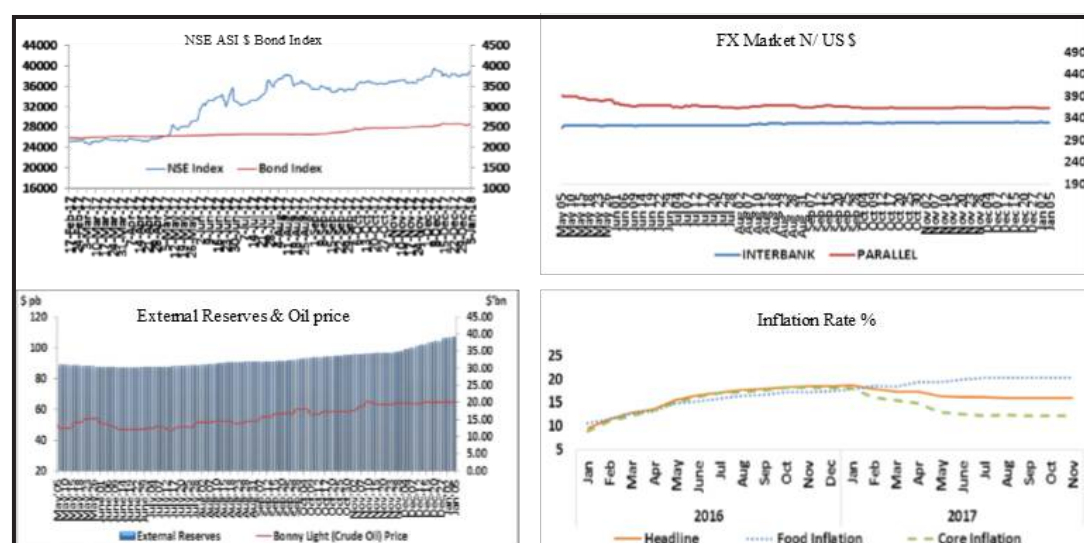


# Access Bank Rateswatch

## 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)	39.07	January 04, 2018 figure — an increase of 0.41% from Jan start
Oil Price (US\$/Barrel)	64.46	January 05, 2018 figure - no change from the previous week
Oil Production mbpd (OPEC)	1.79	Nov' 2017 figure — an increase of 5.67% from Oct'2017 figure



## STOCK MARKET

Indicators	Friday 5/01/18	Friday 29/12/17	Change(%)
NSE ASI	38,923.26	38,243.19	1.78
Market Cap(N'tr)	13.85	13.61	1.78
Volume (bn)	0.75	0.56	34.21
Value (N'bn)	11.02	6.89	59.93

## MONEY MARKET

NIBOR			
Tenor	Friday Rate (%)	Friday Rate (%)	Change (Basis Point)
	05/01/18	29/12/17	
OBB	18.33	3.83	1450
O/N	19.00	4.50	1450
CALL	4.82	5.00	(18)
30 Days	14.47	13.97	50
90 Days	15.91	15.69	22

## FOREIGN EXCHANGE MARKET

Market	Friday (N/\$)	Friday (N/\$)	1 Month Rate (N/\$)
	05/01/18	29/12/17	05/12/17
Official (N)	305.95	306.00	306.85
Inter-Bank (N)	331.16	330.91	330.37
BDC (N)	360.50	362.00	362.00
Parallel (N)	363.00	363.00	363.00

## BOND MARKET

AVERAGE YIELDS			
Tenor	Friday (%)	Friday (%)	Change (Basis Point)
	05/01/18	29/12/17	
3-Year	0.00	0.00	0
5-Year	13.75	14.03	(28)
7-Year	14.00	14.36	(35)
10-Year	13.58	14.15	(57)
20-Year	13.63	14.00	(37)

## Disclaimer

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## Market Analysis and Outlook: January 05—January 12, 2018

### Global Economy

In the US, the Institute for Supply Management reported that the manufacturing sector widened at its fastest rate in three months to December, on the back of gains in new orders and production for factories. Factory Index rose to 59.7 in December from 58.2 the previous month. Gauge of new orders went up to 69.4 from 64 and measure of production climbed to 65.8 in the month under review from 63.9 the previous month. This brings the average manufacturing index for the year 2017 to 57.6, the best in 13 years. Elsewhere in Japan, manufacturing activity advanced at its fastest pace in almost four years in December. The Markit/Nikkei Japan Manufacturing Final Purchasing Managers Index (PMI) was adjusted to 54.0 in December from an initial 54.2. This index is slightly above the 53.6 recorded in November and the highest since February 2014. In a separate development, Brazil's trade surplus rose to \$4.997 billion surplus in December 2017 from \$4.420 billion surplus in December 2016. According to the Ministry of Development, Industry and Foreign Trade the country's trade surplus expanded 41% to \$67 billion from 2016 to 2017. Exports increased 10.4% year on year to \$17.59 billion while imports rose to 9.3% year on year to \$12.59 billion. Main export partners were China, the US, Argentina, Netherlands and Japan while major imports came mostly from China, US, Argentina, Germany and South Korea.

