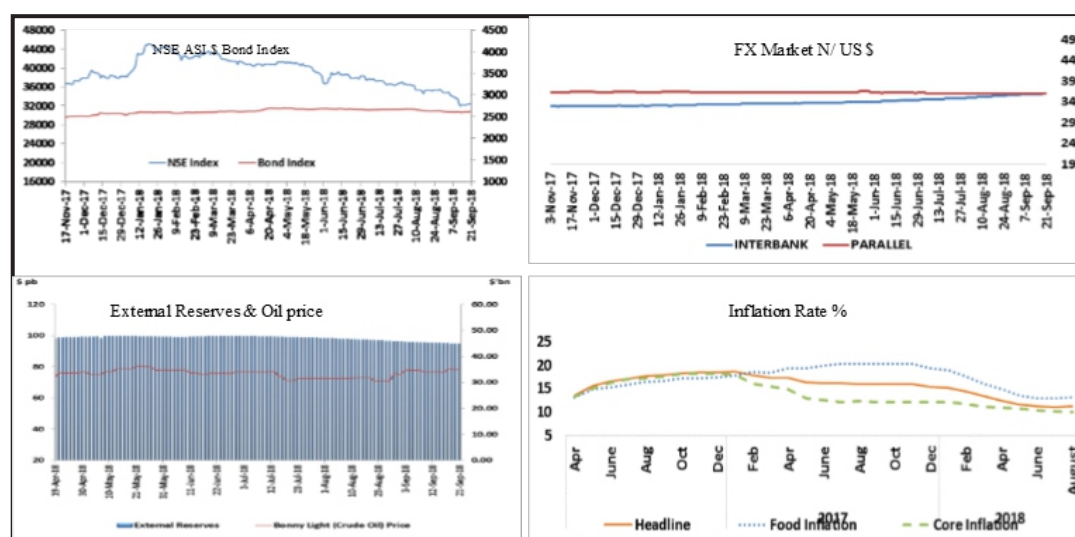


Access Bank Rateswatch

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) | 24.97 | Increased by 0.63% in July 2018 from N24.81 trillion in June' 2018 |
| Credit to Private Sector (N' trillion) | 22.26 | Decreased by 0.09% in July 2018 from N22.28 trillion in June' 2018 |
| Currency in Circulation (N' trillion) | 1.82 | Decreased by 3.99% in July 2018 from N1.90 trillion in June' 2018 |
| Inflation rate (%) (y-o-y) | 11.23 | Increased to 11.23% in August' 2018 from 11.14% in July' 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) | 44.94 | September 19, 2018 figure — a decrease of 1.50% from September start |
| Oil Price (US\$/Barrel) | 76.44 | September 21, 2018 figure — an increase of 2.33% 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 21/09/18 | Friday 14/09/18 | Change(%) |
|------------------|--------------------|--------------------|-----------|
| NSE ASI | 32,540.17 | 32,248.78 | 0.90 |
| Market Cap(N'tr) | 11.88 | 11.77 | 0.90 |
| Volume (bn) | 0.52 | 0.21 | 145.85 |
| Value (N'bn) | 10.58 | 3.80 | 178.40 |

MONEY MARKET

| NIBOR | | | |
|---------|--------------------|--------------------|-------------------------|
| Tenor | Friday Rate (%) | Friday Rate (%) | Change (Basis Point) |
| | 21/09/18 | 14/09/18 | |
| O/N | 4.7500 | 11.0800 | (633) |
| CALL | 5.0000 | 11.7500 | (675) |
| 30 Days | 11.8826 | 15.0134 | (313) |
| 90 Days | 13.6165 | 15.2241 | (161) |

FOREIGN EXCHANGE MARKET

| Market | Friday (N/\$) | Friday (N/\$) | 1 Month Rate (N/\$) |
|----------------|------------------|------------------|------------------------|
| | 21/09/18 | 14/09/18 | 21/08/18 |
| Official (N) | 306.30 | 306.25 | 306.10 |
| Inter-Bank (N) | 360.37 | 359.40 | 354.12 |
| BDC (N) | 362.50 | 362.00 | 361.00 |
| Parallel (N) | 361.00 | 361.00 | 360.00 |

BOND MARKET

| AVERAGE YIELDS | | | |
|----------------|---------------|---------------|-------------------------|
| Tenor | Friday (%) | Friday (%) | Change (Basis Point) |
| | 21/09/18 | 14/09/18 | |
| 3-Year | 0.00 | 0.00 | 0 |
| 5-Year | 14.75 | 15.24 | (49) |
| 7-Year | 15.16 | 15.23 | (7) |
| 10-Year | 15.00 | 15.19 | (19) |
| 20-Year | 15.36 | 15.45 | (8) |

Disclaimer

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Market Analysis and Outlook: September 21 - September 28, 2018

Global

In the UK, inflation rates rose to 2.7% in August 2018 from 2.5% in July. The Office of the National Statistics reported that it is the highest rate of inflation seen in the past six months and was majorly driven by the rise in the prices of transport, recreation, culture and food & alcoholic beverages. Month-on-month inflation rate also edged upwards to 0.7% from 0.4% in July. Annual core inflation rate, which excludes prices of energy, food, alcohol and tobacco, increased to 2.1% in August, from 1.9% in the preceding month. Elsewhere in Japan, the Statistics Bureau of Japan reported that consumer price index climbed to 1.3% year-on-year in August 2018 from 0.9% in July. It is the highest rate seen since February and came on the back of higher prices seen in food and cost of transportation. Core inflation rate, which excludes fresh food, climbed to 0.9% from 0.8% in the previous two months. In a separate development, the Central Bank of Brazil left its key interest rate unchanged at 6.5% on 19th September 2018. It however hinted at gradually raising rates if the outlook worsens, mentioning how the upcoming presidential vote is weighing on the monetary policy. The bank also said in its policy statement that "Stimulus will begin to be removed gradually if the outlook for inflation at the relevant horizon for the conduct of monetary policy and/or its balance of risks worsen."

