

BURNING ECONOMIC ISSUES



- September inflation down marginally to 15.98%

- Brent crude up 0.42% to \$58.06pb, 4.3% higher than September's average

- External reserves up to \$33.1bn- Highest in 33months

- Naira depreciates slightly in parallel market to N364/\$

- Diesel retail price flat at N200/ltr



ECONOMIC NEWS



Good News



- Oil prices trading close to \$60pb

Bad News



- High diesel price to kick producer price index upwards



- Price of palm oil up 16.6% to N14000 (25ltr)

- On-grid power down after 3-day recovery to 3655MW

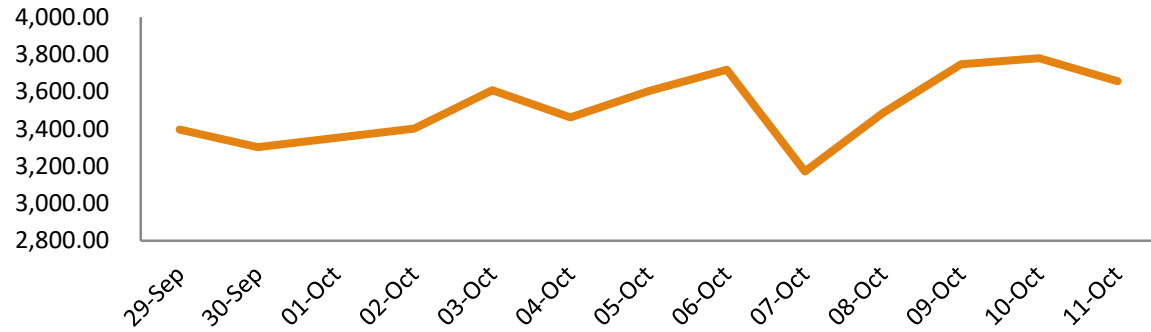


POWER GENERATION ANALYSIS & IMPACT



- October 11th: Average power output sent was 3655MWh/hour (down 124MWh/h)
- Gas constraint was 401MW; frequency management constraint due to loss of DisCo feeders was 1994MW
- Estimated loss: N1.149bn (annualised at N419.39bn /\$1.05bn)
- DisCos' inability to pick load is the largest constraint to improved service delivery

Power Generated (on Grid) MW/h




DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic

CURRENT PRICES (LAGOS)

Lagos Price

Commodities	CURRENT PRICES (LAGOS)			Lagos Price	
	CURRENT PRICES	PREVIOUS PRICES	DIRECTIONAL CHANGE	1 year Low	1 year High
Palm Oil (25L) 	N14,000	N12,000	↑	N6,000	N25,000
Semolina(10kg) 	N3,200	N3,200	↔	N2,300	N3,500
New Yam(small tuber) 	N650	N650	↔	N650	N900
Tomatoes (50kg) 	N8,000	N8,000	↔	N8,000	N28,000
Garri (50kg) 	N10,500	N10,500	↔	N8,000	N16,000
Rice (50kg) 	N15,000	N15,000	↔	N13,500	N22,000
Flour (50kg) 	N11,000	N11,000	↔	N8,500	N11,000
Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
Beans (Oloyin) (100kg) 	N32,000	N32,000	↔	N12,000	34,000
Cement (50kg) 	N2,700	N2,500	↔	N1,400	N2,700



Relatively Static















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  0.33% to 36,971.27pts
- Consumer goods sub index  0.31% to 932.43pts

	Share Prices (₹)	Daily % Change (Oct 12 – Oct 16)	YTD (%)
Nestle	1240.50		 53.1
Honeywell	2.00	 0.50	 53.8
Flourmill	30.00	 0.90	 62.2
Cadbury	10.50		 2.04
NB	163.00	 1.21	 10.14
Dangote Sugar	13.90	 1.53	 95.5
Unilever	44.00		 25.7



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OIL PRICES



- Brent crude  0.42% to \$58.06pb
- Deterioration in Iraq and Kurdistan's conflict
- Expectations of renewed US sanctions against Iran
- Strong Chinese demand up to 9mbpd- Highest import volume since May
- US rig count declined by 5 to 743 – Baker Hughes (Oct 13th)

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 12 Oct – 16 Oct	YTD	CURRENT PRICE
O I L			
BRENT	 0.42%	 1.81%	\$58.06pb
WTI	 0.42%	 3.39%	\$52.09pb
NATURAL GAS	 1.03%	 20.16%	\$2.97MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 1.97% to \$4.39/bushel

•Due to technical buying and short covering following a 6-week low

Corn



•Corn futures up 0.64% to \$3.51/bushel

•Prices up on sluggish US harvest

Cocoa



•Cocoa prices down 0.77% to \$2,074/mt

•Global supply glut continue to weigh on prices

Sugar



•Sugar prices up 0.28% to \$0.1432/pound

•Due to increased demand from India's (Diwali) festive season

OUTLOOK – OIL PRICES



- Markets expected to rally post Baker Hughes report
- Coupled with expectations of geo-political tension

OUTLOOK – AGRIC PRICES

Grains

- Expectations of the end of harvest season to drive price movements



SUGAR

- Commencement of crushing season (25mt) to weigh on prices

COCOA

- Prices to trade bearish despite strong chocolate market in the US



Softs