

BURNING ECONOMIC ISSUES



- OPEC meets tomorrow

- Oil price at \$56.32pb



- Fed leaves U.S policy rate unchanged at 1.25% pa



- Unveiling asset purchase program

- Cashew exports up 463% in Q2 to \$37mn



- Diesel retail price up 1.09% to N185/ltr

- Naira flat at N367/\$, up N490/£



Good News



- Higher cashew exports positive for revenue (annualized at \$160mn)
- Now second to cocoa as Nigeria's major non oil exports



- Processed cashew nuts, 6 times more valuable than unprocessed



- Cement price down 3.7% to N2600 per bag

Bad News

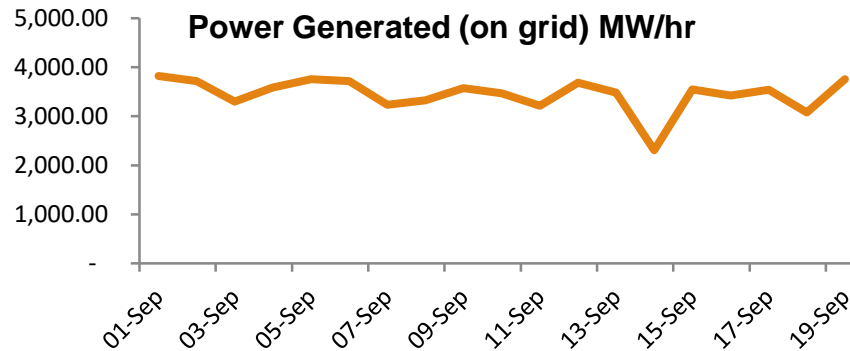


- Oil production in August up 1.86mbpd
- Oil production capacity in excess of OPEC cap

POWER GENERATION ANALYSIS & IMPACT





- September 19th: Average power output was 3760MWh/hour (up 684MWh/h)
- Gas constraint was 530MW; frequency management constraint due to loss of DisCo feeders was 2106MW
- Estimated loss: N1.265bn (annualised at N461.72bn /\$1.26bn)
- High frequency constraints impeding generation output
- Alaoji and Egbin ST 6 are now functional



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic



Commodities	CURRENT PRICES(LAGOS)			Lagos Price	
	CURRENT PRICES	PREVIOUS PRICES	DIRECTIONAL CHANGE	1 year Low	1 year High
Palm Oil (25L) 	N13,500	N13,500	↔	N6,000	N25,000
Semolina(10kg) 	N3,200	N3,200	↔	N2,300	N3,500
New Yam(small tuber) 	N800	N800	↔	N650	N900
Tomatoes (50kg) 	N12,000	N12,000	↔	N8,000	N28,000
Garri (50kg) 	N11,000	N11,000	↔	N8,000	N16,000
Rice (50kg) 	N15,000	N15,000	↔	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
Beans (Oloyin) (100kg) 	N48,000	N48,000	↔	N24,000	48,000
Cement (50kg) 	N2,600	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 (big size)	N100	N100	0%

Domestic prices remain flat

STOCK MARKET

- NSE ASI  0.05% to 35,188.97pts
- Consumer goods sub index  1.26% to 940.38pts

	Share Prices (₹)	Daily % Change (Sept 19 –Sept 20)	YTD (%)
Nestle	1225.01	 0.32	 48.8
Honeywell	1.90	 -	 46.2
Flourmill	27.40	 -	 48.2
Cadbury	11.00	 -	 17.3
NB	168.00	 0.01	 14.9
Dangote Sugar	13.77	 0.44	 92.3
Unilever	42.00	 0.48	 18.0



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OIL PRICES



- Brent crude  0.20% to \$56.32pb
- API reported smaller than expected increase in US stocks, up 1.4mb
- Market optimism up ahead of Friday's meeting
- Demand for crude expected to rebound as US refineries resume operation

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 20 Sept – 21 Sept	YTD	CURRENT PRICE
O I L			
BRENT	 0.20%	 0.88%	\$56.32pb
WTI	 0.54%	 5.70%	\$50.66pb
NATURAL GAS	 1.60%	 17.20%	\$3.08MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.17% to \$4.43/bushel

- On bargain buying
- Expectation of production shortfall in Canada

Corn



•Corn futures up 0.07% to \$3.48/bushel

- Forecasts of unfavourable weather conditions threatening crop development
- Bumper U.S. corn crop harvest capped gains

Cocoa



•Cocoa prices up 1.10% to \$2,020/mt

- Ivory Coast's output expected to fall by 10% from last year's record of 1.5mt – Olam

Sugar



•Sugar prices down 1.78% to \$0.1490 pound

- Technical sell off put pressure on prices

OUTLOOK – OIL PRICES



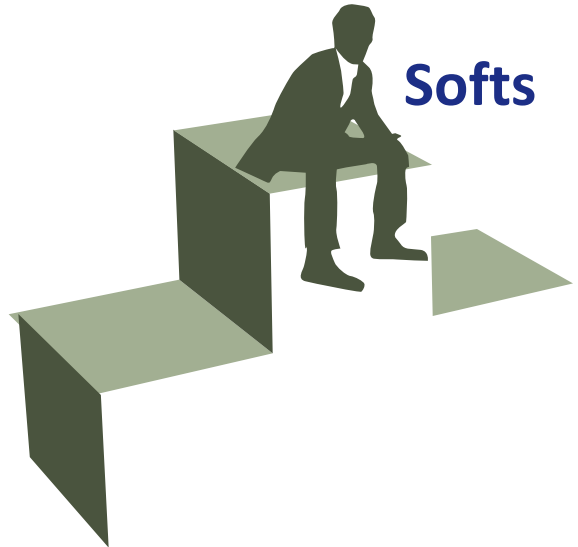
- Outcome of OPEC meeting on Friday will determine prices
- Stable demand growth expected to shrink supply

OUTLOOK – AGRIC PRICES

Grains • Global weather concerns will determine price movement



SUGAR



Softs • Favourable weather conditions will be bearish for prices

COCOA

- Global market is still over-supplied
- Prices will be determined supply demand dynamics