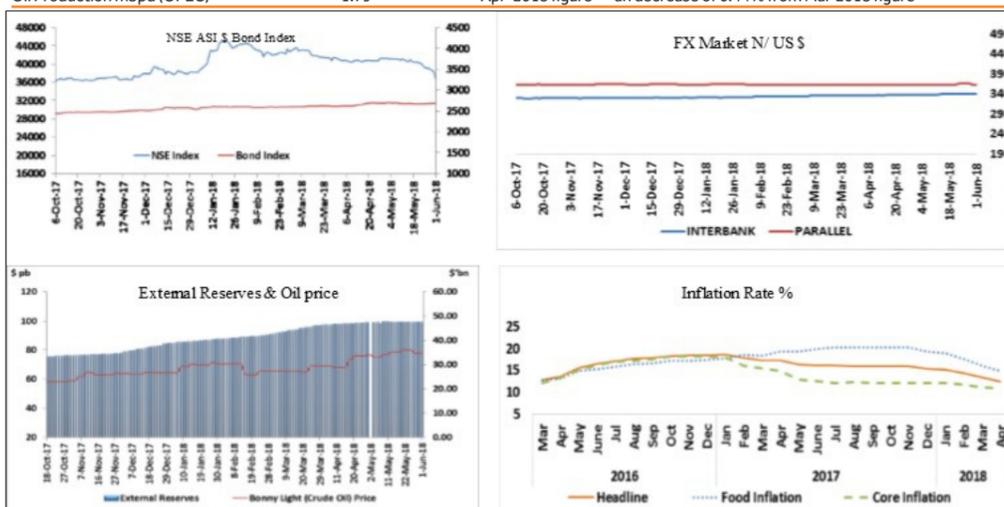


# Access Bank Rateswatch

## KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.95	Q1 2018 — lower by 0.11% compared to 2.11% in Q4 2017
Broad Money Supply (M2) (N' trillion)	24.52	Increased by 0.90% in Apr' 2018 from N24.30 trillion in Mar' 2018
Credit to Private Sector (N' trillion)	22.25	Decreased by 0.85% in Apr' 2018 from N22.44 trillion in Mar' 2018
Currency in Circulation (N' trillion)	1.96	Increased by 17.31% in Apr' 2018 from N1.67 trillion in Mar' 2018
Inflation rate (%) (y-o-y)	12.48	Declined to 12.48% in Apr' 2018 from 13.34% in Mar' 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)	47.62	May 30, 2018 figure — an increase of 0.23% from May start
Oil Price (US\$/Barrel)	77.89	June 1, 2018 figure — a decrease of 2.49% from the previous week
Oil Production mbpd (OPEC)	1.79	Apr' 2018 figure — an decrease of 0.44% from Mar' 2018 figure



## STOCK MARKET

Indicators	Friday	Friday	Change(%)
	1/6/18	25/5/18	
NSE ASI	36,816.29	39,323.62	(6.38)
Market Cap(N'tr)	13.34	14.24	(6.38)
Volume (bn)	0.52	0.30	74.61
Value (N'bn)	7.20	2.95	143.99

## MONEY MARKET

NIBOR			
Tenor	Friday Rate	Friday Rate	Change
	(%)	(%)	(Basis Point)
	1/6/18	25/5/18	
OBB	3.3300	17.7000	(1437)
O/N	4.4200	19.6700	(1525)
CALL	4.1625	31.8750	(2771)
30 Days	13.0582	13.4844	(43)
90 Days	14.7720	14.5934	18

## FOREIGN EXCHANGE MARKET

Market	Friday	Friday	1 Month
	(N/\$)	(N/\$)	Rate (N/\$)
	1/6/18	25/5/18	2/5/18
Official (N)	305.95	305.90	305.70
Inter-Bank (N)	340.75	340.28	338.87
BDC (N)	361.00	361.46	359.50
Parallel (N)	363.00	366.00	362.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Friday	Friday	Change
	(%)	(%)	(Basis Point)
	1/6/18	25/5/18	
3-Year	0.00	0.00	0
5-Year	13.03	13.30	(27)
7-Year	12.73	13.17	(44)
10-Year	13.17	13.40	(23)
20-Year	13.41	13.43	(2)

## Disclaimer

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Sources: CBN, Financial Market Dealers Association of Nigeria, NSE and Access Bank Economic Intelligence Group computation.

## Market Analysis and Outlook: June 1 - June 8, 2018

### Global Economy

In the U.S, Q1 2018 GDP growth rate was revised to 2.2% according to the Bureau of Economic Analysis. This contraction from the earlier rate (2.3%) is due to a slower than expected growth for personal consumption, services and exports which grew at 0.71%, 1.8% and 4.2% respectively as opposed to 0.73%, 2.1% and 4.8% in that order while fixed investments rose faster at 1.05% from 0.76% and investments in equipment, structures and intellectual property inched higher. Elsewhere in the Eurozone, inflation rate rose to 1.9% year-on-year in May 2018 from 1.2% in April as recorded by Eurostat. This marks the highest annual inflation in Eurozone since April 2017. The rate was driven by energy (6.1% compared with 2.6% in April), followed by food, alcohol & tobacco (2.6% compared with 2.4% in April), then services and non-energy industrial goods. In another development, Japan's Statistics Agency reported that the unemployment rate stood at 2.5% in April 2018. This signifies a year-on-year decline in unemployment rate from 2.8% in April 2017. Employment declined to 66.93million, a decrease by 10,000 while labor force fell to 68.62million.

