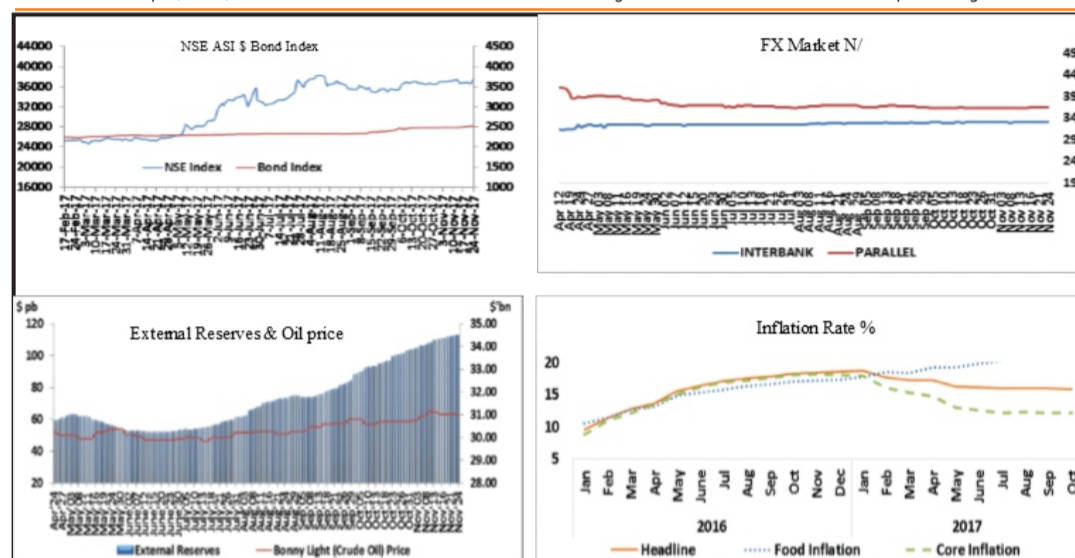


Access Bank Rateswatch

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)	21.95	Increased by 0.47% in Sep' 2017 from N21.85 trillion in Aug 2017
Credit to Private Sector (N' trillion)	22.02	Increased by 0.11% in Sep 2017 from N21.99 trillion in Aug 2017
Currency in Circulation (N' trillion)	1.78	Decreased by 4.69% in Sep' 2017 from N1.87 trillion in Aug 2017
Inflation rate (%) (y-o-y)	15.91	Declined to 15.91% in October 2017 from 15.98% in September 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)	34.49	November 23, 2017 figure — an increase of 1.85 % from Nov start
Oil Price (US\$/Barrel)	62.99	November 24, 2017 figure - no change from a week prior
Oil Production mbpd (OPEC)	1.74	Oct' 2017 figure — a decrease of 3.01% from Sept'2017 figure



STOCK MARKET

Indicators	Friday 24/11/17	Friday 17/11/17	Change(%)
NSE ASI	37365.91	36703.58	1.80
Market Cap(N'tr)	13.01	12.77	1.84
Volume (bn)	0.87	0.19	364.61
Value (N'bn)	5.04	6.31	(20.09)

MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	24/11/17	17/11/17	
OBB	30.83	26.67	416.0
O/N	32.58	27.67	491
CALL	13.96	6.82	713.7
30 Days	17.73	17.50	23
90 Days	19.51	19.92	(40.9)

FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	24/11/17	17/11/17	24/10/17
Official (N)	305.85	305.95	305.70
Inter-Bank (N)	330.00	329.87	329.25
BDC (N)	362.00	362.00	362.00
Parallel (N)	364.00	364.00	363.00

BOND MARKET

AVERAGE YIELDS			
Tenor	Last Week Rate (%)	2 Weeks Ago Rate (%)	Change (Basis Point)
	24/11/17	17/11/17	
3-Year	0.00	0.00	0.0
5-Year	14.73	14.96	(24.0)
7-Year	14.51	14.93	(42.9)
10-Year	14.67	14.90	(22.6)
20-Year	14.59	14.80	(21.0)

