

BURNING ECONOMIC ISSUES



- Oil price falls to \$49.25pb

- 4 Arab oil countries cut diplomatic ties with Qatar

- Forcados terminal to resume with capacity of 300,000 bpd

- NSE market cap. reaches an 11-month high of N11.2trn

- NAFEX window attracts over \$1bn deals in the past 6 weeks

- Naira appreciates to N370/\$, NAFEX at N378/\$

- Diesel remains flat at N180/ltr



ECONOMIC NEWS



Good News



- Oil production expected to increase to support external reserves
- Forcados pipeline will improve power (associated gas)



Bad News

- Spot oil price getting close to benchmark
- Delay in budget signing could impede growth
- Power output declines to 3,345MW/hr (down 289MW)
- Garri up by 23% on herdsmen attack on cassava farms
- Beans prices spike on fasting & seasonal effects

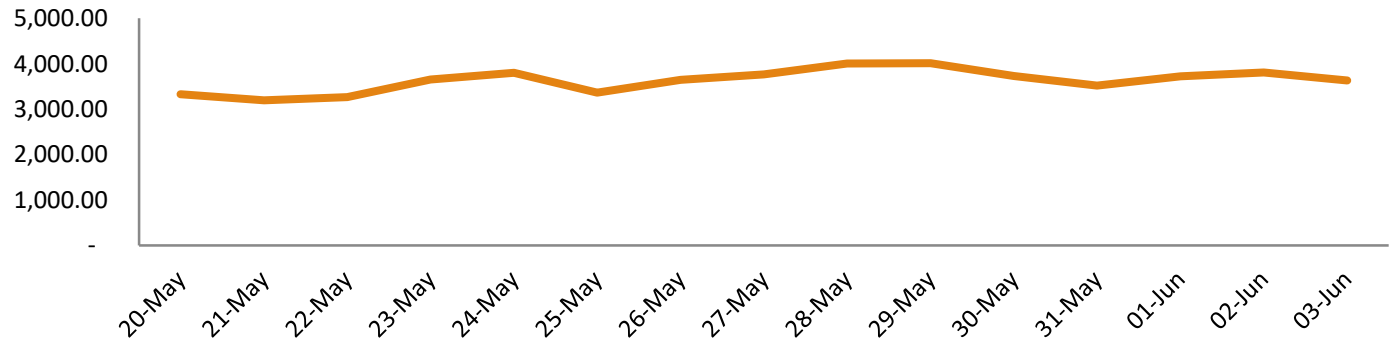


POWER GENERATION ANALYSIS & IMPACT



- June 4th: Average power output was 3,345MWh/hour (down 289MWh/h)
- 2,895MW lost from gas, line and high frequency constraints
- Estimated loss: N1.39m (annualised at N500.4bn /\$1.25m)
- Increasing high frequency constraints due to grid indiscipline
- Affecting generation at Afam VI, Jebba and Shiroro










Power Generated (on Grid) 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	N13,250	↔	N9,000	N13,250
Tomatoes (50kg) 	N14,000	N14,000	↔	N8,000	N14,000
Garri (50kg) 	N32,000	N26,000	↑	N8,000	N32,000
Rice (50kg) 	N17,500	N17,500	↔	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) 	N26,000	N22,000	↑	N9,000	N26,000
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  3.85% to 32,578.38pts
- Positive sentiment drives market performance

	Share Prices** (₹)	W-O-W (May 30– June 05)	YTD (%)
Nestle	950	 8.57%	 17.2%
Honeywell	1.64	 18.84%	 26.2%
Flourmill	23.95	 14.05%	 29.5%
Cadbury	11.43	 21.34%	 11.07%
NB	155.35	 3.91%	 4.97%
Dangote Sugar	7.82	 11.24%	 9.98%
Unilever	37.49		 7.11%



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OIL PRICES

- Brent crude  2.73% to \$49.25pb
- As US leaves the Paris climate agreement
- Global production levels continue to cap gains from oil prices
- US oil output has surged to 9.3mb over the past 8 months
- Cut in ties between 4 Arab nations and Qatar



OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 31 May – 05 June	YTD	CURRENT PRICE
O I L			
BRENT	 2.73%	 13.32%	\$49.25pb
WTI	 2.13%	 10.01%	\$48.34pb
NATURAL GAS	 3.06%	 18.28%	\$3.04MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.70% to \$4.32/bushel

•Dry weather threatens US crops

Corn



•Corn futures up 0.54% to \$3.74/bushel

•Expectations of unfavourable weather conditions

Cocoa



•Cocoa prices down by 4.32% to \$1,949/mt

•Negative market sentiment driven by global supply glut

Sugar



•Sugar prices down by 7.46% to \$0.1390/pound

•Lower-than-expected demand amid steady supplies

OUTLOOK – OIL PRICES



- Paris agreement means more shale oil
- Oil price volatility to continue
- Middle East crisis could deteriorate

OUTLOOK – AGRIC PRICES

Grains

- Market expected to trade bullish as weather conditions are expected to drive market sentiment



SUGAR

- Expectations of a bullish sugar market to persist on lower global output

COCOA

- Cocoa price to edge higher as Ivory Coast farmers neglect plantation

Softs

