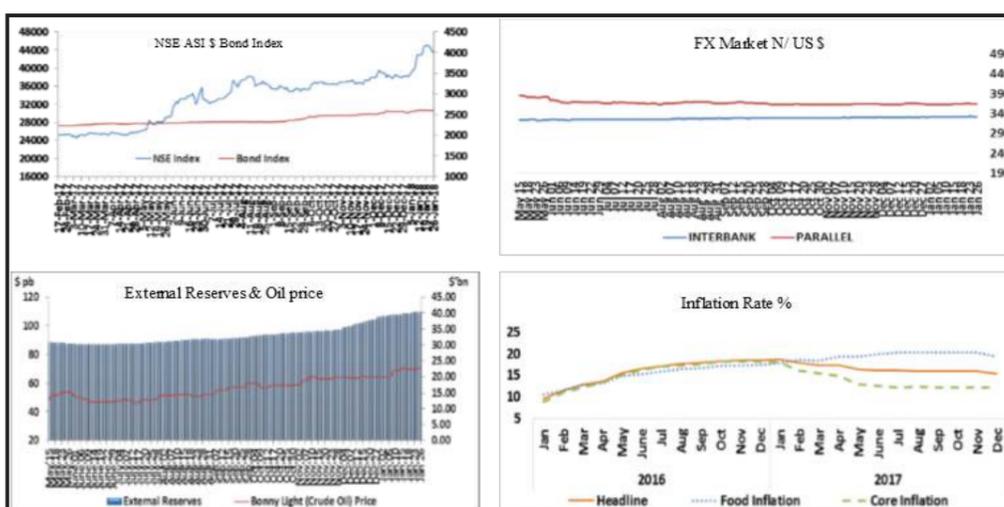


Access Bank Rateswatch

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)	40.33	January 25, 2018 figure — an increase of 3.65% from Jan start
Oil Price (US\$/Barrel)	71.68	January 26, 2018 figure - an increase of 2.8% from the previous wk
Oil Production mbpd (OPEC)	1.86	Dec' 2017 figure — an increase of 4.25% from Nov'2017



STOCK MARKET

Indicators	Friday	Friday	Change(%)
	26/01/18	19/01/18	
NSE ASI	43,773.76	45,092.83	(2.93)
Market Cap(N'tr)	15.69	16.15	(2.87)
Volume (bn)	0.94	1.34	(29.46)
Value (N'bn)	7.13	8.63	(17.42)

MONEY MARKET

Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	
	26/01/18	19/01/18	(Basis Point)
OBB	4.50	16.67	(1217.0)
O/N	5.33	17.67	(1234)
CALL	16.38	5.50	1087.5
30 Days	14.53	13.63	90
90 Days	15.32	14.71	61.0

FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	
	26/01/18	19/01/18	Rate (N/\$)
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

Tenor	Friday	Friday	Change
	(%)	(%)	
	26/01/18	19/01/18	(Basis Point)
3-Year	0.00	0.00	0.0
5-Year	13.57	13.70	(12.5)
7-Year	13.87	13.59	28.5
10-Year	13.43	13.39	4.4
20-Year	13.33	13.27	5.4

Disclaimer

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Market Analysis and Outlook: January 26—February 2, 2018

Global Economy

In the U.S., the gross domestic product (GDP) grew by 2.6% year-on-year in Q4 2017 based on the first estimate. This is lower than 3.2% in the previous quarter. The Bureau of Economic Analysis (BEA) revealed that the slower growth resulted from a downturn in private inventory investment. The GDP grew on positive contributions from personal consumption expenditures (PCE), non-residential fixed investment, exports, local government spending and federal government spending. In a separate development, U.K. GDP came out at 1.5% year-on-year in Q4 2017, lower than the growth of 1.7% in the previous period. The slower pace may be attributed to a slower rise in manufacturing at 2.3% (2.4% in Q3) and construction at 0.6% (4.8% in Q3) output. For full year 2017, the economy grew by 1.8%, slightly lower than the growth of 1.9% in 2016. The slower expansion was attributed to a reduction in the growth of services in 2017, data from the Office of National Statistics revealed. Elsewhere in Japan, consumer prices rose by 1% year-on-year in December 2017, higher than an increase of 0.6% in the previous month. According to Japan's statistical office, the rise was driven by an increase in the cost of food items. Food inflation rose by 1.8% year-on-year while core inflation remained unchanged at 0.9%. Month-on-month, consumer prices went up by 0.2%.