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: November 24 - December 01, 2017

Global Economy

In the US, the Commerce Department reported that orders for durable goods, which are meant to last at least three years, slid 1.2% in October after rising 2.2% in September and 2.1% in August. The decline in orders was largely due to fewer bookings for commercial aircraft and military hardware. October's drop in overall orders was the first decrease since a 6.8% slide in July. Elsewhere in the UK, confidence among British consumers fell to 106.6 in November, down from 109.3 in October, according to an index produced by polling firm YouGov and the Centre for Economics and Business Research (CEBR). November's figure marks the first fall since June although it remained above the 100 level above which consumers are considered to be feeling confident. All eight of the index's underlying measures weakened and a score for household finances over the past 30 days dropped to its lowest level since January 2014. In a separate development, Moody's Investors Service raised India's sovereign credit rating to 'Baa2' from 'Baa3' and changed its rating outlook to stable from positive. The international ratings agency cited a wide list of economic reforms carried out by the government, from the implementation of the goods and services tax to the recapitalisation of public sector banks, to justify the upgrade. The upgrade, the first by Moody's since January 2004, moves India's rating to the second lowest level of investment grade. Elsewhere, Brazil's inflation rate rose to a five-month high in mid-November as energy costs surged. Consumer prices as measured by the IPCA index rose 2.77% in the twelve months through mid-November up from 2.70% at the end of October, data from state statistics agency IBGE showed. An increase in electricity tariffs accounted for half of the uptick as a period of scarce rains curtailed hydropower generation.

Local Economy

Nigeria's gross domestic product (GDP) grew by 1.4% year-on-year in Q3 2017, the second consecutive quarter since the country emerged from recession in Q2 2017. According to the National Bureau of Statistics (NBS), this is 3.74% higher than the rate recorded in the corresponding quarter of 2016 (-2.43%) and higher by 0.68% from rate recorded in the previous quarter, (revised to 0.72% from 0.55%). Quarter on quarter, real GDP growth was 8.97%. In the third quarter of 2017, aggregate GDP stood at N29.45 trillion in nominal terms, compared to N26.54 trillion in Q3 2016. This resulted in a nominal GDP growth of 10.98% higher than 9.15% recorded in the same quarter of 2016. The oil industry grew by 25.89% year-on-year in Q3 2017, 22.36% higher than 3.53% (revised from 1.64) recorded in Q2 2017. The oil sector contributed 10.04% of total GDP in Q3 2017. Average oil production stood at 2.03 million barrels per day in the third quarter, 0.15 million barrels higher than the revised daily average production recorded in the second quarter of 2017 (1.87 million barrels per day). Non-oil GDP contracted by 0.76%, lower than the growth of 0.45% witnessed in Q2 2017. The non-oil sector contributed 89.96% of total GDP in Q3 2017. Considering the 46 activity sectors, 17 sectors remained resilient in Q3 2017, including: Crop production, Forestry, Air transport, Electricity, Gas, Steam & Air among others. Other sectors such as Metal Ores, Transport Services, Electrical & Electronics amongst others rebounded in Q3 2017 from the negative growth recorded in the previous quarter. However, activity sectors such as Oil refining, Financial Institutions, Insurance, Construction and 4 others recorded negative growth rates for the first time this year. Thirteen (13) sectors remained in recession as shown by the Q3 2017 report, some of which include: Trade, Real Estate, Cement, Education and Motor Vehicle & Assembly among others. In a separate development, the Monetary Policy Committee of the Central Bank of Nigeria at its meeting on November 20th and 21st, 2017 retained the Monetary Policy Rate (MPR) at 14%. The decision to retain the MPR at 14% was based on several factors such as the positive outlook on growth and financial stability. The committee also retained other monetary policy parameters such as the Cash Reserves Ratio at 22.5%, the Liquidity Ratio at 30% and the Asymmetric Corridor at +200 basis points and -500 basis points around the MPR.

