

# BURNING ECONOMIC ISSUES



- Bonny light trades at \$54.06pb on expectations of lower US crude inventories

- CBN to sell more US dollar forward contracts



- To meet needs of airlines, manufacturers and refined products



- China offers Nigeria \$4.5bn credit



- Naira depreciates again at the parallel market to N394/\$

- Wholesale diesel price falls marginally to N190 per litre, peak was N260

# ECONOMIC NEWS



## Good news



- Lower diesel costs will reduce core inflation
- Agric growth remains positive at 4.03%
- At \$54pb, oil is positive for Nigeria's revenue



## Bad news

- Weakness of the naira may feed into retail prices



# POWER GENERATION ANALYSIS & IMPACT

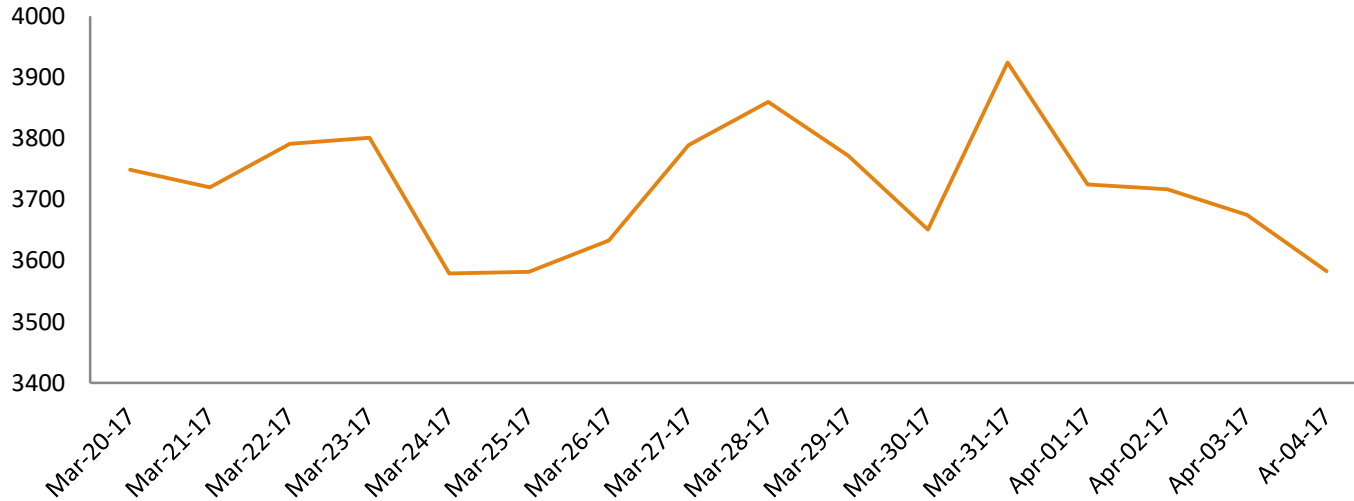


- April 4<sup>th</sup>: On grid power output was 3583MWh/hour (down by 92MWh/h)
- Total Power constraints: 2881MW all attributed to gas and water constraints
  - Power sector lost an estimated N1.340bn (annualised at N482.4bn /\$1.206bn)
    - Financial loss of more than N1bn beginning in April
  - Odukpani reportedly lost one turbine to mechanical problems
  - Olorunsogo I and Alaoji NIPP have reportedly lost turbine functionality due to gas constraints
  - Power output has declined by 8.1% since March 31<sup>st</sup> (3900MWh/h)

# POWER GENERATION ANALYSIS & IMPACT



## Average Power Sent Out (MWh/hour)



# DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic

Commodities	CURRENT PRICES			Lagos Price	
	LAGOS	KANO	ONITSHA	1 year Low	1 year High
Palm Oil (25L) 	↔ N13, 000	N15,000	N10,000	N6,000	N25,000
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) 	↔ N11,000	N9,800	N12,000	N8,000	N11,500
Garri (50kg) 	↔ N13,000	N15,200	N15,500	N8,000	N15,000
Rice (50kg) 	↔ N16,600	N16,000	N18,200	N16,000	N22,000
Flour (50kg) 	↔ N10,500	N10,500	N11,000	N8,500	N11,000
Sugar (50kg) 	↔ N20,000	N19,500	N19,800	N8,000	N20,000
Beans (50kg) 	↔ N16,000	N16,700	N17,300	N9,000	N22,500
Cement (50kg) 	↔ N2,300	N2,300	N2,400	N1,400	N2,300

# CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Lagos price	Jumia price	% difference
Coke (50cl)	N150	N150	0%
Beer (60cl)	N250	N235	6%
Bread Loaf	N350	N400	12.5%
Semovita (10kg)	N3,700	N3,650	1.35%
Indomie (1 carton)	N2,350	N2,400	2.08%
Gala (75g)	N70	N70	0%

Average online prices is 4.67% higher than market stalls

\*Both value and mainstream brands of beer have increased in the past 3 months

\*Expect to see additional price increase in the brewery space in response to losses



Every meal starts with us



• Salt (Refined and Iodized) • Seasoning (Cubes and Tablets) • Tomato Paste • Vegetable Oil

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# STOCK MARKET


NSE ASI  0.81% (25,471.69) pts

- Bargain hunting props up the market

	Share Prices (₹)	W-O-W (03 Apr – 05 Apr)	YTD (%)
Nestle	750	 0.00%	 7.40%
Honeywell	1.05	 4.76%	 19.2%
Flourmill	17.99	 0.06%	 2.70%
Cadbury	8.75	 8.00%	 8.20%
NB	125.15	 0.28%	 15.7%
Dangote Sugar	7.16	 2.37%	 14.4%
Unilever	35.00	 0.00%	 0.00%









# OIL PRICES

- Brent crude  by 1.89% to \$54.41pb
- Oil prices increase on expectations of lower US oil inventories
- Prices also supported by unplanned production outage in the North Sea due to repair work
- Increasing compliance levels by OPEC and Non-OPEC members drive support prices



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 03 Apr – 05 Apr	Y-O-Y	CURRENT PRICE
O I L			
BRENT	 1.24%	 4.86%	\$54.06pb
WTI	 1.56%	 4.49%	\$51.31pb
NATURAL GAS	 1.70%	 11.69%	\$3.28MMBtu

# AGRIC COMMODITIES

## Wheat



↑ •Wheat futures up by 0.06% to \$4.28/bushel

• U.S government forecast of lower planting of wheat released underpinned prices

## Corn



↓ •Corn futures down by 0.82% to \$3.64/bushel

•Increased and early US plantation of corn signals increasing supply driving down prices

## Cocoa



↑ •Cocoa prices up by 0.09% at \$2,109/mt

•Signal from production cut measures in Ivory Coast drags prices up

## Sugar



↓ •Sugar prices down 0.61% at \$0.1644/pound

•Prices fall due to the opening of Brazil's cane crush season

# OUTLOOK – OIL PRICES



- Oil prices likely to remain capped at \$55pb as global inventories remain high
- Talks on further output cut to drive positive sentiment on oil prices

# OUTLOOK – AGRIC PRICES

- Grains** • Prices will be driven down by abundant global supplies in the U.S

SUGAR

- Softs** • Expectations of good weather for cane crushing likely to reduce prices further

COCOA

- Cocoa prices expected to increase as Ivory Coast places measures to cut production

