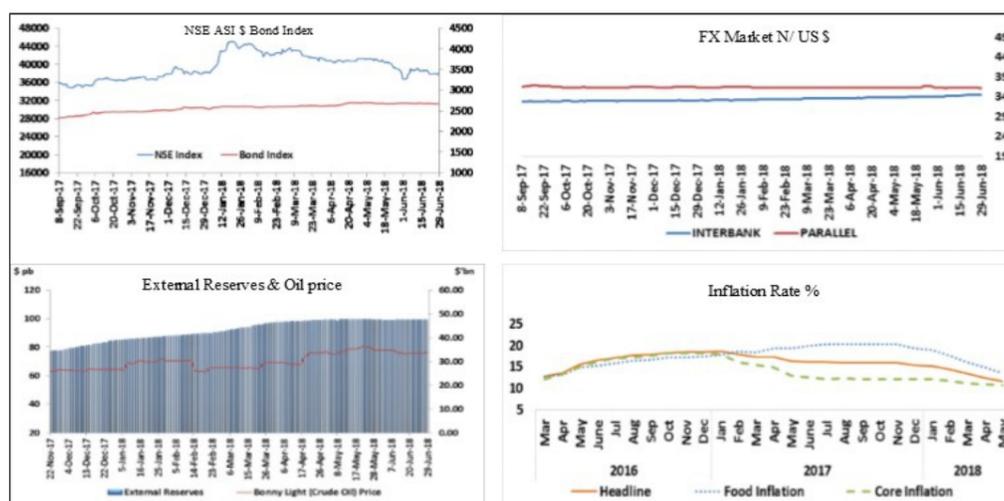


Access Bank Rateswatch

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)	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)	11.61	Declined to 11.61% in May' 2018 from 12.48% in Apr' 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)	47.63	June 13, 2018 figure — an increase of 0.02% from June start
Oil Price (US\$/Barrel)	76.72	June 29, 2018 figure — an increase of 1.19% in 1 week
Oil Production mbpd (OPEC)	1.71	May 2018 figure — a decrease of 3% from Apr' 2018 figure



STOCK MARKET

Indicators	Friday 29/06/18	Friday 22/06/18	Change(%)
NSE ASI	38,278.55	37,862.53	1.10
Market Cap(N'tr)	13.87	13.72	1.10
Volume (bn)	0.47	0.17	180.65
Value (N'bn)	5.82	1.43	307.00

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	29/06/18	22/06/18	
OBB	13.1700	2.8300	1034
O/N	14.0800	3.5800	1050
CALL	14.7000	3.2917	1141
30 Days	14.4552	13.3995	106
90 Days	15.0040	13.5019	150

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	29/06/18	22/06/18	29/05/18
Official (N)	305.80	305.85	305.95
Inter-Bank (N)	344.94	343.87	340.68
BDC (N)	360.00	359.81	361.00
Parallel (N)	362.00	362.00	363.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	29/06/18	22/06/18	
3-Year	0.00	0.00	0
5-Year	13.05	13.33	(28)
7-Year	13.43	13.04	40
10-Year	13.60	13.48	12
20-Year	14.06	13.81	25

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Market Analysis and Outlook: June 29 - July 06, 2018

Global Economy

In the U.S., Gross Domestic Product (GDP) was revised lower to 2% in Q1 2018- 0.2% below the previous estimate. According to the Bureau of Economic Analysis (BEA), it is the lowest growth rate recorded in a year as business inventories and personal consumption were revised down. Elsewhere, in the U.K., the economy grew by 0.2% in Q1 2018, revised from its initial estimate of 0.1% and lower than the 0.4% recorded in the prior period. Major contributors to the GDP according to the Office of National Statistics (ONS) include household spending, net trade, services, production and general government. Exports jumped by 2.4% (3.2% in Q4'17) and imports rose at a slower 0.6% (1.7% in Q4'17). The trade deficit thus narrowed to 3.174 billion pounds from 5.711 billion pounds in Q1'17. In a separate development, Eurozone inflation rate rose to 2% year-on-year in June 2018 from 1.9% seen in the previous month. It is the highest rate of inflation recorded since February 2017 according to Eurostat. The rise was due to higher prices of energy and food. Core inflation rose to 1% year-on-year in June from 1.1% in May.

