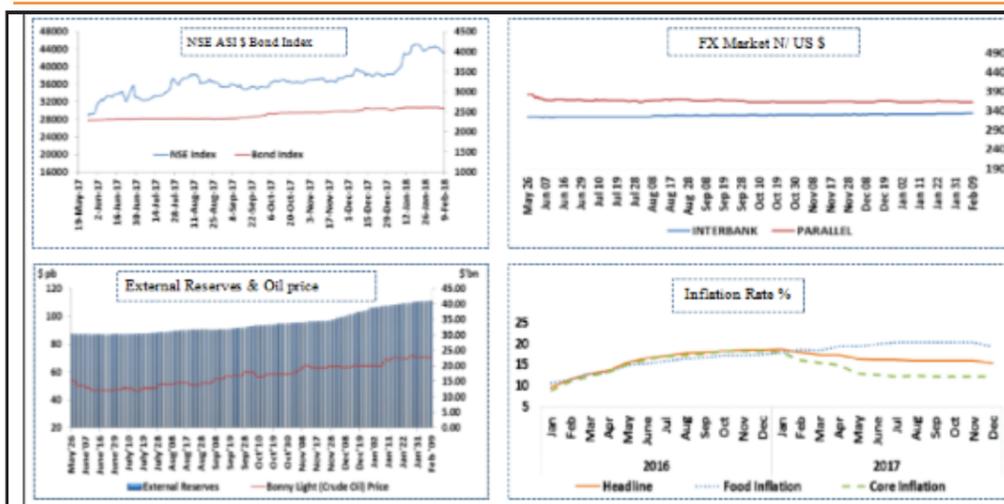


Access Bank Rateswatch

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)	41.01	February 07, 2018 figure — an increase of 0.61% from Feb start
Oil Price (US\$/Barrel)	70.44	February 09, 2018 figure - no change in one week
Oil Production mbpd (OPEC)	1.86	Dec' 2017 figure — an increase of 4.25% from Nov'2017 figure



STOCK MARKET

Indicators	Friday 9/02/18	Friday 2/02/18	Change(%)
NSE ASI	43,127.92	44,639.99	(3.39)
Market Cap(N'tr)	15.48	16.02	(3.39)
Volume (bn)	0.55	0.54	3.20
Value (N'bn)	4.49	3.61	24.55

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	9/02/18	2/02/18	
OBB	43.33	11.60	3173
O/N	45.50	12.17	3333
CALL	46.17	4.88	4129
30 Days	15.13	13.43	169
90 Days	15.51	14.38	113

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	9/02/18	2/02/18	9/01/18
Official (N)	305.85	305.75	305.90
Inter-Bank (N)	333.87	333.13	331.66
BDC (N)	360.50	360.00	360.00
Parallel (N)	363.00	363.00	363.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	9/02/18	2/02/18	
3-Year	0.00	0.00	0
5-Year	13.87	13.49	38
7-Year	14.16	13.83	33
10-Year	13.82	13.42	40
20-Year	13.69	13.38	31

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Market Analysis and Outlook: February 9 - February 16, 2018

Global Economy

In the United Kingdom, the Bank of England policy makers voted unanimously to keep interest rates at 0.5% during their last meeting held on February 8th 2018. The Bank cited that inflation was expected to remain around 3% in the short term as a result of higher oil prices. The Bank however hinted at raising interest rates sooner than expected as the economy is expected to expand faster over the next couple of years, thereby lifting inflation above the 2% target of the Monetary Policy Committee (MPC) central projection. The Bank also raised its growth forecast for the UK economy to 1.7% from its previous forecast of 1.5% made in November. Elsewhere in India, the Reserve Bank of India left its interest rate unchanged at 6% on February 7th 2018. The rates were retained in line with policymakers' decision on a neutral stance of monetary policy aiming to reach the medium-term inflation target of 4% +/- 2%, while supporting growth. The Central Bank raised its inflation forecast to 5.1% for Q4 of the current fiscal year (January to March 2018) from 4.3 - 4.7%. In a separate development, China's inflation rate eased to 1.5% year-on-year from 1.8% recorded the previous month. According to the National Bureau of Statistics of China, it is the lowest inflation rate since July 2017. This was due to slowdown in cost of non-food items and a decline in the cost of food items. Month-on-month, consumer prices rose by 0.6% higher than 0.3% recorded in the previous month.