Domestic

Recently published data by the National Bureau of Statistics (NBS) indicates that Nigeria's foreign debt stood at \$22.08 billion, while the domestic debt portfolio was recorded at N15.63 trillion at the end of the first half of 2018. The NBS in its report on Nigerian Domestic and Foreign Debt (Q2 2018), showed that \$10.88 billion was multilateral; \$274.98 million was bilateral (AFD) and another \$2.12 billion bilateral from the Exim Bank of China, JICA, India and KfW, while \$8.80 billion was commercial. According to the report, Lagos state has the highest foreign debt profile among the thirty-six states and the FCT accounting for 34.17% while Edo (6.57%), Kaduna (5.48%), Cross River (4.56%) and Bauchi (3.18%) followed closely. Similarly, a breakdown of the total domestic debt portfolio of states shows that Lagos State also tops other states, accounting for 14.88%, while Anambra had the least debt in the category with a share of 0.08%. In another development, the foreign trade report by the NBS revealed that the total value of Nigeria's merchandise trade was N6.5bn in the second quarter of 2018. This was an 8.89% decline from the figure recorded in Q1'2018 (N7.21bn) and a 14.56% (N5.73bn) growth from Q2'2017. The decline in trade was as a result of contraction in both imports and exports in the quarter under review. Total imports value was N2.11trn in Q2'2018, -16.3% lower than Q1'2018 (N2.52trn) and -19.9% lower than Q1'2017 (N2.63trn). Total export value amounted to N4.46trn in Q2'2018, representing a decline of -4.9% over Q1'2018 (N4.69trn) and a growth of 43.8% over Q2'2017 (N3.10trn). The trade balance in Q2'2018 was a surplus of N2.36trn, which is an 8.36% increase from the figure in Q1'2018 (N2.17trn) and a 399.82% increase from the figure in Q1'2017 (N471.48 bn). Major export trading partners for the quarter were India (16.19%), Netherlands (10.25%), Spain (9.55%), South Africa (8.06%), and U.S.A (6.87%). While top import trading partners were China (25.28%), Netherlands (8.59%), Belgium (8.11%), India (6.88%), and U.S.A (6.72%).

Stock Market

The losing streak on the Nigerian Stock Exchange, NSE, was halted last week as the bulls dominated the bourse. At the close of

trading last week, the All share Index, ASI, appreciated by 0.9% to 32540.17 points from 32248.78 points a week prior. Similarly, Market Capitalization rose by 0.9% to N11.88 trillion from N11.77 trillion the previous week. The turnaround was largely driven by bargain hunting in bellwether counters. This week we anticipate a continuation of buying sentiment.

Money Market

Market rates moderated last week as liquidity was boosted due to inflow from Paris Club refund of about N450 billion and Open Market Operations (OMO) maturity of N345 billion. Short-dated placements such as Open Buy Back (OBB) and Over Night (O/N) rates declined to 4% and 4.75% from 10.33% and 11.08% respectively the previous week. Longer dated placements did likewise as the Call, 30-day and 90-day NIBOR closed lower at 5%, 11.88% and 13.62% from 11.75%, 15.01% and 15.22% the previous week. This week, liquidity is expected to remain buoyant as a result of expected Retail Secondary Market Intervention Sales (SMIS) refund and OMO maturity of N260 billion.

Foreign Exchange Market

Last week, the naira exchange rate to the dollar remained stable at the parallel market at N361/\$. In contrast, at interbank window and the official market, the naira depreciated slightly by 0.27% and 0.02% respectively to close at N360.37/\$ and N306.30/\$ from N359.40/\$ and N306.25/\$ in that order, despite the apex bank's foreign currency liquidity injection during the week. This week, the naira is expected to remain around current levels due to the apex bank's consistent market interventions.

Bond Market

Average bond yields declined in the week ended September 21, 2018. This was majorly due to increased customer demand, supported by reinvestment of coupons on existing bond. Yields on the five-, seven-, ten- and twenty-year debt papers settled lower at 14.75%, 15.16%, 15.00% and 15.36% from 15.24%, 15.23%, 15.19% and 15.45% respectively the previous week. The Access Bank Bond index rose by 13.53 points to close at 2619.89 points from 2606.36 points the previous week. This week bond yield direction will be determined the outcome of CBN Monetary Policy Committee meeting and Bond Auction expected to hold this week.

Commodities

Oil prices climbed last week after a US government report revealed a weekly fall in crude supplies, the fifth weekly decline in a row. Accordingly, Nigeria's benchmark crude, Bonny light, rose \$1.78 or 2.3% to \$78.22 per barrel. Meanwhile, precious metals prices were skittish as the market digested emerging geopolitical developments and economic data. Gold dropped 0.05% to \$1205.49 an ounce, while Silver on the other hand rose 0.9% to \$14.35 an ounce. This week, oil prices are likely to find support from expectations for further declines in exports from Iran, ahead of the implementation of U.S. oil sanctions on the country in November. For precious metals, prices will be influenced by outcome of the US Fed Federal Open Market Committee two-day meeting set to conclude on September 26.

MONTHLY MACRO ECONOMIC FORECASTS

| Variables | Sept'18 | Oct'18 | Nov'18 |
|---------------------------------|---------|--------|--------|
| Exchange Rate (Official) (N/\$) | 360 | 361 | 361 |
| Inflation Rate (%) | 11.30 | 11.32 | 11.45 |
| Crude Oil Price (US\$/Barrel) | 76.75 | 77.00 | 78.00 |