

BURNING ECONOMIC ISSUES



- Nigerian Unemployment + Underemployment jumps to 40% in Q3
- National misery index spikes 3.7% to 55.90 (53.92/16)



- Rivers state has the highest misery index in Nigeria (79.37)



- Taraba lowest at 29.59



- Azura power plant begins generation ahead of schedule
- IMF revises Nigeria's 2018 GDP growth outlook upward to 2.1% (from 1.9%)

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The Worst

State Rank	State	U + U %	Inflation %	Misery Index
1	Rivers	61.4	18.01	79.37
2	Jigawa	62.4	15.80	78.24
3	Kaduna	58.6	17.90	76.50
7	Kano	51.2	17.31	68.56



The Best

State Rank	State	U + U %	Inflation %	Misery Index
36	Taraba	13.4	16.18	29.59
35	Osun	19.0	16.37	35.36
34	Ogun	21.0	15.91	36.94
28	Lagos	32.7	15.59	48.33

U + U: Underemployment rate + Unemployment rate

Misery index= U+U+ Inflation rate



Good News



- Highest oil price since June 2015
- Naira appreciates to N364/\$



- On grid power output stayed above 4,000Wh/hr for most of December
- Diesel price declined by 2.5% to N195/litre



Bad News

- Fuel scarcity lingers in Abuja and other states
- Domestic transport fares spike by at least 100%
 - Scarcity + Christmas

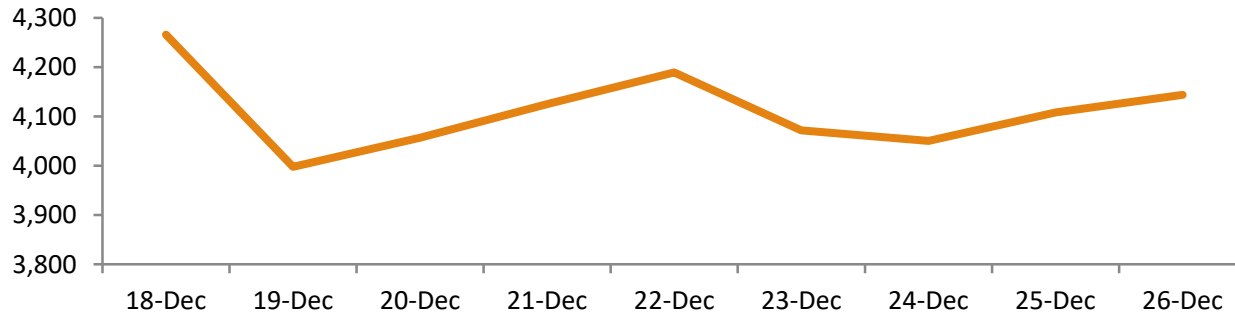


POWER GENERATION ANALYSIS & IMPACT



- December 26th : Average power output sent was 4,144MWh/hour (up 37 MWh/h)
- Gas constraint was 1095MW; frequency management constraints was 1308MW, water management constraint was 290MW
- The sector lost N1.29bn on December 26th (annualised at N470.8bn)
- \$900 million Azura gas plant- 450MW capacity- connects to national grid


Power Output from the national grid (MWh/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) 	N400	N400	↔	N400	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) 	N15,500	N15,500	↔	N13,500	N22,000
	Flour (50kg) 	N9,600	N9,600	↔	N8,500	N11,000
	Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
	Beans (Oloyin) (50kg) 	N28,000	N28,000	↔	N12,000	N34,000
	Cement (50kg) 	N2,500	N2,500	↔	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  1.64% to 37,889.57pts
- Consumer goods sub index  1.17% to 956.68pts

	Share Prices (₹)	Daily % Change (Dec 22 –Dec 27)	YTD (%)
Nestle	1475.21	 --	 82.1
Honeywell	2.19	 1.86	 68.46
Flourmill	28.36	 -	 53.38
Cadbury	15.75	 9.91	 53.06
NB	134.04	 4.25	 9.43
Dangote Sugar	20.15	 2.59	 229.79
Unilever	43.89	 1.13	 14.91



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OIL PRICES

- Brent crude  0.86% to \$66.44pb
- After reaching a 30-month high of \$67.02pb
- Bull market was driven by pipeline blast in Libya
- Number of active U.S oil rigs inched up by 1 to 931



OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 26 Dec – 27 Dec	YTD	CURRENT PRICE
O I L			
BRENT	 0.86%	 18.34%	\$66.44pb
WTI	 0.55%	 11.02%	\$59.64pb
NATURAL GAS	 3.4%	 36.26%	\$2.73MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 0.47% to \$4.24/bushel

•Ample global supply weighs on market

Corn



•Corn futures up 0.28% to \$3.53/bushel

•Increased demand for high quality grains of this season

Cocoa



•Cocoa prices down 0.05% to \$1,857/mt

•On higher output from West African Cocoa Giants- Ghana & Ivory Coast

Sugar



•Sugar relatively stable at \$0.1469/pound

•Increased demand matched supply, to introduce some equilibrium

OUTLOOK – OIL PRICES



- Global supply disruptions will continue to support prices
- Brent will trade flat above \$63pb in December
- EIU forecast for 2018 is \$54pb

OUTLOOK – AGRIC PRICES

Grains

- Prices expected to be higher in 2018



SUGAR

- Forecast of lower sugar consumption in 2018 likely to keep prices depressed

COCOA

- Prices to trade bearish on global supply glut



Softs