Domestic Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for the month of December. The report revealed that the total transactions at the nation's bourse increased significantly in the month of December by 72.64% to N480.80 billion from N278.49 billion recorded in November 2017. Foreign transactions witnessed a slower increase when compared to the previous month by 37.56% to N206.48 billion from N150.10 billion the prior month. Domestic transactions however increased at a faster pace by 113.66% to N274.32 billion from N128.39 billion in November. An increase of 90.67% in monthly foreign inflows was recorded at N173.43 billion from N90.96 billion in November. However, foreign outflows declined by 44.12% to N33.05 billion in November from N59.14 billion in the previous month. Total foreign portfolio investments (FPI) transactions from January to December 2017 climbed by 68.25% to N2.543 trillion from N1.511 trillion recorded in the same period of 2016. In another development, the first meeting of the Monetary Policy Committee (MPC) of the Central Bank in 2018 failed to hold as scheduled on the 22nd and 23rd of January 2018. This was due to the Bank's inability to form a quorum as stipulated in the Central Bank of Nigeria Act 2007. Regardless of the situation, the Central Bank decided to retain the Monetary Policy Rate (MPR) at 14%. This was based on several factors such as improving oil price and production, increased foreign reserves and strong investor confidence in the country. The CBN also retained other monetary policy parameters such as the Cash Reserves Ratio at 22.5%, the Liquidity Ratio at 30% and the Asymmetric Corridor at +200 basis points and -500 basis points around the MPR.

Stock Market

Last week, trading activities at the Nigerian Stock Exchange (NSE) halted its bullish trend as profit taking activities in the market held sway. The local bourse closed in the red compared to the previous week as major performance indicators dipped. The All Share Index (ASI) lost 2.9% or 1,319.07 points to close at 43,773.76 points from 45,092.83 points the previous week. Similarly, market capitalization plunged by 2.9% to close at N15.69 trillion from N16.15 trillion the previous week. Market indicators were pulled down by stocks in the banking, oil & gas and consumer goods sectors. This week, we expect the market volatility to continue due to portfolio reshuffling and repositioning for the expected quarterly and full year reports.

Money Market

Cost of borrowing at the money market declined across short dated instruments for the week ended January 26, 2018 after systemic inflows of about N314 billion in Federal Account Allocation Committee (FAAC) funds and Open Market Operations (OMO) maturity of about N69 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 4.50% and 5.33% from 16.67% and 17.67% respectively the previous week. However, the 30-day and 90-day NIBOR closed higher at 14.53% and 15.32% from 13.63% and 14.71% the prior week. This week, rates may trend upwards due to a scheduled retail Secondary Market Intervention sales (SMIS).

Foreign Exchange Market

Last week, the naira exchange rate to the dollar remained stable at the parallel market at N364/\$, same as the previous week. In contrast, at interbank window the naira depreciated slightly by 0.30% to close at N332.16/\$ from N331.16. The local currency however appreciated slightly at the official window by 0.02% to settle at N305.65/\$ from N305.70/\$ the previous week, supported by the Central Bank's regular intervention as well as inflows from offshore investors. This week, the naira is expected to strengthen slightly due to tepid dollar demand.

Bond Market

Last week, the direction of bond yields was mixed due to demand surge on some fixed income instruments. The demand surge was as a result of investors' reaction to the Debt Management Office (DMO) announcement to trade bonds in the Euro bond market as well as the likely reinstatement into the JP Morgan index. Yields on the five-year debt paper declined to 13.57% from 13.70% the previous week. However, yields on the seven-, ten- and twenty-year debt papers closed higher at 13.87%, 13.43% and 13.33% from 13.59%, 13.39% and 13.27% respectively the previous week. The Access Bank Bond index rose by 2 points to close at 2,605.56 points from 2,603.57 points the previous week. This week, yields may trend lower as demand for the bond maturing in year 2027 spikes given that it is the last week it would be offered on the market.

Commodities Market

Oil prices soared to new heights continuing their bullish trend in the week ended January 26, 2018, supported by a weaker U.S. dollar as well as a draw in crude stocks last week. U.S. crude stocks are currently at their lowest since 2015 at 411.6 million barrels. Bonny light, Nigeria's benchmark crude climbed to \$71.68 per barrel from \$69.74 per barrel the previous week. The prices of precious metals hit new 17-month highs as the dollar extended its slump after President Donald Trump's treasury secretary said he welcomed a "weak dollar". Gold appreciated by 1.3% to \$1,351.50 an ounce from \$1,334.80 an ounce the previous week. Silver did likewise, appreciating by 1.7% to \$17.37 from \$17.08 an ounce the previous week. This week, oil prices may further trend upwards due to favourable fundamentals. For precious metals, their role as risk hedge instruments will remain supportive as rising tensions in Europe and the approach of the U.S. president are raising uncertainty levels.

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