Local Economy

The Central Bank of Nigeria (CBN) in its quarterly economic report for Q4 2017 reported that aggregate foreign exchange inflow into the Nigerian economy grew to \$30.45 billion in Q4 2017. This indicated a rise of 14.5% when compared to Q3 2017 and an increase of 86.9% over the corresponding quarter of 2016. Increased FX inflows were attributed to the 22.7% and 7.7% increase in inflows through the CBN and autonomous sources respectively. The report revealed that Nigeria's FX inflows also increased due to the rise in Nigeria's benchmark crude oil price. An overall balance of payment surplus of 2.2% of the gross domestic product (GDP) was recorded in Q4 2017. In a separate development, a report released by the National Bureau of Statistics (NBS) titled "Selected Banking Sector Data", indicated that the value of electronic payment (e-payment) transactions recorded by banks in Q4 2017 climbed to N29.44 trillion from N19.33 trillion in Q3 2017, representing an increase of 52%. The report also revealed that transactions from Automated Teller Machine (ATM) transactions dominated the space in Q4 2017 as against Nigeria Inter-bank Settlement System (NIBSS) Instant Payment which dominated the space in Q3 2017. In terms of credit to private sector, a total of N15.74 worth of credit was allocated by the banks in Q4 2017. Oil & Gas and Manufacturing sectors received credit allocation of N3.58 trillion and N2.17 trillion respectively, recording the highest credit allocation in the period under review. As at Q4 2017, the total number of banks' staff increased by 9.19% to 90,453 persons from 82,840 persons in Q3 2017.

Stock Market

The local bourse closed on a bearish note in the week ended February 9, 2018 as performance indicators declined. The negative performance witnessed was due to sell-offs as profit taking held sway for most of the week. The All Share Index (ASI) lost 3.4% or 1,512.07 points to close at 43,127.92 points from 44,639.99 points the previous week. Similarly, market capitalization ended lower by 3.4% to close at N15.48 trillion from N16.02 trillion the previous week. The downturn recorded was due to losses in the financial services, industrial goods and consumer

goods sectors. This week, we expect volatility and portfolio repositioning to continue.

Money Market

Market liquidity was tight in the week ended February 9, 2018 due to the Retail Secondary Market Intervention Sales (SMIS) which took place in the previous week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates accelerated to 43.33% and 45.5% from 11.60% and 12.17% respectively the previous week. The 30-day and 90-day NIBOR did likewise closing higher at 15.13% and 15.51% from 13.43% and 14.38% the prior week. This week, rates may remain high due to another Retail SMIS auction scheduled to take place by the apex bank.

Foreign Exchange Market

Last week, the local currency remained at the same rate as the previous week at the parallel market at N363/\$. In contrast, at the interbank window and the official market, the naira depreciated slightly by 0.22% and 0.03% to close at N333.87/\$ and N305.85/\$ from N333.13/\$ and N305.75/\$. The impact of the sell-off by international investors in the stock and bond market was limited on the naira as there was no sign of pressure building up on the currency. This week, the naira is expected to remain stable against the dollar despite a sell-off the previous week on the stock and bond markets by international investors. This expectation is hinged on continued accretion to foreign reserves due to stable oil price & production levels.

Bond Market

Average bond yields accelerated in the week ended February 09, 2018 on sell-offs seen by international counterparties due to a number of global risks such as rising interest rates on less risky assets. Yields on the five-, seven-, ten- and twenty-year debt papers closed higher at 13.87%, 13.83%, 13.82% and 13.69% from 13.49%, 13.83%, 13.42% and 13.38% respectively the previous week. The Access Bank Bond index fell by 22.31 points to close at 2,583.96 points from 2,606.27 points the previous week. This week, market trajectory may reverse causing yields to decline.

Commodities Market

Oil prices fell to their lowest in seven weeks amidst fears of rising global supplies after Iran announced its plans to increase production over the next four years and U.S. crude output is seen as record highs. The U.S. Energy Information Administration (EIA) reported that U.S. crude production rose to a record high of 10.25 million barrels per day (mbpd). The Organization of Petroleum Exporting Countries (OPEC) reference crude declined by 6.19% to \$62.69 per barrel from \$66.83bp. Bonny light however, Nigeria's benchmark crude remained at \$70.44 per barrel. Precious metals followed suit as the U.S. dollar firmed alongside Treasury bond yields which dulled investment demand for the safe-haven assets. Gold fell by 2.3% to \$1,314.48 an ounce from \$1,345.57 an ounce the previous week. Silver also declined by 4.5% to \$16.38 from \$17.16 an ounce the previous week. This week, oil prices may remain pressured due to increasing oversupply concerns arising from accelerating U.S. crude oil inventories as well as the restart of the Forties pipeline in the North Sea. For precious metals, a firmer dollar and worries about rising global interest rates may continue to pressure prices.

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