (EIA) showed. Bonny light, Nigeria's benchmark crude declined to \$70.44 per barrel from \$71.68 per barrel the previous week. Precious metals prices also retreated last week despite the US dollar slipping again on the currency market after the Federal Reserve's "no change" decision on interest rates overnight. Gold fell by 0.4% to \$1,345.57 an ounce from \$1,351.50 an ounce the previous week. Silver also dropped by 1.2% to \$17.16 from \$17.37 an ounce the previous week. This week, oil prices may trend upwards due to favourable fundamentals such as strong demand, high compliance with crude oil output freeze by Organization of Petroleum Exporting Countries (OPEC) as well as steep declines in Venezuela's production. A stronger US economy evidenced by strong jobs data, lower unemployment and higher wages could strengthen the dollar and in turn pressure precious metals.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Feb'18	Mar'18	Apr'18
Exchange Rate (Official) (N/\$)	331.33	331.12	332.93
Inflation Rate (%)	15.30	15.28	15.26
Crude Oil Price (US\$/Barrel)	67	68	69