

Burning Economic Issues



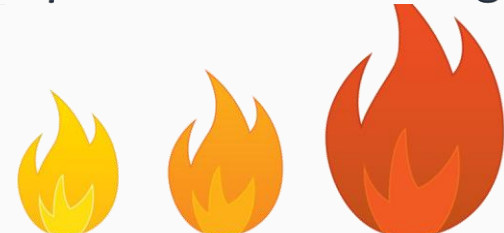
- Naira falls to an all time low of N460/\$ - *Parallel market*
- India pledges to invest \$5bn in Nigeria



- Forcados and Qua Iboe shipments back on stream
 - approx. 600,000bpd expected



- Nigeria to get \$1bn loan from African Development Bank (AfDB)
- Nigeria slides three places to 127 in Global Competitiveness ranking



Impact on Commodity Prices



- Staple food prices crash in Bauchi state



- Due to increased farming activities and bumper harvest



- Food prices with import content up, citing weaker naira and lingering forex scarcity








- Diesel price at N180/liter



Domestic Commodity Prices

Commodities	Current Prices LAGOS	Current Prices KANO	Current Prices ONITSHA	LAGOS PRICES	
Price Elastic				I Year Low	I Year High
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
Price Inelastic					
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
Rice (50kg)	↓ N19,000	N17,000	N20,000	N8,000	N23,000
Cement (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 down marginally by 0.04% to close at 28,236.23pts
- Equities market trades sideways as market volatility persists

	Share Prices (₦)	W-O-W (26 Sept – 28 Sept)	Y-T-D (Jan - Date)
Nestle	815.81	1.19% ↓	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	1.38% ↑	8.10% ↑
Dangote Sugar	6.50	1.56% ↑	7.80% ↑



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Oil Markets Today

COMMODITY	WEEKLY CHANGE 27 Sept – 28 Sept 2016	YTD	CURRENT PRICE
O I L			
BRENT	 5.92%	 30.82%	\$48.69pb
WTI	 5.33%	 27.99%	\$47.05pb
L N G			
NATURAL GAS	 2.00%	 26.01%	\$2.93MMBtu

Oil Prices



- Brent crude ↑ 5.92% to \$48.69pb
- WTI ↑ 5.33% to \$47.05pb
- Oil cartel agree in Algiers meeting to cut back production
- New output target lowered to 32.5 – 33mbpd
 - Down slightly from August output of 33.2mbpd
- Nigeria, Libya and Iran excluded from output freeze deal
- U.S commercial stockpiles fell by 1.9mb
- Diesel and heating oil also down by 1.9mb

Agric Commodities

Wheat



•Wheat futures down 0.31% to \$4.02/bushel

•U.S shipment face competition from cheap producers in the Black Sea region

Corn



•Corn futures down 0.08% to \$3.31/bushel

•Market anticipates record U.S corn yield and ending stock

Cocoa



•Cocoa prices down 0.17% to \$2,863/mt

•Prospects of improved harvest in Ivory Coast pressured prices

Sugar



•Sugar prices up 1.05% to \$23.69/pound

•Sugar futures hit a 4 year high
•Citing tighter supplies from Brazil, India & Thailand

Outlook



- Production freeze agreement may have little impact on price as supply glut persist
- Large production volumes are expected from Libya and Nigeria
- Goldman Sachs lowered oil price estimate in Q4'16 to \$43pb from \$50pb

Outlook

Grains

- Forecast of record wheat harvests in U.S, Russia, Ukraine and Australia to pressure prices

- Favourable weather and ample harvest in the U.S set bearish tone for corn prices

SUGAR

- Global sugar market is expected the record another year of supply deficit

COCOA

- Current price decline may be short-lived
- Ghana to miss output target by 7.1% to 0.79mmt

Soft

