

BURNING ECONOMIC ISSUES



- Brent oil price crosses \$60pb, highest level in 27 months

- Nigeria's rubber output rises to 160,000 tonnes in 2016 as price falls to



\$196.6/kg



- MSCI retains Nigerian stocks in frontier index



- President Trump could pick new Fed chair this week

- Parallel market rate flat at N363/\$

- Diesel price flat at N205 per litre

ECONOMIC NEWS



Good News



- Higher oil prices is naira positive
- MSCI's decision will further boost investor confidence



Bad News



- High diesel price is pushing up the PPI
- Rubber price to fall in 2018



GLOBAL PRODUCTION AND CONSUMPTION

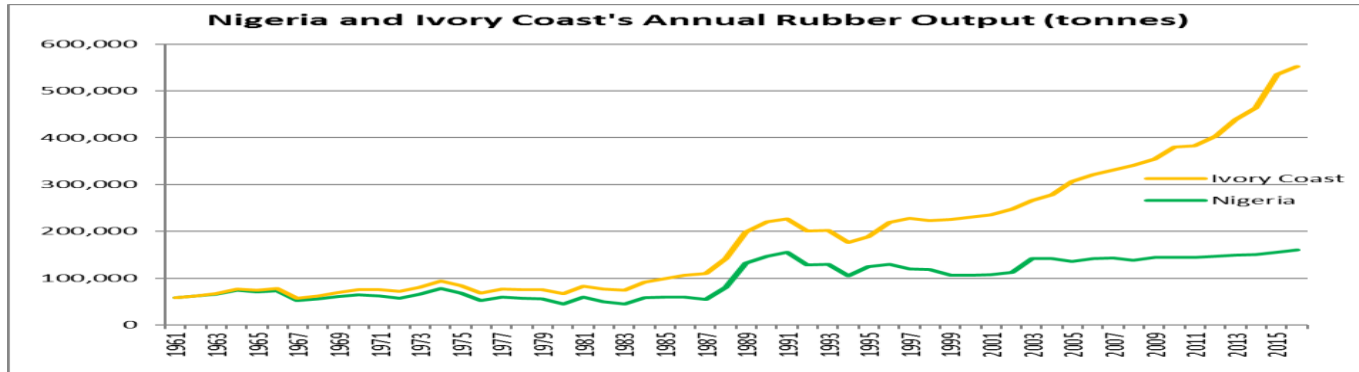


- ❖ Seedling and harvesting time lag: 5 years
- ❖ Life Span: 25 years
- ❖ Used for tires and tubes (70%), hoses, belts, matting, flooring and medical gloves
- ❖ Top 5 Producing countries (2013): Thailand, Indonesia, Vietnam, India and China
- ❖ World Top Consumers: China (39%), India, European Union, Japan

COMMODITY IN FOCUS - RUBBER

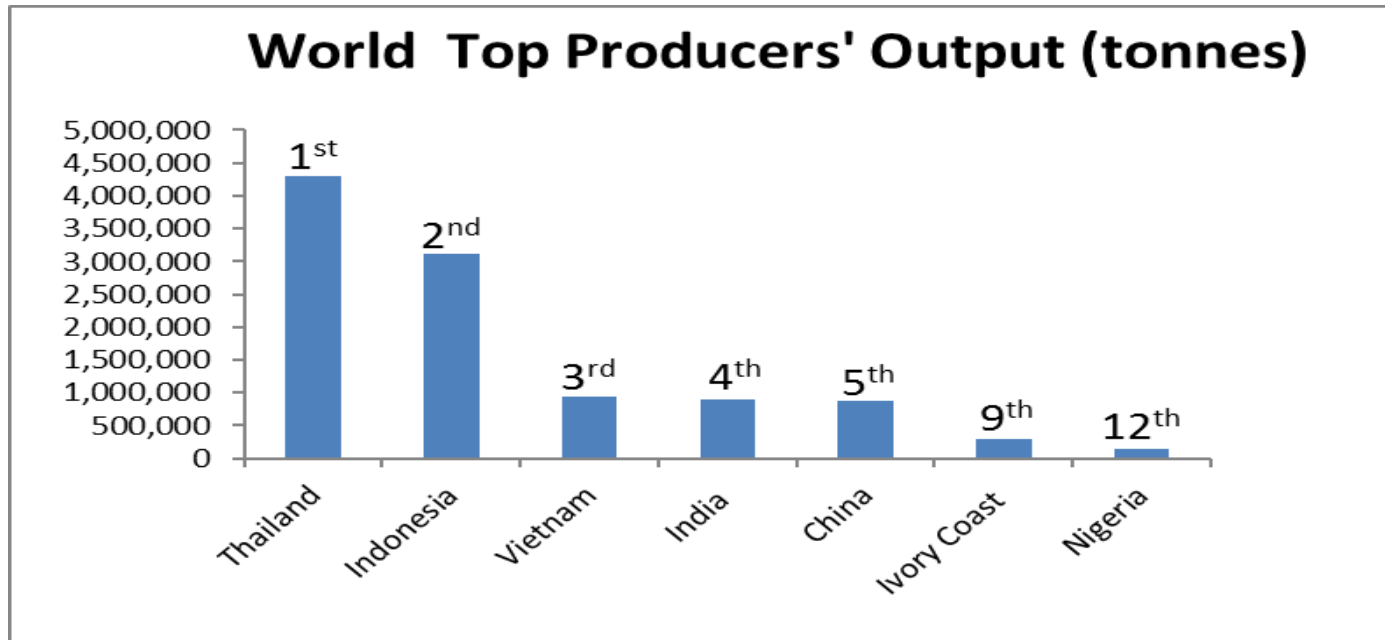
RUBBER PRODUCTION IN NIGERIA

- World Share: 1.1%
- Rank in Africa: 2nd (after Ivory Coast)
- Rank among world producers: 12th
- Number of producing states: 18 (includes Abia, Akwa Ibom, Anambra, Bayelsa, Cross River, Delta, Edo, Ondo, Ogun, Taraba, and Kaduna)



