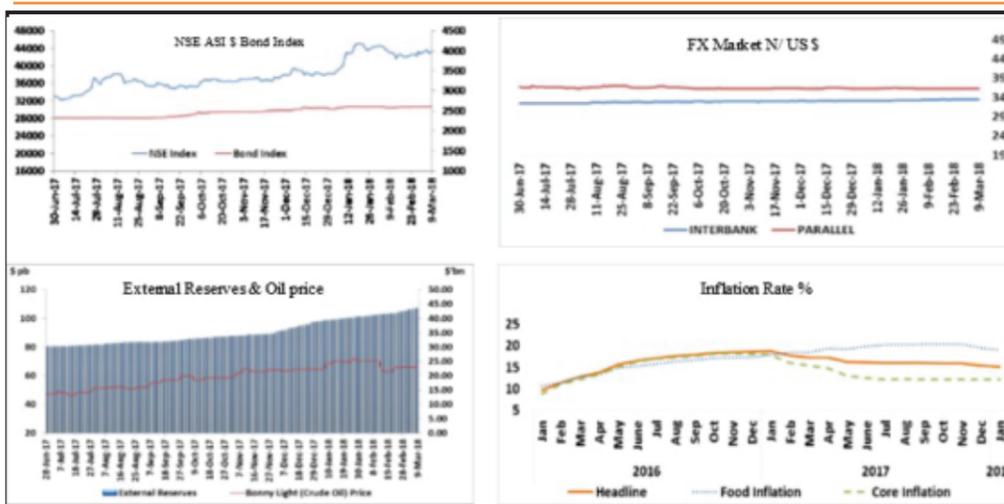


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.92	Q4 2017 — higher by 0.52% compared to 1.40% in Q3 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)	15.13	Declined to 15.13% in Jan'2018 from 15.37% in Dec'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)	43.68	March 08, 2018 figure — an increase of 2.01% from Feb start
Oil Price (US\$/Barrel)	65.71	March 09, 2018 figure - no change in one week
Oil Production mbpd (OPEC)	1.82	Jan' 2018 figure — a decrease of 0.55% from Dec'2017 figure



STOCK MARKET

Indicators	Friday 9/03/18	Friday 2/03/18	Change(%)
NSE ASI	43,167.86	42,876.23	0.68
Market Cap(N'tr)	15.51	15.40	0.68
Volume (bn)	1.54	0.40	281.16
Value (N'bn)	19.71	9.14	115.65

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	9/03/18	2/03/18	
OBB	8.5000	9.7500	(125)
O/N	9.1700	10.0000	(83)
CALL	10.2000	3.1667	703
30 Days	15.8450	15.3017	54
90 Days	16.7859	16.0920	69

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	9/03/18	2/03/18	9/02/18
Official (N)	305.80	305.85	305.85
Inter-Bank (N)	335.67	335.10	333.87
BDC (N)	360.42	360.33	360.50
Parallel (N)	362.00	362.00	363.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	9/03/18	2/03/18	
3-Year	0.00	0.00	0
5-Year	13.76	13.77	(0)
7-Year	13.96	13.99	(3)
10-Year	13.75	13.73	2
20-Year	13.55	13.56	(1)

Disclaimer

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

Global Economy

In the U.S., Donald Trump recently signed off on new tariffs to be placed on steel and aluminum. Importation of steel will have a 25% tariff while importation of aluminum will have a 10% tariff rate. He argued that the levies were necessary so as to revive the U.S. steel and aluminum industry as cheap foreign imports have reduced the demand for U.S. steel and aluminum. Officials from China and Europe have threatened retaliation if Trump goes ahead with his plans as the new tariffs will make importing their own steel and aluminum more expensive in the U.S. market. The President exempted Canada and Mexico from the new tariffs depending on whether or not the North American Free Trade Agreement (NAFTA) agreement suits him. Elsewhere in the Eurozone, the European Central Bank (ECB) in a recent meeting held on the 8th March 2018, left its benchmark interest rate unchanged at 0%. Deposit facility rate and the marginal lending facility rate were kept at -0.4% and 0.25% respectively. The Bank reaffirmed that net asset purchases will run at a monthly pace of 30 billion Euros until the end of September or beyond if necessary. It however dropped its commitment to increase the size of its quantitative easing program. Elsewhere in Japan, the Bank of Japan held its interest rate steady at the rate of -0.1% at its March 2018 meeting. Policy makers also kept its 10-year government bond yield target around 0%. The Bank in its statement said it will continue with its quantitative and qualitative monetary easing with a negative interest rate in order to achieve the price stability target of 2%. In a separate development, China inflation rate notched up by 2.9% year-on-year in February 2018, compared to 1.4% increase in the previous month. It is the highest increase in inflation since November 2013 according to the National Bureau of Statistics of China. This came on the back of faster rise in the price of non-food and cost of food. Month-on-month consumer prices increased by 1.2%, double the rate recorded the previous month.