Local Economy

The Federation Accounts Allocation Committee (FAAC) disbursed the sum of N701.02 billion among Federal, States and Local Governments in May 2018 from the revenue generated in April 2018. The amount was 9.86% or N62.93 billion higher than the figure disbursed in April (N638.09 billion). The amount distributed was from the statutory account, excess bank charges recovered, and value added tax (VAT) comprising of N612.64 billion, N418.88 million and N87.97 billion respectively. A breakdown of the sum disbursed among the three tiers, revealed that the Federal Government received N289.04 billion, states received N181.96 billion and the local governments received N137.33 billion. The oil producing states received N49.76 billion as 13% derivation fund. Revenue generating agencies such as Nigeria Customs Service (NCS), Federal Inland Revenue Service (FIRS) and Department of Petroleum Resources (DPR) received N4.61 billion, N8.67 billion and N4.06 billion respectively as cost of revenue collections. In another development, Nigeria's total debt rose to N22.71 trillion as at March 2018 from N12.6 trillion in December 2016. Latest data from the Debt Management Office (DMO) revealed that Nigeria's debt stock grew by almost a trillion naira during the first quarter of 2018.

Stock Market

The bullish performance at the local bourse last week was driven by buying interests. Activity level strengthened as the volume and value traded advanced by 180.65% and 307% respectively from the previous week. The All Share Index (ASI) climbed by 1.1% or 416.02 points to 38,278.55 from 37,862.53 points the previous week. Likewise, market capitalization rose by 1.1% to N13.87 trillion from N13.72 trillion the preceding week. The performance was influenced by gains in the stocks of companies in the consumer goods, industrial goods and the oil & gas sectors. This week, we expect the positive performance to be sustained as investors seek bargain hunting opportunities in the market.

Money Market

Money market rates accelerated across all tenors as tight liquidity persisted in the week

ended June 29, 2018. CBN mopped up system liquidity via the Open Market Operation (OMO) auction of about N208bn. Consequently, Open Buy Back (OBB) and the Over Night (O/N) rates rose to 13.17% and 14.08% from 2.83% and 3.58% respectively the previous week. Longer tenured interbank rates did likewise with the 30-day and 90-day Nigerian Interbank Offer Rates (NIBOR) settling at 14.46% and 15% from 13.40% and 13.50% respectively. This week, rates may further trend upwards due to the expected OMO auction.

Foreign Exchange Market

Exchange rates at the foreign currency market recorded mixed performances during the past week. The interbank window depreciated to N344.94/\$ from N343.87/\$ representing a drop of N1.07 kobo. Conversely, the parallel market rate remained stable for the third consecutive week at N362/\$ even as the official rate appreciated also for the third consecutive week by 5 kobo to settle at N305.80/\$ from N305.85/\$ the previous week. The efforts of the apex bank in maintaining FX liquidity as well as its commitment to intervene in the market as at when necessary were the major reasons for the stability and appreciation witnessed. This week, we envisage rate stability across market segments due to consistent FX supply by the Central Bank of Nigeria (CBN).

Bond Market

Average bond yields advanced in the week ended June 29, 2018 as local and international counterparties engaged in sell-offs despite the bond auction that took place during the week. Yields on the seven-, ten- and twenty-year debt papers finished at 13.43%, 13.60% and 14.06% from 13.04%, 13.48% and 13.81% respectively the previous week. The Access Bank Bond index plummeted by 6.74 points or 0.25% to close at 2,670.60 points from 2,677.34 points the previous week. This week bond yields may further trend upwards if the selling pressure persists.

Commodities

Oil prices climbed last week, driven by supply concerns due to U.S. sanctions that could cause a large drop in crude exports from Iran. Bonny light, Nigeria's benchmark crude, settled higher at \$76.72 per barrel, up 90 cents, or 1.2%, from the previous week. Meanwhile, the prices of precious metals dipped to its lowest level in more than six months particularly that of gold as mounting pressure from trade disputes and the expectation of higher U.S. interest rates continued to weigh on the commodities. Gold lost 1.5% or \$19.44 to settle at \$1,250.71 per ounce. Silver also dropped by 36 cents, or 2.2%, to settle at \$16.05 an ounce. This week, oil prices may remain supported by the tightness being witnessed in the oil market. Precious metals prices may likely remain pressured due to expectations of additional rate hikes by the US Fed as well as the strengthening dollar.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Jun'18	Jul'18	Aug'18
Exchange Rate (Official) (N/\$)	344.80	345	346.02
Inflation Rate (%)	11.00	10.50	10.20
Crude Oil Price (US\$/Barrel)	75.2	75.9	76