

BURNING ECONOMIC ISSUES



- External reserves at record high of \$31.22bn
- FGN to borrow \$3bn for debt restructuring



- 10th anniversary of global financial crisis & market crash
- Have Nigerian investors learnt any lessons?



- Oil price declines to \$52.56pb
- Diesel price flat at N170/\$



- Naira depreciates at parallel market (N367/\$), while it appreciates at NAFEX market

(N366.50/\$)

- GDP and inflation data release dates postponed



Bad News



- High interbank interest rates (OBB: 46.67%p.a., O/N: 52.21%p.a.)
- Nigerian banks stop lending
- Diesel prices could spike to N200/ltr
- Manufacturers long inventory, short cash
- Oil prices down 0.24% to \$52.56pb



Good News

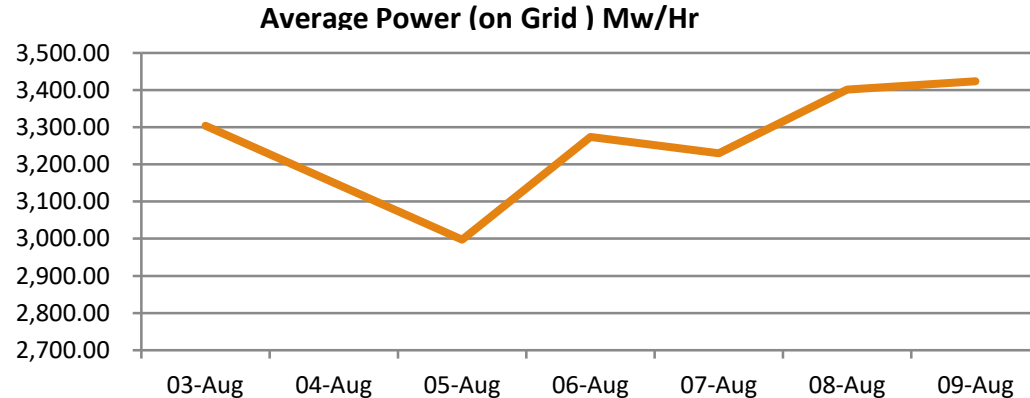


- External reserves level increases to 25-month high of \$31.22bn
- Power up 23Mw/Hr to 3,424MW/Hr

POWER GENERATION ANALYSIS & IMPACT



- August 9th : Average power output was 3,424MWh/hour (up 23MWh/h)
- Gas constraint was 385MW; frequency management constraint due to loss of DisCo feeders was 1,343MW
- Estimated loss: N0.829bn (annualised at N302.59bn /\$0.78bn)
- Increasing high frequency constraints leading to reduced generation
- Persistent gas constraints at Omotosho II, Geregu II, Alaoji II
- Sapele NIPP restored functionality



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) 	N3,200	N3,200	↔	N2,300	N3,500
Old Yam (large tuber) 	N1,500	N1,500	↔	N600	N1,500
Tomatoes (50kg) 	N28,000	N28,000	↔	N8,000	N28,000
Garri (50kg) 	N32,000	N32,000	↔	N8,000	N32,000
Rice (50kg) 	N18,500	N16,000	↔	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N19,500	N18,500	↔	N8,000	N20,000
Beans (Oloyin) (50kg) 	N26,000	N26,000	↔	N9,000	N26,000
Cement (50kg) 	N2,700	N2,700	↔	N1,400	N2,700















CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
Beer (60cl)	N250	N280	-10.71%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,250	-15.5%
Gala (75g)	N50	N50	0%

Domestic prices remain flat

STOCK MARKET

- NSE ASI  0.11% to 38,102.85pts
- Consumer goods sub index  0.41% to 978.90pts

	Share Prices (₹)	Daily Change (Aug 9 – Aug 10)	YTD (%)
Nestle			
Honeywell			
Flourmill			
Cadbury			
NB			
Dangote Sugar			
Unilever			



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OIL PRICES



- Brent crude  0.24% to \$52.56pb
- On a report indicating higher OPEC production
- Libya's Sharara oil field has been restored to functionality
- The oil field produces 270, 000bpd

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 9 August – 10 August	YTD	CURRENT PRICE
O I L			
BRENT	 0.24%	 8.59%	\$52.56pb
WTI	 0.28%	 8.73%	\$49.03pb
NATURAL GAS	 0.43%	 24.46%	\$2.81MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.1% to \$4.85/bushel

•Edges up on dry weather fears

Corn



•Corn futures flat at \$3.84/bushel

•US corn crop ratings decline

Cocoa



•Cocoa prices flat at \$2,028/mt

•Supply glut weighing on prices

Sugar



•Sugar prices flat at \$0.1378/pound

•Sugar prices steady as supply eases

OUTLOOK – OIL PRICES



- Bearish sentiment in the market to persist
- As investors are concerned that falling US inventory trend could reverse
- As summer driving season comes to an end
 - Less demand leading to increased inventory build up
- However, flashpoint in Korean Peninsula could trigger an oil price surge

OUTLOOK – AGRIC PRICES

Grains • Dry weather conditions favourable for prices

—→
SUGAR

Softs • Glut still exists and is expected to shape market sentiment

COCOA

• Increased output negative for price