Source: FAOSTAT

NIGERIA IN COMPARISON WITH OTHER PRODUCERS



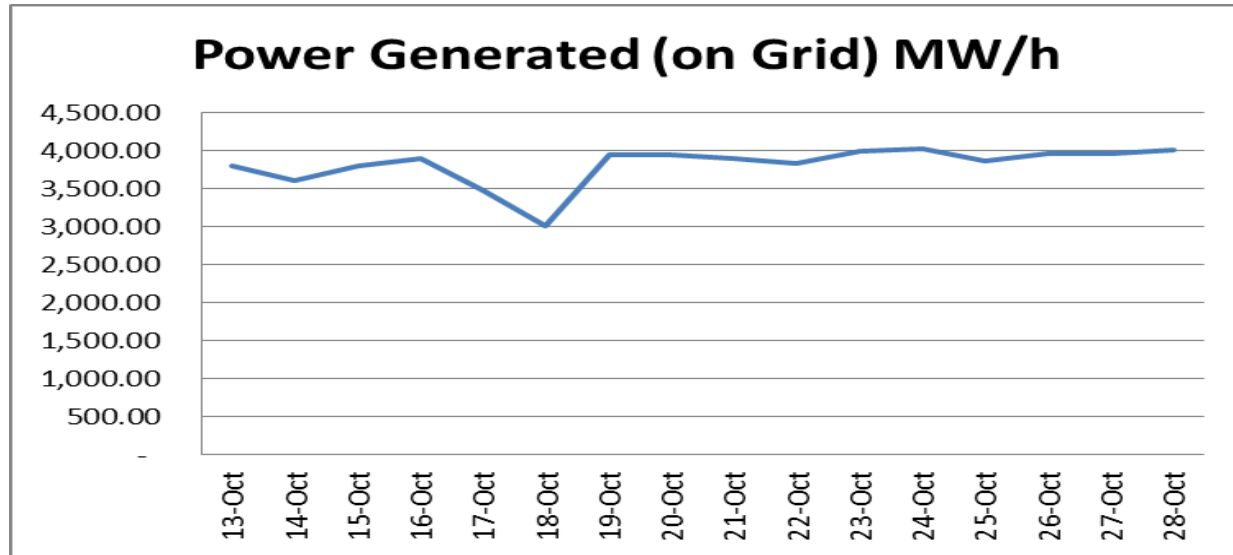
Source: FAOSTAT

- **Nigeria's annual output growth rate: 2.91%**
- **Ivory Coast annual output growth rate: 21.78%**

POWER GENERATION ANALYSIS & IMPACT



- October 28th : Average power output sent was 4,002MWh/hour (up 41.5MWh/h)
- Gas constraint was 1,991.7MW; frequency management constraint due to loss of DisCo feeders was 657MW
- Estimated loss: N1.27bn (annualised at N464.28bn /\$1.16bn)




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



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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  0.54% to 36,680.29pts
- Consumer goods sub index  0.17% to 918.78pts







	Share Prices (₹)	Daily % Change (Oct 30 – Oct 31)	YTD (%)
Nestle	1,252	 1.79	 48.1
Honeywell	2.12	 0.47	 52.3
Flourmill	30.00	 2.74	 62.2
Cadbury	10.50	 4.55	 0.01
NB	150.00	 0.99	 8.70
Dangote Sugar	15.00	 0.67	 104.7
Unilever	41.19	 3.72	 25.7

OIL PRICES



- Brent crude  0.39% to \$61.14pb
- Optimism that OPEC-led production pact will be extended
- Lingering geo-political tensions and weaker U.S dollar continues to support the market

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 30 Oct – 31 Oct	YTD	CURRENT PRICE
O I L			
BRENT	 0.39%	 2.90%	\$61.14pb
WTI	 0.0%	 2.07%	\$54.35pb
NATURAL GAS	 0.07%	 19.65%	\$2.99MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.17% to \$4.37/bushel

•Prices up on bad weather conditions in U.S Midwest region

Corn



•Corn futures up 0.43% to \$3.52/bushel

Due to US harvest delays

Cocoa



•Cocoa prices down 1.88% to \$2,084/mt

•Prices down on concerns of oversupply

Sugar



•Sugar prices up 2.88% to \$0.1428pound

•Due to a reduction in Brazil's sugar production

OUTLOOK – OIL PRICES



- Brent Oil likely to remain above \$60pb in the near term
- Optimism about production deal extension to influence prices positively

OUTLOOK – AGRIC PRICES

Grains

- Grain prices to trade bullish temporarily on harvest slowdown

● —————→
SUGAR

Softs

- Expectations of declining production to boost prices further

COCOA

- Prices expected to trade bearish on global supply glut

