

# Burning Economic Issues



CENTRAL BANK OF NIGERIA

- 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



- Commodities prices yet to respond



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

- Also Interbank fell to N310.58/\$



- Kaduna government to establish US\$120m potato processing plant








- Sugar prices to increase on rising global benchmarks



# Domestic Commodity Prices















Commodities	Current Prices LAGOS	Current Prices KANO	Current Prices ONITSHA	LAGOS PRICES	
				I Year Low	I Year High
<b>Price Elastic</b>					
Palm Oil (25L)	↔ N15,500	N15,800	N15,000	N6,000	N15,500
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
<b>Price Inelastic</b>					
Cassava (Garri) (50kg)	↔ N10,500	N12,400	N12,400	N8,000	N12,500
Flour (50kg)	↔ N11,000	N11,000	N11,200	N8,500	N11,000
5Cement (50kg)	↔ N2,200	N2,200	N2,250	N1,400	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 (1 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 (₹)	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% 



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# Oil Markets Today

COMMODITY	WEEKLY CHANGE 19 Sept – 21 Sept 2016	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	↑ 2.81%	↑ 26.92%	\$47.24pb
WTI	↑ 5.70%	↑ 24.51%	\$45.77pb
<b>L N G</b>			
NATURAL GAS	↑ 4.87%	↑ 32.19%	\$3.09MMBtu

# Oil Prices



- Brent crude ▲ 2.81% to \$47.24pb
- WTI ▲ 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



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

•Gain in futures capped by Egypt's ergot policies

## Corn



•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



•Cocoa prices up 0.17% to \$2, 877/mt

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

## Sugar



•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

## Grains

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

## Soft

### SUGAR

- Rally in sugar prices expected to reduce Chinese imports

### COCOA

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