Stock Market

The Nigerian bourse ended on a positive note at the close of trades last week. The All Share Index (ASI) rose by 662.33 points to close the week-ended November 24, 2017 at 37,365.91 points from 36,703.58 points the previous week. Market Capitalisation also edged

higher to N13 trillion from N12.77 trillion recorded the week before. The rally in the equities market can be attributed favourable investor sentiment fuelled by recently released Q3 GDP figures which showed the economy consolidated its exit from recession. This week, performance gauges are likely to continue on a northward trajectory supported by improving macroeconomic backdrop.

Money Market

Cost of funds at the money market ascended across most maturities last week. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 30.83% and 32.58% from 26.67% and 27.67% respectively the previous week, triggered by a combined outflow of about N200 billion from Open Market Operations (OMO) sales and Bond settlement. The Call and 30-day Nigerian Interbank Offered Rate (NIBOR) rose to 13.96% and 17.73% from 6.82% and 17.50% respectively the previous week while the 90-day (NIBOR) dropped to 19.51% from 19.92%. This week, rates are likely to moderate downwards due to expected inflow from Retail refunds and disbursement of Federal Account Allocation Committee (FAAC) funds.

Foreign Exchange Market

The local unit slightly weakened against the dollar last week at the interbank segment, closing the trading week at N330/\$, a 0.04% decline from the previous week's rate of N329.87/\$. However, the naira strengthened at the Central Bank of Nigeria's (CBN) official window by 10 kobo to N305.85, and remained unchanged at the parallel market at N364. The appreciation and relative stability witnessed is due to consistent FX inflows and CBN interventions in the market. This week, we anticipate the naira will remain at current levels due to sustained CBN interventions supported by the rise in the foreign reserves. Foreign reserves have increased by 32.81% year to date.

Bond Market

Bond yields on the average fell across most maturities for the second consecutive week. The decline in yields is driven by the increased appetite for Nigerian bonds encouraged by ongoing positive developments in the domestic economy. Yields on the five-, ten-, seven- and twenty-year debt papers were at 14.73%, 14.51%, 14.67% and 14.59 at the close of last week, from 14.96%, 14.93%, 14.90% and 14.80% for the corresponding maturities the prior week. The Access Bank Bond index rose by 17.86 points to close at 2,512.07 points from 2,494.21 points the previous week. This week, we expect the bullish trend to continue driven by positive investor sentiments.

Commodities Market

The Organisation of Petroleum Exporting Countries (OPEC) basket price of oil edged up to \$61.14 per barrel last week, 1.93% higher than \$59.98 per barrel recorded the previous week. Bonny light – the Nigerian benchmark crude, remained unchanged at \$62.99 per barrel. Crude oil prices likely rose on the back of speculations that OPEC will extend a cartel-led production cut scheme at its upcoming meeting and a dip in U.S. stockpiles. Data published by the Energy Information Administration (EIA) showed that inventories declined by 1.86 million barrels last week. The price of precious metals were mixed for the third consecutive week. Gold prices rose by 0.4% or \$5.13 to close at \$1288.63 an ounce. In contrast, silver declined by 0.2% or 3 cents to settle at \$17.07 an ounce. Gold prices were buoyed by safe-haven demand following US Federal Reserve's concerns about persistent low inflation, while silver prices notched lower as a result of lower demands. This week, oil prices will be influenced by the outcome of the meeting between OPEC and Non OPEC to extend the supply cut deal. For Precious metals, prices are likely to be volatile due to uncertainty about Federal Reserve raising rates in December.

MONTHLY MACRO ECONOMIC FORECASTS

Variables	Dec'17	Jan'18	Feb'18
Exchange Rate (Interbank) (N/\$)	328.50	328.32	327.90
Inflation Rate (%)	15.96	15.85	15.8
Crude Oil Price (US\$/Barrel)	59	57	57