Burning Economic Issues



- Nigeria announced a 16% increase in budget 2017 at N6.86trn
 - In U.S dollar terms 25% lower than 2016 budget



- Deficit projected at N2.7trn
- FGN offers 2 presidential jets for sale



- 8 institutions shortlisted as advisers for the \$1bn Eurobond issue
- Naira appreciates to N470/\$ Parallel market
- Banks buying to cover short position resulting from NNPC refund



Airlines offering seasonal promos & discount fares



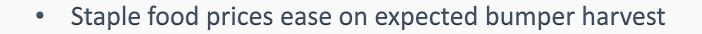
Impact on Commodity Prices











- Imported food items remain sticky downwards
- Nigeria's rice consumption projected at 5.25mmt
- 50% higher than local production
- Diesel prices flat at N190/liter



Domestic Commodity Prices

Commodities	Current Prices LAGOS	Current Prices KANO	Current Prices ONITSHA	LAGOS PRICES	
Price Elastic				l Year Low	l Year High
Palm Oil (25L)	♦ N16,000	N16,500	N15,800	N6,000	N16,000
Semolina (10kg)	N3,100	N3,150	N3,120	N2,300	N3,100
Maize (50kg)	↔ N13,250	N13,300	N13,450	N9,000	N13,250
Tomatoes (50kg)	N8,000	N7,800	N8,000	N8,000	N45,000
Price Inelastic					
Cassava (Garri) (50kg)	⇐ N10,500	N12,400	N12,400	N8,000	N12,500
Rice (50kg)	N19,000	N18,700	N19,300	N8,000	N19,000
Flour (50kg)	1,000 NII,000	N11,000	N11,200	N8,500	N11,000
Cement (50kg)	↔ N2,200	N2,200	N2,250	NI,400	N2,200
Beans (50kg)	↔ N19,000	N19,800	N20,000	N9,000	N19,000
Sugar (50kg)	↔ N17,000	N17,500	N17,950	N8,000	N17,000

Consumer Goods - No Change

Goods	Current Prices (Lagos)		
Coke (60cl)	N100		
Beer (60cl)	N250		
Bread Loaf	N350		
Semovita (1kg)	N370		
Indomie (I carton)	N1800		



Stock Market

•NSE ASI down marginally by 0.70% to close at 27,835.2pts

•Weak trading in the equities market

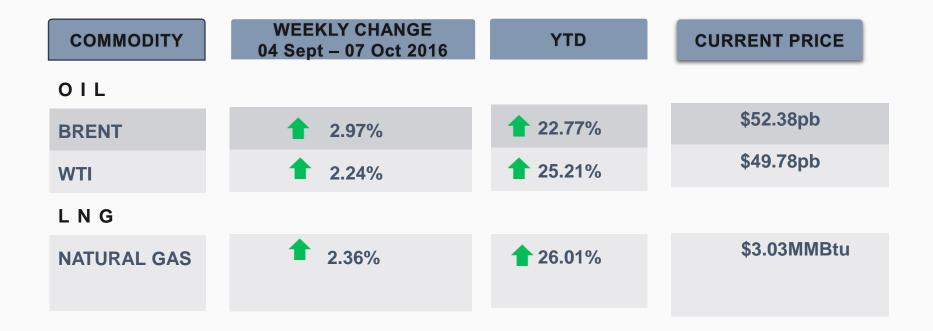
	Share Prices (N)	W-O-W (04 Sept – 07 Sept)	Y-T-D (Jan - Date)
Nestle	815.81	I.I9% 🖊	5.20% 🦊
Guinness	97.00	4.30% 🕇	19.40% 🦊
Honeywell	1.33	0.00%	31.20% 🦊
Flourmill	22.00	4.56%	5.80% 🕇
Cadbury	16.49	0.24% 🦊	3.80% 🦊
NB	147.00	I.38% 🕇	8.10% 🕇
Dangote Sugar	6.50	I.56% 🕇	7.80% 🕇







Oil Markets Today





Oil Prices touches 4month high

• Brent crude **†** 2.97% to \$52.38pb



- WTI 🕇 2.24 % to \$49.78pb
- OPEC's optimism to stabilize oil market supports prices
- U.S crude stockpile down by 3mb
- Declining for the 5th consecutive week, despite refineries seasonal maintenance
- Gasoline inventories up 220,000 barrels, distillates stockpile

down 2.4mb

Agric Commodities



•Wheat futures up 1.33% to \$4.00/bushel

•Corn futures down 0.14% to \$3.47/bushel •Cocoa prices up 0.71% to \$2,835/mt

•Price rally due to increased imports from Egypt, Morocco and Japan Ample corn supplies weigh on markets
Argentina extend export taxes on crops till 2018

•Dry weather in West Africa likely to affect main crop season •Sugar prices down 2.36% to \$23.81/pound

•Global prices spiked due to forecasts of increased demand from India



Outlook

OIL

OIL

- We expect prices to hover around \$48pb \$51pb
- Details on OPEC oil deal will be discussed in Vienna meeting next month
 - Prospects of increased output from Iran, Nigeria and Libya may exceed new target range (32.5 – 33mb/d)
- Traders will keep a close watch on rising U.S rig counts



Outlook

- Grain futures are determined by weather patterns and supply/demand dynamics
- Record high global inventories will weigh on prices

SUGAR

Grains

Soft

• Production in India (a net importer) is expected to

decline by 6.8% to 23.4mt in 2016/17

COCOA

Prospects of favourable weather conditions in
 West Africa will ease prices

