Burning Economic Issues



- MPC maintains status quo on stance
- Marginal dip in 182 days and 364days T/bills stop rates



Indicating directional movement



- Nigeria's aggregate debt level up by N4.17trn to N16.3trn
- External debt \$11.26bn, Domestic debt \$50.18bn



US Fed leaves rates on hold







Impact on Commodity Prices











Kaduna government to establish US\$120m potato



processing plant



Sugar prices to increase on rising global benchmarks

Naira loses more at parallel market rate - N428/\$



Domestic Commodity Prices

Commodities		rent Prices LAGOS	Current Prices KANO	Current Prices ONITSHA	LAGOS	PRICES
Price Elastic					I Year Low	l Year High
Palm Oil (25L)	\Leftrightarrow	N15,500	N15,800	N15,000	N6,000	N15,500
Semolina (10kg)	\Leftrightarrow	N3,100	N3,150	N3,120	N2,300	N3,100
Maize (50kg)	1	N13,250	N13,300	N13,450	N9,000	N13,250
Tomatoes (50kg)	\Leftrightarrow	N8,000	N7,800	N8,000	N8,000	N45,000
Price Inelastic						
Cassava (Garri) (50kg)	\Leftrightarrow	N10,500	N12,400	N12,400	N8,000	N12,500
Flour (50kg)	\Leftrightarrow	N11,000	N11,000	N11,200	N8,500	N11,000
5Cement (50kg)	\Leftrightarrow	N2,200	N2,200	N2,250	N1,400	N2,200
Beans (50kg)	\Leftrightarrow	N19,000	N19,800	N20,000	N9,000	N19,000
Sugar (50kg)	\Leftrightarrow	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 declined by 1.25% to close at 28,207pts
- •Investors react to MPC decision to maintain status quo

	Share Prices (N)	W-O-W (19 Sept – 21 Sept)	Y-T-D (Jan - Date)
Nestle	825.01	0.00%	4.10%
Guinness	100.00	0.00%	16.90% 🦊
Honeywell	1.41	0.00%	31.20% 🦊
Flourmill	19.09	0.00%	8.20%
Cadbury	14.75	2.90%	14.00%
NB	142.04	0.92%	4.40%
Dangote Sugar	6.58	0.00%	9.10%







Oil Markets Today

COMMODITY	WEEKLY CHANGE 19 Sept – 21 Sept 2016	YTD	CURRENT PRICE
OIL			
BRENT	2.81 %	1 26.92%	\$47.24pb
WTI	5.70 %	1 24.51%	\$45.77pb
L N G			
NATURAL GAS	1 4.87%	1 32.19%	\$3.09MMBtu



Oil Prices



- Brent crude 2.81% to \$47.24pb
- WTI **1** 5.70% to \$45.77pb
- Oil futures rose as EIA reported a drawdown in crude

inventories

- US crude inventories fell by 6.2mb to 504.6mb
 - Gasoline stocks fell by 3.2mb
- Against analyst's expectation of a 3.4mb build up



Agric Commodities – Heading North

Wheat



Cocoa











•Wheat futures up 0.47% to \$4.07/bushel

•Gain in futures capped by Egypt's ergot policies •Corn futures up 2.32% to \$3.45/bushel

 Corn futures gained over ongoing fears about wet weather in the US Midwest which could slow harvest

Cocoa prices up 0.17% to \$2, 877/mt

 Patchy rainfall in West Africa (Ghana), is threatening cocoa production

•Sugar prices up 0.04% to \$0.2276/pound

•China's sugar imports in August increased by 30.7% due to lower global prices



Outlook



Lower inventory levels suggests a decline in US production

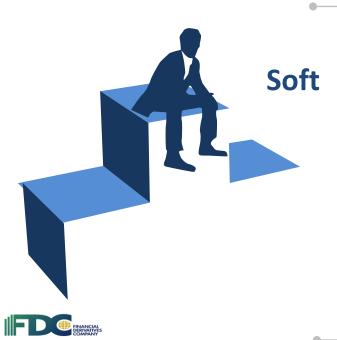
Prices expected to edge higher as OPEC meeting in Algeria approaches

- Feds decision to maintain status quo is bullish for oil
- Weaker dollar will improve demand for crude futures



Outlook

- More rain expected in the Midwest region
- Grains
- If accurate, this will slow down harvest thereby boosting prices



SUGAR

Rally in sugar prices expected to reduce Chinese imports

COCOA

• Expectations of weak crop harvest in October bullish for cocoa futures