

# BURNING ECONOMIC ISSUES



- OPEC & non-OPEC agree on oil cut extension
- Oil slides to \$52pb



- FG sets up minimum wage panel
- Real GDP contracts 0.52% in Q1



- Naira climbs to N380/\$



- I/E window flat at N382/\$
- Gala price crashes to N50
- Diesel price flat at N165 per liter

# ECONOMIC NEWS



## Good news



- OPEC extends output cut for 9 months
- Naira appreciates marginally



## Bad News



- Recovery still tepid and prolonged

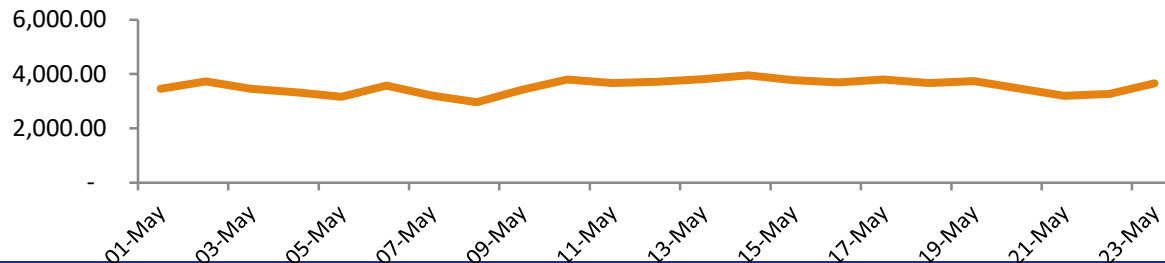


# POWER GENERATION ANALYSIS & IMPACT



- May 23<sup>rd</sup> : Average power output was 3656MWh/hour (up 390MWh/h)
- Total power constraints : 2423MW for gas, line and water constraints
- Estimated loss: N1.163bn (annualised at N424.5bn /\$1.1bn)
- Shiroro is back on after being shut down due to constraints
- Gbarain NIPP down due to tripping of Alaoji/Owerri 132kV line
- Egbin ST 6 is out for maintenance and Jebba is reporting water constraints











**Average Power Sent Out (MW/h)**



# DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic


Commodities	CURRENT PRICES (LAGOS)			Lagos Price	
	CURRENT PRICES	PREVIOUS PRICES	% CHANGE	1 year Low	1 year High
Palm Oil (25L) 	N12,500	N12,500	↔	N6,000	N25,000
Semolina(10kg) 	N3,500	N3,500	↔	N2,300	N3,500
Maize (50kg) 	N13,250	N13,350	↔	N9,000	N13,250
Tomatoes (50kg) 	N14,000	N14,000	↔	N8,000	N14,000
Garri (50kg) 	N26,000	N26,000	↔	N8,000	N26,000
Rice (50kg) 	N17,500	N15,000	↑	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N18,500	N18,500	↔	N8,000	N20,000
Beans (50kg) 	N22,000	N22,000	↔	N9,000	N22,500
Cement (50kg) 	N2,700	N2,700	↔	N1,400	N2,700















# 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)	N1,900	N2,500	-24%
Gala (75g)	N50	N50	0%

- Average online prices is 4.67% higher than market stalls
- Prices remain sticky downwards

# STOCK MARKET

- NSE ASI  0.69% to 28,286.43pts
- All sub sectors gained due to improved market sentiment

	Share Prices (₹)	W-O-W ( May 22 – May 24)	YTD (%)
Nestle	850.00	 1.67%	 3.1%
Honeywell	1.29	 6.61%	 2.30%
Flourmill	19.00		 2.8%
Cadbury	9.90	 2.17%	 3.5%
NB	146.00	 3.66%	 2.7%
Dangote Sugar	6.75	 3.57%	 4.5%
Unilever	36.00		 2.9%



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# OIL PRICES



- Brent crude ↓ 3.48% to \$52.08pb
- OPEC agree to extend oil cut policy till March 2018
- Markets disappointed as Saudi Arabia ruled out deeper cuts
- EIA reported a 4.4mb drawdown in US crude supplies
- US production soared by 10% since mid 2016 to 9.3mbpd



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 24 May – 25 May	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	 3.48%	 8.34%	\$52.08pb
WTI	 3.72%	 7.95%	\$49.45pb
NATURAL GAS	 1.56%	 15.05%	\$3.16MMBtu

# AGRIC COMMODITIES

## Wheat



•Wheat futures down 0.29% to \$4.28/bushel

• USDA forecast of high global wheat ending stocks in 2017/18 season

## Corn



•Corn futures up 0.07% to \$3.69/bushel

•US corn crop planting at 84%, slightly behind an average of trade expectations

## Cocoa



•Cocoa prices down 6.28% to \$1,894/mt

•Price slump driven by technical selling and ample global supplies

## Sugar



•Sugar prices down 1.26% to \$0.1567/pound

• China added extra 45% tariff on imports above quota of 1.95mt  
•Weak Brazilian currency also pressured prices

# OUTLOOK – OIL PRICES



- Outcome from OPEC meeting will determine prices
- Gains may be undermined by rising US production
- Break-even cost for some US producer range between \$35 - \$40pb

# OUTLOOK – AGRIC PRICES

## Grains

- Prices will be determined by supply/demand dynamics and weather developments



## SUGAR

- Forecast of improved weather in Brazil and weak global demand will weigh on prices

## COCOA

- Prices expected to remain weak as oversupply from West African producers persist



## Softs