### Domestic Economy

The Federation Accounts Allocation Committee (FAAC) disbursed the sum of N532.76 billion among Federal, States and Local Governments in November 2017 from the revenue generated in October 2017. A breakdown of the sum of N532.76 billion disbursed among the three tiers, revealed that the Federal Government received N218.62 billion, states received N147.39 billion and the local governments received N110.58 billion. The oil producing states received N40.85 billion as the 13% derivation fund. Revenue generating agencies such as Nigeria Customs Service (NCS), Federal Inland Revenue Service (FIRS) and Department of Petroleum Resources (DPR) received N4.56bn, N5.68bn and N3.08bn respectively as cost of revenue collections. In another development, The Manufacturing Purchasing Managers' Index (PMI) stood at 59.3 index points in December 2017 from 55.9 points in November. This indicates an expansion in the manufacturing sector for the night consecutive month. This was shown 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. Fifteen of the sixteen sub-sectors recorded growth during the month. The computer & electronic product sector contracted in the month under review.

### Stock Market

The local bourse closed on a positive note in the week ended January 5, 2018, the first trading week of 2018. The bullish performance was majorly driven by significant gains in banking stocks as well as strengthened investor sentiment. The All Share Index (ASI) climbed 1.8% to close at 38,923.26 points from 38,243.19 points the previous week. Market capitalization did likewise, rising by 1.8% to N13.85 trillion from N13.61 trillion the previous week. This week, buying interests may hold sway buoyed by the overall continued positive performance in the economy.

### Money Market

Cost of borrowing ascended across most dated placements last week due to the Open Market Operations (OMO) mop of N500 billion and Retail Secondary Market Intervention Sales (SMIS). Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates climbed to 18.33% and 19% from 3.83% and 4.50% respectively the previous week. The 30-day and 90-day NIBOR closed at 14.47% and 15.91% from 13.97% and 15.69% the prior week. This week, liquidity may be buoyed on OMO maturity of N300 billion into the system.

### Foreign Exchange Market

The naira depreciated against the dollar at the interbank market by 25kobo in the week ended January 05, 2018 to settle at N331.16/\$ from N330.91/\$ the previous week. On the flip side, the naira appreciated slightly at the official window by 0.02% to close at N305.95/\$ from N306/\$ last week. However, the local currency remained unchanged at the parallel market segment at N363/\$. This week the naira is expected to remain around prevailing levels on the apex bank's continuous interventions.

### Bond Market

Bond yields moderated across most maturities for the week ended January 5, 2018. Yields declined due to high demand predominantly on longer dated instruments. Demand was from both local and international investors spurred on by speculations that the longer dated instruments might not be re-offered when the bond calendar is published. Yields on the seven-, ten- and twenty-year debt papers closed lower at 14%, 13.58% and 13.63% from 14.36%, 14.15% and 14% respectively for the corresponding maturities the previous week. The Access Bank Bond index rose by 35.32 points to close at 2,578.30 points from 2,542.98 points the previous week. This week, we expect investors to trade more cautiously as they await the publication of the bond calendar by the debt management office (DMO).

### Commodities Market

Oil prices kept their upward trend last week on concerns about supply risks due to Iran unrest as well as another decline in United States (U.S.) inventories. U.S. crude oil output fell by 7.4 million barrels in the last week of 2017, according to the Energy Information Administration (EIA). Organization of Petroleum Exporting Countries (OPEC) crude oil gained \$3.97 to settle at \$66.13 per barrel from \$62.16 per barrel the previous week. However, Bonny light, Nigeria's benchmark crude, remained the same at \$64.46 per barrel. Precious metals prices rallied last week due to heightened geopolitical concerns in North Korea as well as Iran's recent unrest. Gold and silver appreciated by 1.5% and 1.7% to \$1,317.35 an ounce and \$17.16 an ounce respectively from the previous week. This week, the ongoing protests in Iran may continue to support crude oil prices. For precious metals, prices may be sustained on ongoing geopolitical uncertainty.

### MONTHLY MACRO ECONOMIC FORECASTS

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