

# BURNING ECONOMIC ISSUES



- Oando shares suspended on NSE

- Hydro contributes 26% to power generation compared to 15% in 2015



- On-grid power output up 2.5% to 3890MW



- Brent crude up 0.78% to \$58.15pb



- Parallel market flat at N364/\$

- Diesel price flat at N200 per litre

# ECONOMIC NEWS



## Good News



- Highest on-grid power output in 4 months
- Price of flour (50kg) is down 9% to N10,000



## Bad News



- Suspension of shares is bad for investors
- Diesel price remains flat at N200 per litre

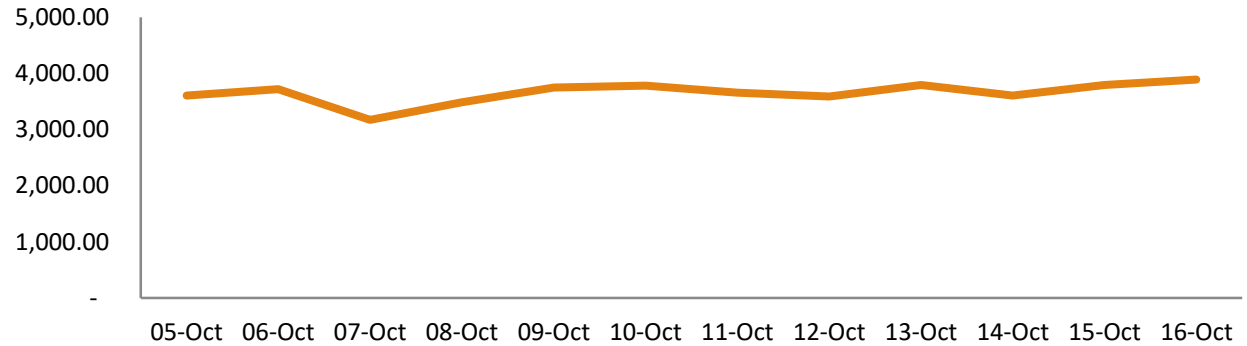


# POWER GENERATION ANALYSIS & IMPACT



- October 16<sup>th</sup>: Average power output sent was 3890MWh/hour (up 97MWh/h)
- Gas constraint was 410MW; frequency management constraint due to loss of DisCo feeders was 2281MW
- Estimated loss: N1.095bn (annualised at N399.6bn /\$0.99bn)
- 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) 	N10,000	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	N2,700	↔	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  0.08% to 36,641.52pts
- Consumer goods sub index  0.02% to 924.43pts

	Share Prices (₹)	Daily % Change ( Oct 17 – Oct 18)	YTD (%)
Nestle	1200		 48.1
Honeywell	2.00		 53.8
Flourmill	29.20	 2.67	 57.9
Cadbury	10.20		 0.87
NB	162.50	 0.30	 9.80
Dangote Sugar	14.25	 0.64	 100.4
Unilever	44.00		 25.7



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# OIL PRICES



- Brent crude  0.78% to \$58.15pb
- US crude inventories fell by 7.1mbpd to 461.4mb- API (week to Oct 13)
- Iraqi government seizes major oil field (350,000bpd) from the Kurds
- Expectations of renewed US sanctions against Iran



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 16 Oct – 18 Oct	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	 0.78%	 2.97%	\$58.15pb
WTI	 0.44%	 2.96%	\$52.11pb
NATURAL GAS	 0.34%	 21.24%	\$2.93MBtu

# AGRIC COMMODITIES

## Wheat



•Wheat futures down 0.74% to \$4.33/bushel

•Due to technical buying and selling

## Corn



•Corn futures down 0.21% to \$3.49/bushel

•Prices down as 29% of US crop was harvested

## Cocoa



•Cocoa prices up 0.98% to \$2,064/mt

•Due to technical activity

## Sugar



•Sugar prices down 1.06% to \$0.1403/pound

•Due to concerns of weakening demand

# OUTLOOK – OIL PRICES



- Tightening US market to drive price higher
- Growing tension in the Middle East to support price movements

# OUTLOOK – AGRIC PRICES

## Grains

- Weather conditions in the US continue to determine price movements

—→  
SUGAR

## Softs

- Lowering demand expected to weigh on prices

COCOA

- Prices expected to trade bearish on global glut

