

BURNING ECONOMIC ISSUES



- N586m spent daily on fuel subsidy – annualized at N213bn (Vanguard)

- 46m bank accounts without BVN



- 2018 Budget to be presented at FEC



- Trump to decide on Fed chairperson



- Brent crude up 0.21% to \$57.49pb

- Parallel market flat at N363/\$

- Diesel price up 2.5% to N205 per litre

ECONOMIC NEWS



Good News



- Improved on-grid power generation at approximately 4000MW

Bad News



- Diesel price climbs to a 6-month high



- Frozen accounts to drain liquidity out of the banking system

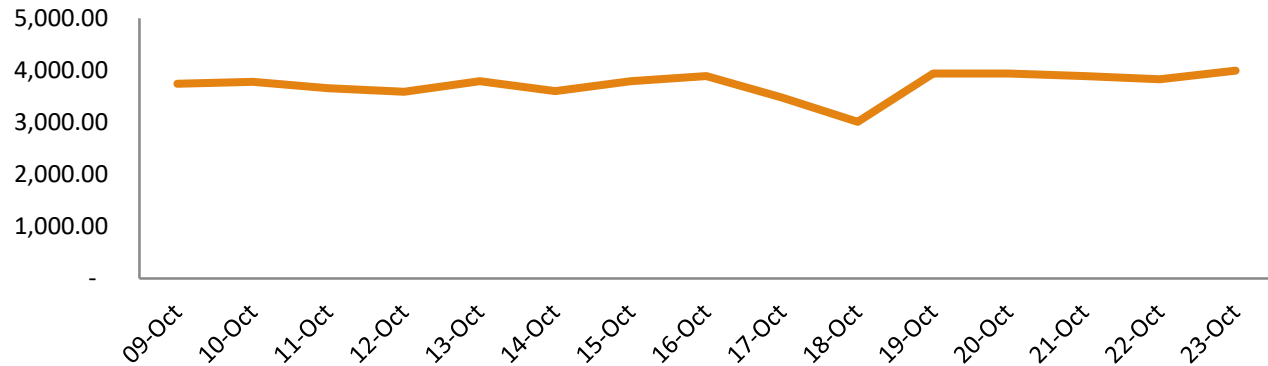


POWER GENERATION ANALYSIS & IMPACT



- October 23rd : Average power output sent was 3998MWh/hour (up 167MWh/h)
- Gas constraint was 298MW; frequency management constraint due to loss of DisCo feeders was 1801MW
- Estimated loss: N1.008bn (annualised at N367.92bn /\$0.91bn)
- Improved generation with improvements in gas supply

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  0.48% to 36,411.73pts
- Consumer goods sub index  0.19% to 922.53pts
- Mixed sentiments driving market down

	Share Prices (₹)	Daily % Change (Oct 19 – Oct 23)	YTD (%)
Nestle	1200	 0.02	 48.1
Honeywell	1.94	 2.11	 49.2
Flourmill	30.00	 2.74	 62.2
Cadbury	10.50		 2.04
NB	157.00	 1.88	 6.08
Dangote Sugar	14.00	 0.14	 96.9
Unilever	44.00		 25.7



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OIL PRICES



- Brent crude  0.21% to \$57.49pb
- US oil rigs fell by 7 to 736- Baker Hughes (week to Oct 20)
- Nigeria's oil rig count remained flat at 8 - September
- Tension in the Middle East reduces supply flows from Iraq
- Increasing oil demand from India and China

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 19 Oct – 23 Oct	YTD	CURRENT PRICE
O I L			
BRENT	 0.21%	 1.88%	\$57.49pb
WTI	 0.21%	 3.02%	\$52.01pb
NATURAL GAS	 3.83%	 19.89%	\$2.98MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 1.33% to \$4.27/bushel

•Due to favourable weather forecast in Central US

Corn



•Corn futures down 1.07% to \$3.45/bushel

Due to increased US supply as USDA estimates reach a near-record at 1.71.8 bushels

Cocoa



•Cocoa prices down 0.33% to \$2,138/mt

•Prices down on expectations of a cocoa surplus

Sugar



•Sugar prices down 0.92% to \$0.1400pound

•Due to concerns of weakening demand

OUTLOOK – OIL PRICES



- Oil prices to remain above \$55pb in October on lower supply in the Middle East
- Tightening US market to drive price higher

OUTLOOK – AGRIC PRICES

Grains

- Grain prices to trade bearish on favorable weather forecast



SUGAR

Softs

- Lowering demand expected to weigh on prices

COCOA

- Prices expected to trade bearish on increased sunshine in Ivory Coast