Local Economy

The Nigerian Stock Exchange (NSE) published its monthly Domestic & Foreign Portfolio investment report for the first month of the year - January 2018. The report revealed that the total transactions at the nation's bourse decreased in the month of January 2018 by 17.96% to N394.44 billion from N480.80 billion recorded in December 2017. Total foreign transactions witnessed a decline when compared to the previous month by 19.42% to N166.39 billion from N206.48 billion the prior month. Total domestic transactions followed closely falling by 16.87% to N228.05 billion from N274.32 billion in December. A decrease of 47.10% in monthly foreign inflows was recorded at N91.75 billion from N173.43 billion in December. However, foreign outflows jumped by 125.84% to N74.64 billion in January from N33.05 billion in the previous month. In comparison to the same period in 2017, total transactions increased significantly by 313.81% from N95.32 billion recorded in 2017. In a separate news, the National Bureau of Statistics revealed that the total value of capital imported in Q4'17 was estimated at \$5.38 billion from \$4.145 billion in Q3'17. As at the end of 2017, total capital imported into Nigeria was \$12.23 billion, an increase of 138.7% from the figure recorded in 2016. The main driver of the growth in capital importation in 2017 was Portfolio investments which increased by 32.87% to \$7.33 billion from \$5.52 billion the previous year. Portfolio investment which remained the largest component of capital imported, recorded \$3.48 billion in Q4'17, contributing 64.6% to total capital imported. It increased significantly year-on-year by 1,123.5% or \$3.19 billion from \$284.2 million. Foreign Direct Investment (FDI) recorded \$378.4 million in Q4'17 (year-on-year increase of 9.8%) and Other Investment recorded \$1.53 billion (increase of 66% year-on-year).

Stock Market

The local bourse closed on a bullish note in the week ended March 9, 2018 as investors and traders took advantage of market lows to position for more expected corporate earnings release as many companies are yet to make their scorecard available

to the public. The All Share Index (ASI) gained 0.7% or 291.63 points to close at 43,167.86 points from 42,876.23 points the previous week. Similarly, market capitalization increased by 0.7% to close at N15.51 trillion from N15.40 trillion the previous week. This week, we expect market volatility to continue as well as some profit taking ahead of the expected financial scorecards.

Money Market

The direction of money market rates trended downwards for the fourth consecutive week due to inflow from Open Market Operation (OMO) maturity of about N153 billion as well as a lack of OMO auction during the week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 8.5% and 9.17% from 9.75% and 10% respectively the previous week. Longer dated placements however, trended upwards. The 30-day and 90-day NIBOR closed higher at 15.85% and 16.79% from 15.30% and 16.09% the prior week. This week, liquidity is expected to tighten due to expected Primary Market Auction (PMA) and retail Secondary Market Intervention Sales (SMIS).

Foreign Exchange Market

The local currency remained unchanged at the parallel market at N362/\$, same as the previous week. In contrast, at the interbank window the naira further depreciated by 0.17% to close at N335.67/\$ from N335.10/\$ the previous week. The local currency however appreciated slightly at the official market to N305.80/\$ from N305.85/\$ the previous week. The relative stability of the local currency continues to be supported by the apex bank's foreign currency liquidity intervention evidenced by the rise in foreign exchange reserves (currently \$43.62 billion). This week, we envisage the naira remaining at prevailing levels.

Bond Market

Average bond yields trended southwards for the second consecutive week. The trend witnessed was due to demand from counterparties. Yields on the five-, seven- and twenty-year debt papers settled at 13.76%, 13.96% and 13.55% from 13.77%, 13.99% and 13.56% respectively the previous week. The Access Bank Bond index increased marginally by 2.89 points to close at 2,606.69 points from 2,603.79 points the previous week. This week, yields may continue recent trend as investors and counterparties tread softly due to the highly tensed global environment.

Commodities Market

Oil prices continued its downward trend on signs of an inventory build-up at the U.S. storage hub in Oklahoma, surging U.S. crude production and investor jitters about a potential trade war. Data from the Energy Information Administration (EIA) revealed that U.S. crude production hit a record of almost 10.4 million barrels per day earlier in the month. Organization of the Petroleum Exporting Countries (OPEC) oil price declined by 0.61% to \$61.85 per barrel from \$62.23 per barrel the previous week. However, Nigeria's benchmark crude, Bonny light, remained unchanged from the previous week at \$65.71 per barrel. Precious metals prices extended losses for the third consecutive week as the dollar strengthened against the yen on hopes of easing tensions between the U.S. and North Korea. Gold price slid by 0.4% to \$1,319.20 an ounce from \$1,324.10 an ounce the previous week. Silver followed, falling by 0.1% to \$16.48 from \$16.49 an ounce the previous week. Oil prices may continue to be pressured by rising U.S. production and the possibility of a trade war. For precious metal prices, the rising yield environment may continue to pressure prices.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Mar'18	Apr'18	May'18
Exchange Rate (Official) (N/\$)	335.85	336.02	337.50
Inflation Rate (%)	15.02	14.98	14.95
Crude Oil Price (US\$/Barrel)	65	67	68