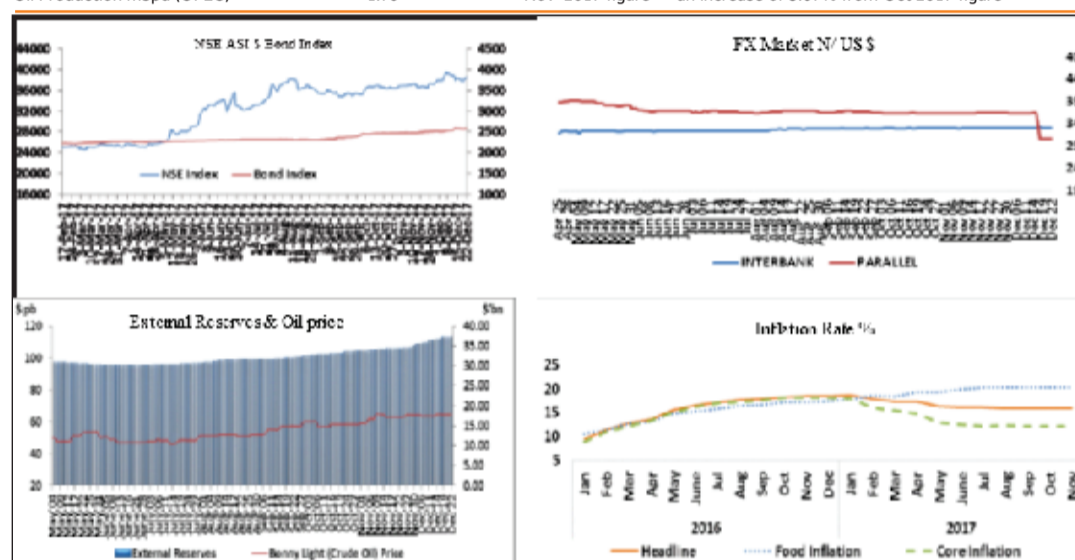


Access Bank Rateswatch

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)	22.50	Increased by 2.49% in Oct' 2017 from N21.85 trillion in Sep 2017
Credit to Private Sector (N' trillion)	21.93	Decreased by 0.42% in Oct' 2017 from N21.99 trillion in Sep 2017
Currency in Circulation (N' trillion)	1.79	Increased by 0.57% in Oct' 2017 from N1.78 trillion in Sep 2017
Inflation rate (%) (y-o-y)	15.90	Declined to 15.90% in November 2017 from 15.91% in October 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)	37.35	December 18, 2017 figure — an increase of 5.30% from Dec start
Oil Price (US\$/Barrel)	64.46	December 22, 2017 figure - a decrease of 0.23% from a week prior
Oil Production mbpd (OPEC)	1.79	Nov' 2017 figure — an increase of 5.67% from Oct' 2017 figure



STOCK MARKET

Indicators	Friday 22/12/17	Friday 15/12/17	Change(%)
NSE ASI	38,522.14	38,436.08	0.22
Market Cap(N'tr)	13.71	13.68	0.22
Volume (bn)	0.20	0.43	(51.92)
Value (N'bn)	1.53	9.17	(83.32)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	22/12/17	15/12/17	
OBB	5.6700	3.7500	192
O/N	6.3300	4.3300	200
CALL	6.8333	2.3333	450
30 Days	14.9735	15.6571	(68)
90 Days	16.0566	16.3278	(27)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	22/12/17	15/12/17	22/11/17
Official (N)	306.15	306.25	305.90
Inter-Bank (N)	330.87	330.91	330.25
BDC (N)	362.00	362.00	362.00
Parallel (N)	365.00	365.00	364.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	22/12/17	15/12/17	
3-Year	0.00	0.00	0
5-Year	14.27	13.61	66
7-Year	14.15	13.69	46
10-Year	14.08	13.86	22
20-Year	13.95	13.87	8

Disclaimer

This report is based on information obtained from various sources believed to be reliable and no representation is made that it is accurate or complete. Reasonable care has been taken in preparing this document. Access Bank Plc shall not take responsibility or liability for errors or fact or for any opinion expressed herein. This document is for information purposes and private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of Access Bank Plc.

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

Market Analysis and Outlook: December 22 - December 29, 2017

Global Economy

In the US, the gross domestic product (GDP) for Q3 2017 was revised down to 3.2% quarter-on-quarter from 3.3% in the previous estimate, figures from the Bureau of Economic Analysis (BEA) revealed. Personal consumption expenditure (PCE) rose by 2.2%, lower than the previous estimate of 2.3%. Services grew at a slower pace by 1.1% compared to the previous estimate of 1.5%. Government expenditure and investment increased by 0.74%, higher than the previous estimate of 0.4% increase. Exports rose by 2.1% from 2.2% previously estimated while imports declined by 0.7%, less than 1.1% in the previous estimate. Elsewhere in Europe, consumer prices in the Eurozone rose by 1.5% year-on-year in November 2017, marginally higher than the increase of 1.4% in the previous month. According to the European Statistical Agency (Eurostat), the rise was driven by energy prices which increased by 3% in November 2017. Core inflation which excludes the prices of volatile commodities remained unchanged at 0.9%. The highest inflation rate in the Eurozone was recorded in Germany (1.8%) and Spain (1.8%). In a separate development, the Bank of Japan maintained its interest rate at -0.1% at its December 2017 meeting and the 10-year government bond yield target was kept at 0%. The Bank's decision was based on the moderate expansion of Japan's economy due to the rising trend seen in exports and business fixed investments with profits from corporates and business sentiments improving. The Bank also sees Japan's economy continuing to expand moderately.

