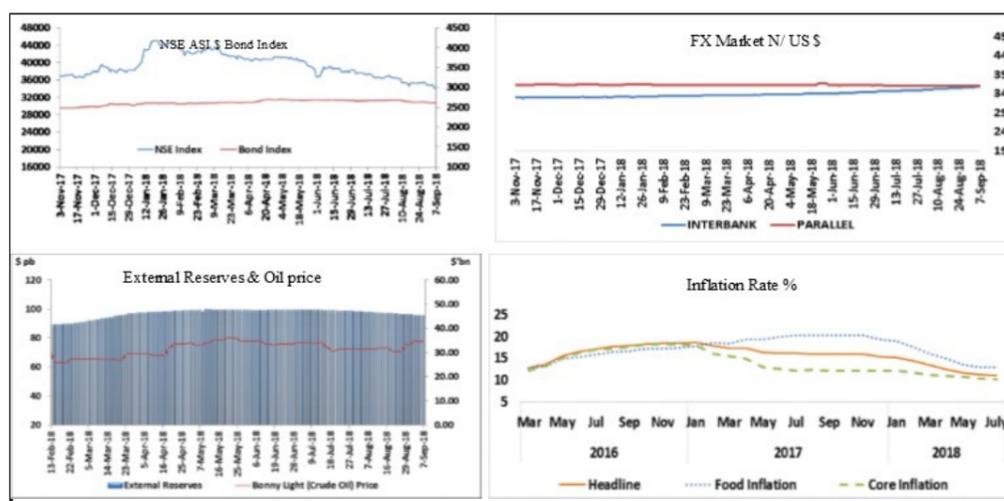


Access Bank Rateswatch

KEY MACROECONOMIC INDICATORS

Indicators	Current Figures	Comments
GDP Growth (%)	1.50	Q2 2018 — lower by 0.45% compared to 1.95% in Q1 2018
Broad Money Supply (M2) (N' trillion)	24.81	Decreased by 1.41% in June 2018 from N25.17 trillion in May' 2018
Credit to Private Sector (N' trillion)	22.28	Increased by 0.34% in June 2018 from N22.21 trillion in May' 2018
Currency in Circulation (N' trillion)	1.90	Decreased by 1.56% in June 2018 from N1.93 trillion in May' 2018
Inflation rate (%) (y-o-y)	11.14	Decreased to 11.14% in July' 2018 from 11.23% in June' 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)	45.51	September 5, 2018 figure — a decrease of 0.26% from September start
Oil Price (US\$/Barrel)	77.76	September 7, 2018 figure — an increase of 3.12% from the prior week
Oil Production mbpd (OPEC)	1.67	July 2018 figure — an increase of 4% from June 2018 figure



STOCK MARKET

Indicators	Friday 7/09/18	Friday 31/08/18	Change (%)
NSE ASI	34,037.91	34,848.45	(2.33)
Market Cap(N'tr)	12.43	12.72	(2.33)
Volume (bn)	0.16	0.38	(59.48)
Value (N'bn)	2.10	9.79	(78.51)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	7/09/18	31/08/18	
O/N	3.8300	6.8300	(300)
CALL	3.4417	12.9167	(948)
30 Days	11.7612	12.7192	(96)
90 Days	12.5782	13.1472	(57)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	7/09/18	31/08/18	7/08/18
Official (N)	306.20	306.15	306.00
Inter-Bank (N)	358.40	357.45	352.02
BDC (N)	359.80	360.00	360.00
Parallel (N)	361.00	361.00	360.00

BOND MARKET

AVERAGE YIELDS

Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	7/09/18	31/08/18	
3-Year	0.00	0.00	0
5-Year	15.07	14.45	62
7-Year	15.18	15.08	10
10-Year	15.01	14.83	18
20-Year	15.29	15.14	15

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Market Analysis and Outlook: September 7 - September 14, 2018

Global

In the US, the manufacturing purchasing managers' index (PMI) was revised higher to 54.7 in August 2018, higher than preliminary estimate of 54.5 but lower than the 55.3 reported in July. According to Markit, who reports the US PMI figures, this is the lowest rate of expansion witnessed since November 2017. The rates of output and new order growth eased up but remained stable. Business confidence on the other hand reached the highest seen in three months. In a separate development, India's GDP expanded by 8.25% year-on-year in Q2, higher than 7.7% reported in the previous quarter. It is the strongest growth rate witnessed since the first quarter of 2016. It was majorly driven by household spending, financial, real estate and manufacturing activities according to the Ministry of Statistics and Program Implementation. Elsewhere in Brazil, consumer price index declined to 4.19% in August 2018 from 4.48% in July. The Brazil Institute of Geography and Statistics reported that it is the lowest inflation rate seen in the past three months and was majorly due to slowing in the prices of transport and housing. Month-on-month inflation rate dropped 0.09%, following a 0.33% increase in July on the back of lower transportation cost.

