

BURNING ECONOMIC ISSUES



- Inflation eases for the ninth consecutive month to 15.91%

- Cumulative decline of 2.8% in 10 months



- Senate approves FGN external borrowing programme (\$5.5bn)



- Brent slides by 0.39% to \$61.48pb, cumulative decline in November of 3.6%



- On-grid power stays above 4,000MW

- Naira trades flat at N363/\$

ECONOMIC NEWS



Good News



- Improved gas supply is boosting on-grid power output – 4,000MW
- Diesel price flat at N200/litre
- Inflation slide may force accommodative stance (MPC)



Bad News



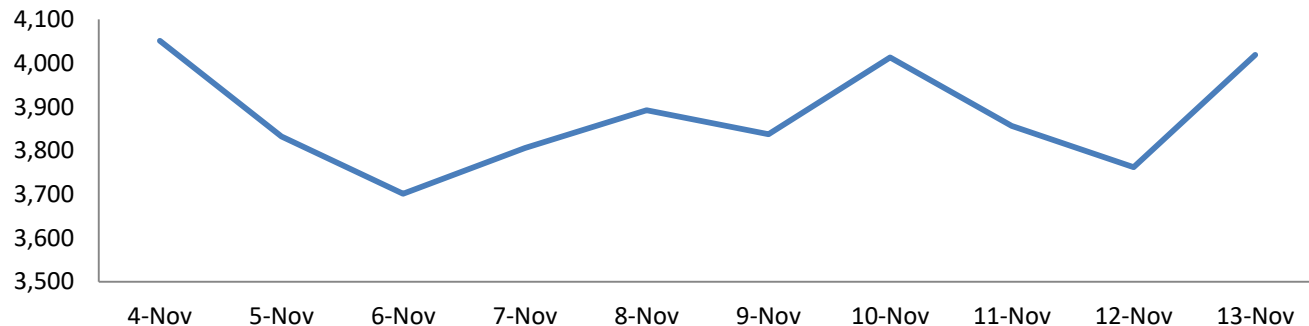
- Oil markets face renewed turmoil, could slide below \$60pb



POWER GENERATION ANALYSIS & IMPACT

- November 13th: Average power output sent was 4,019MWh/hour (up 256.93MWh/h)
- Gas constraint was 1,436MW; frequency management constraint due to loss of DisCo feeders was 405.7MW, water management constraint was 150MW
- Estimated loss: N0.98bn (annualised at N360.98bn /\$1bn)
- Shiroro Hydro has commenced water management measures to ensure dry season efficiency



Power Generated (on Grid) MW/h



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic


		CURRENT PRICES (LAGOS)			Lagos Price	
Commodities		CURRENT PRICES	PREVIOUS PRICES	DIRECTIONAL CHANGE	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	N13,000	N13,000	↔	N6,000	N25,000
	Semolina(10kg) 	N1,800	N1,800	↔	N1,800	N3,500
	New Yam(small tuber) 	N650	N650	↔	N650	N900
	Tomatoes (50kg) 	N8,000	N8,000	↔	N8,000	N28,000
Price Inelastic	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) 	N28,000	N28,000	↔	N12,000	N34,000
	Cement (50kg) 	N2,700	N2,700	↔	N1,400	N2,700















CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N90	-10%
Beer (60cl)	N250	N280	-10.71%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,100	-15.5%
Gala (big size)	N100	N100	0%

Domestic prices remain flat

STOCK MARKET

- NSE ASI  0.05% to 36,634.89pts
- Consumer goods sub index  0.79% to 884.91 pts

	Share Prices (₹)	Daily % Change 15Nov -16 Nov	YTD (%)
Nestle	1,250	 3.10	 48.1
Honeywell	1.90	 5.00	 52.3
Flourmill	34.89	 2.62	 62.2
Cadbury	11.78		 0.01
NB	138.15	 0.11	 8.70
Dangote Sugar	14.25	 2.06	 104.7
Unilever	36.10		 25.7



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OIL PRICES



- Brent crude  0.35% to \$61.48pb
- On an unexpected jump in U.S shale output
- Concerns of global demand also weighed on prices

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 15 Nov – 16 Nov	YTD	CURRENT PRICE
O I L			
BRENT	 0.39%	 11.83%	\$61.48pb
WTI	 0.61%	 5.85%	\$54.99pb
NATURAL GAS	 0.32%	 15.86%	\$3.16MBtu

AGRIC COMMODITIES

Wheat



- Wheat futures down 0.35% to \$4.25/bushel
- Prices under pressure due to improved crop conditions in the U.S

Corn



- Corn futures down 0.22% to \$3.47/bushel
- Expectations of higher corn yields weighed on prices

Cocoa



- Cocoa prices up 1.45% to \$2,054/mt
- Ivory Coast's production is expected to drop 12% by year end

Sugar



- Sugar prices down 0.14% to \$0.1470/pound
- Partly driven by forecasts of lower production in 2018.

OUTLOOK – OIL PRICES



- Prices likely to remain above \$60pb in the near term
- On-going tensions in the Middle East will continue to support market.
- However, resurgence in U.S output will cap gains.

OUTLOOK – AGRIC PRICES

Grains

- Bumper U.S harvest to keep prices bearish



SUGAR

- Prices will be determined by supply/demand dynamics

COCOA

- Lower production forecasts in Ivory Coast will continue to support prices



Softs