### Local Economy

Total transactions at the nation's bourse slipped in the month of April 2018 by 22.11% to N212.23 billion from N272.48 billion recorded in March 2018. This information was disclosed by the Nigerian Stock Exchange (NSE) in its monthly Domestic & Foreign Portfolio Investment report for the month of April 2018. According to the report, total foreign transactions likewise fell by 7.32% to N122.53 billion from N132.21 billion the prior month. Total domestic transactions also declined, falling at a higher rate of 36.05% to N89.70 billion from N140.27 billion in March. A breakdown of foreign transactions revealed that a decline of 7.79% in monthly foreign inflows was recorded at N64.28 billion from N69.71 billion in March. Foreign outflows also fell by 6.8% to N58.25 billion in March from N62.50 billion in the previous month. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 56.5 index points in May 2018, the latest PMI report of the Central Bank of Nigeria (CBN) showed. This indicates an expansion in the manufacturing sector for the fourteenth consecutive month. The index grew at a slightly slower pace when compared to the previous month (56.9 points). A composite PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Ten of the fourteen sub-sectors surveyed reported growth during the month. However, the transportation equipment; fabricated metal products; non-metallic mineral products; and furniture & related products subsectors declined in the month under review.

### Stock Market

The Nigerian Stock Market continued descending in the week ended June 1, 2018. This drop was due to sustained sell offs that happened in the week. The All Share Index (ASI) fell by 2,507.33 points or 6.4% to settle at 36,816.29 points from 39,323.62 points the preceding week. Simultaneously, market capitalization declined by 6.4% to N13.34trillion from N14.24 trillion the previous week. Stocks in the industrial goods and consumer goods sectors led to the plunge witnessed in the market. A rebound in

buying momentum is anticipated this week as investors position for short-term gains.

### Money Market

Money market rates trended downwards last week due to inflows from Federal Accounts Allocation Committee (FAAC) fund of about N320bn. Short-dated placements such as Open Buy Back (OBB) and the Over Night (O/N) rate crashed to 3.33% and 4.42% from 17.70% and 19.67% respectively the previous week. The 30-day NIBOR finished lower at 13.06% from 13.48% while the 90-day NIBOR slightly rose to 14.77% from 14.59%. This week, we expect rates to tick upwards as a result of expected Retail Secondary Market Intervention Sales (SMIS).

### Foreign Exchange Market

The naira-dollar exchange rate closed on a negative note this week. The interbank window depreciated slightly to N340.75/\$ from N340.28/\$ representing a drop of 47 Kobo from the previous week. At the parallel market, the local currency appreciated by 0.82% to N363/\$ from N366/\$. The local unit however depreciated at the official market by 5 kobo to settle at N305.95 from N305.90 the previous week. This weakness in the currency could be attributed to an increase in foreign portfolio outflows and increased demand for dollar. This week, we expect the naira to remain close to prevailing levels due to sustained CBN interventions in the retail segment of the market.

### Bond Market

Bond yields closed on a bullish note for the week driven by local client demand as a result of bond maturity of about N300 billion and heightened level of liquidity especially on the short and medium buckets. Yields on the five-, ten- and twenty-year debt papers closed at 13.03%, 13.17% and 13.41% from 13.30%, 13.40% and 13.43% respectively the previous week. The Access Bank Bond index rose by 10.89 points or 0.41% to close at 2,687.37 points from 2,676.49 points the previous week. This week we expect bond yields to trend downwards as demand persists.

### Commodities Market

Oil prices nudged downwards last week as rising US output overshadowed speculations on plans by Russia and Saudi Arabia to boost production. Bonny light, Nigeria's benchmark crude retreated to \$77.89 per barrel from \$79.88 the previous week representing a fall by 2.5%. In a similar vein, precious metals prices dipped due to political and economic tensions between U.S, Eurozone and Canada. Gold fell by \$8.03 or 0.61% to close at \$1,298.02 per ounce from \$1,306.05 per ounce in the previous week. Silver settled lower at \$16.43 compared to \$16.70 a fortnight ago. Oil prices may trend higher next week as a result of fears of global trade war emerging from U.S. tariff decision and precious metals prices may fall as a result of speculated interest rate hike this month which will strengthen U.S. dollar.

## MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jun'18	Jul'18	Aug'18
Exchange Rate (Official) (N/\$)	340.80	341.00	341.02
Inflation Rate (%)	11.89	11.50	10.80
Crude Oil Price (US\$/Barrel)	75.2	75.9	76