

BURNING ECONOMIC ISSUES



- FG to roll out \$300mn Diaspora Bond in March
- Gross external reserves level rose by \$400mn in three days to \$26.6bn
- Power supply to Nigerians in Q4'16 declined by 37% - *NOI Polls*
- Nigeria oil union suspends three-day nationwide strike after talks
- Inventory costs hit N100mn - *MAN*



DOMESTIC COMMODITY PRICES



- FDC projects December inflation to slow to 18.3%



- Base year effects largely responsible for the decline



- Diesel flat at N270/l
- Kerosene woes spreading



- Still trading within the band of N350/l - N400/l




- Parallel market rate depreciates to N492/\$
- IFEM remains flat at N305/\$







DOMESTIC COMMODITY PRICES

Price Elastic


Price Inelastic













		CURRENT PRICES			Lagos Price	
Commodities		LAGOS	KANO	ONITSHA	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	↔ N16,500	N16,800	N16,200	N6,000	N17,000
	Semolina(10kg) 	↔ N3,100	N3,150	N3,120	N2,300	N3,100
	Maize (50kg) 	↔ N13,250	N13,350	N13,450	N9,000	N13,250
	Tomatoes (50kg) 	↔ N8,000	N7,800	N8,000	N8,000	N9,000
Price Inelastic	Garri (50kg) 	↔ N15,000	N15,200	N15,500	N8,000	N15,000
	Rice (50kg) 	↓ N19,000	N17,400	N20,200	N12,000	N25,000
	Flour (50kg) 	↔ N11,000	N11,000	N11,000	N8,500	N11,000
	Sugar (50kg) 	↔ N19,000	N19,500	N19,800	N8,000	N19,000
	Beans (50kg) 	↓ N18,000	N17,700	N18,300	N9,000	N22,500
	Cement (50kg) 	↔ N2,300	N2,300	N2,400	N1,400	N2,300

CONSUMER GOODS

GOODS	Current Price – Lagos
Coke (60cl)	 N100
Beer (60cl)	 N250
Bread Loaf	 N350
Semovita (10kg)	 N3,700
Indomie (1 carton)	 N2,350
Gala	 N70

STOCK MARKET

- NSE ASI  0.15% (26,385.80)
- Market volatility to remain until results are released

	Share Prices (₹)	W-O-W (09 Jan – 11 Jan)	YTD (%)
Nestle	809	0.12% 	0.10% 
Honeywell	1.24	3.88% 	0.8% 
Flourmill	18.30	0.22% 	0.30% 
Cadbury	9.49	5.09% 	7.80% 
NB	142.00	- 	4.0% 
Dangote Sugar	6.07	1.14% 	0.7% 



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OIL PRICES



- Brent crude  by 0.29% to \$55.10pb
- Oil prices gained on weaker dollar
- Gains were capped by concerns over rising production in Libya and Iran
- US inventory increased by 4.1mb, significantly higher than analysts' expectation of 1.6mb build-up

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 09 Jan – 11 Jan'17	YTD	CURRENT PRICE
O I L			
BRENT	 0.29%	 3.03%	\$55.10pb
WTI	 1.08%	 2.74%	\$52.25pb
L N G			
NATURAL GAS	 3.73%	 13.44%	\$3.22MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 2.03% to \$4.19/bushel

•Due to crop-friendly weather in northern hemisphere of the US

Corn



•Corn futures down 0.77% to \$3.57/bushel

•Traders took positions ahead of the release of U.S. Agriculture Department supply and demand reports

Cocoa



•Cocoa prices down 2.68% to \$2,127/mt

•Expectations of a bumper crop harvest in Ivory Coast weighed on cocoa futures

Sugar



•Sugar prices up 0.68% to \$20.56/pound

•Increasing demand from bulk consumers and lower production estimates

OUTLOOK – OIL PRICES



- Bearish outlook for oil prices as OPEC strategy may prove counterproductive
- Libya has tripled production in the last 6 months, threatening OPEC plans
- Iran has moved approx. 13.2mb of oil from floating storage in the past 2 months
- EIA expects crude production in the US to increase by 110,000bpd to 9mbpd

OUTLOOK – AGRIC PRICES

Grains • Improved weather conditions will weigh on grain prices



Softs

SUGAR

- Prices expected to trade higher on strong demand from bulk consumers

COCOA

- Cocoa futures to slide on expectation of improved port arrivals at Ivory Coast