Local Economy

The Consumer Price Index (CPI) which measures inflation rose by 15.90% year-on-year in the month of November 2017, which is 0.01% points lower than the 15.91% recorded in October. This represents the tenth consecutive month of decline in the rate of inflation since January 2017. The food index rose by 20.30% (year-on-year) in November, slightly lower than 20.31% recorded in October, thus indicating declining pressure in the prices of food items. The core sub-index, which excludes prices of farm produce rose by 12.20% year-on-year in November which is 0.06% higher than 12.14% recorded in October. During the month, the highest increases were seen in prices of motorcycles, bicycles, glassware and tableware, hospital and medical services, spirits, household textiles, insurance, accommodation services, maintenance and repair of personal transport equipment, vehicle spare parts, other services in respect of personal transport equipment, and fuel and lubricants for personal transport equipment. In a separate development, the Central bank of Nigeria (CBN) has suspended the extension of settlement banking arrangement to all the clearing sessions. Recall that in a circular referenced BPS/DIR/CIR/GEN/02/039, dated November 10, 2017, the CBN issued a directive on the extension of settlement banking arrangement that is being practiced for cheque clearing sessions 1 and 2 to other net settlement sessions (0 and 3).

Stock Market

The Nigerian Stock Exchange market closed on a positive note for the second consecutive week as bargain hunting and portfolio rebalancing held sway. The All Share index (ASI) climbed 0.2% to settle at 38,522.14 points from 38,436.08 points the previous week. In the same light, market capitalization rose marginally to N13.71 trillion from N13.68 the previous week. The bullish performance was driven by gains recorded in the financial services sector and consumer goods sector in the week ended

December 22, 2017. This week, we envisage that prices might be subdued as a result of the holiday.

Money Market

Direction of money market rates was mixed last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates rose to 5.67% and 6.33% from 3.75% and 4.33% respectively the previous week. The movement of longer-tenured NIBOR rates however trended downwards. Specifically, the 30-day NIBOR eased to 14.97% from 15.66% the prior week, while 90-day NIBOR closed at 16.06% from 16.33% the week before. The rise in short dated rates resulted from Open Market Operation (OMO) auction of about N1.1 trillion. This week, rates are likely going to trend lower on anticipated funds from OMO maturity and Futures maturity of about N218 billion and N30 billion respectively.

Foreign Exchange Market

Last week, the naira appreciated against the dollar at the interbank market by 4 kobo to settle at N330.87/\$ but remained unchanged from the previous week at the parallel market at N365/\$. In the same light the naira appreciated at the official window by 10 kobo to close at N306.15/\$ from N306.25/\$ the previous week. The appreciation seen at the inter-bank market and the official market may be attributed to the apex bank's effort of sustaining foreign currency liquidity. This week the prices might stabilize around prevailing rates as a result of CBN's continuous intervention.

Bond Market

Bonds yields ascended across most maturities for the week ended December 22, 2017. Yields rose due to sell-offs by counterparties positioning for the Open Market Operation (OMO) auction carried out by the apex bank during the week. Yields on the five-, seven- and twenty-year debt papers closed higher at 14.27%, 14.15% and 13.95% from 13.61%, 13.69% and 13.87% for the corresponding maturities the previous week. The Access Bank Bond index fell by 6.30 points to close at 2,577.95 points from 2,584.25 points the previous week. This week, we envisage low activities at the bond market due to the festive season, therefore, yields may remain around this current levels.

Commodities Market

Last week, oil prices dipped from some of the highest levels recorded since 2015, weighed down by rising U.S. oil output and the expected January re-opening of the Forties pipeline in the North Sea. Bonny light, Nigeria's benchmark crude, lost 15 cents, or 0.2%, to settle at \$64.46 per barrel from \$64.61 per barrel the previous week. Precious metals prices traded at a two-week high buoyed by a softer dollar as well as persistent political and geopolitical uncertainties. Gold prices gained 0.9% or \$10.93 to close at \$1,268.55 an ounce while silver also rose by 1.6% or 25 cents to settle at \$16.22 an ounce. This week, oil prices may be pressured due to rising U.S. inventories. For precious metals prices, a slightly firmer dollar and continued strength in stocks may limit their upside but political and geopolitical uncertainties continue to offer support.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Dec'17	Jan'18	Feb'18
Exchange Rate (Interbank) (N/\$)	331.33	331.12	332.93
Inflation Rate (%)	15.86	15.86	15.83
Crude Oil Price (US\$/Barrel)	62	61	60