Domestic

The National Bureau of Statistics (NBS) revealed that Nigeria's total merchandise trade stood at N6.56 trillion in the second quarter of 2018, representing a contraction of 8.89% compared to the N7.21 trillion recorded in the preceding quarter. In the report titled: "Foreign Trade in Goods Statistics (Q2 2018)," it stated that the total value of export trade in the second quarter, amounted to N4.46 trillion, indicating a decline of 4.9% relative to the N4.69 trillion registered in the preceding quarter. Meanwhile, total imports stood at N2.11 trillion corresponding to a -16.3% decrease from N2.51 trillion in Q1. Overall, the trade balance in Q2, 2018 was a surplus of N2.34 trillion - an 8.4% rise over the N2.17 billion in Q1 2018. In a separate development, the Manufacturing Purchasing Managers' Index (PMI) stood at 57.1 index points in August 2018. This indicates an expansion in the manufacturing sector for the seventeenth consecutive month. The index grew at a slightly faster pace when compared to the previous month (56.8 points). This was contained in the latest PMI report by the Central Bank of Nigeria. A composite PMI above 50 points indicates that the manufacturing sector is generally expanding, while a reading below 50 points indicates a contraction. Thirteen of the fourteen sub-sectors surveyed, recorded growth during the month. The transportation equipment subsector declined in the month under review.

Stock Market

Sentiment remained bearish last week on the Nigerian Bourse amid an emerging market sell-off that has caused foreign investors to shun Nigerian equities. The All Share Index (ASI)-the main index that tracks share prices at the Nigerian Stock Exchange (NSE) dropped by 810.54 points, representing a loss of 2.3% to close at 34,037.91 points. Aggregate market capitalisation of quoted equities also declined by N290 billion to close at N12.43 trillion. This week, we expect the

market remain largely downbeat due to a continued absence of bullish triggers.

Money Market

Rates declined further at the money market last week due to buoyant liquidity in the system. Short-dated placements such as Open Buy Back (OBB) and over Night (O/N) rate dropped to 3% and 3.83% respectively from 6% and 6.83% the previous week. This decline came on the back of inflow from Federation Accounts Allocation Committee (FAAC) of N351 billion and net open market operations (OMO) inflow of N105 billion. Longer dated placements also retreated. The Call, 30-day and 90-day NIBOR closed lower at 3.44%, 11.76% and 12.58% from 12.92%, 12.72% and 13.15% the previous week. This week, combined inflows from Retail Secondary Market Intervention Sales refund and OMO maturities of about N576 billion is expected to drive rates lower.

Foreign Exchange Market

The naira-dollar exchange rate at the interbank window depreciated marginally by 95 kobo to close at N358.40/\$ from N357.45/\$ the previous week. Similarly, the local unit depreciated at the official market by 5 kobo to settle at N306.20 from N306.15 a week prior. At the parallel market, the local currency remained unchanged at N361/\$. The weakening in the currency comes even as CBN maintained its weekly dollar injection into the interbank foreign exchange market. This week, we expect the naira to remain around prevailing levels at the CBN window, supported by the apex bank's regular intervention.

Bond Market

Bond yields rose for the second consecutive week as investors moved their portfolios from the bond market to the higher yielding treasury market. Yields on the five-, seven-, and ten- and twenty-year debt papers closed at 15.07%, 15.18%, 15.01% and 15.29% from 14.45%, 15.08%, 14.83% and 15.14% respectively the previous week. The Access Bank Bond index declined by 10.89 points or 0.42% to close at 2,609.81 points from 2,620.69 points the previous week. This week we expect that yields will trend higher if the treasury market yield remains more attractive than government bonds.

Commodities

Oil prices rose last week following the evacuation of two Gulf of Mexico oil platforms in preparation for Tropical Storm Gordon. Bonny light, Nigeria's crude oil benchmark, edged up 1% to settle at \$77.76 a barrel. In contrast, precious metals prices advanced, as the dollar hit a one-week high on the back of intensifying global trade tensions and economic worries in emerging markets. Gold prices declined 0.25% to \$1,201.5 per ounce. In line with gold, silver prices also notched downwards 3% or 44 cents to settle at \$14.15 per ounce. This week, ongoing emerging market weakness may weigh on oil market sentiment and prices. For precious metals, the potential new US import tariffs on Chinese goods may drive prices lower.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Aug'18	Sept'18	Oct'18
Exchange Rate (Official) (N/\$)	358.28	360	360
Inflation Rate (%)	9.34	9.00	9.00
Crude Oil Price (US\$/Barrel)	76.75	76.00	77.00