

BURNING ECONOMIC ISSUES



- Oil price benchmark hiked to \$47pb
- Brent slips 0.26% to \$61.38pb



- Eurobond proceeds boost external reserves to \$38.2bn



- CBN interventions of \$210mn



- Parallel market flat at N363/\$
- Diesel price flat at N200 per litre



Good News



- Naira flat in the forex market

Bad News



- Fuel queues and political activity coincide



- Will exacerbate inflationary pressure
- Benchmark production of 2.3mbpd (including condensates) is ambitious



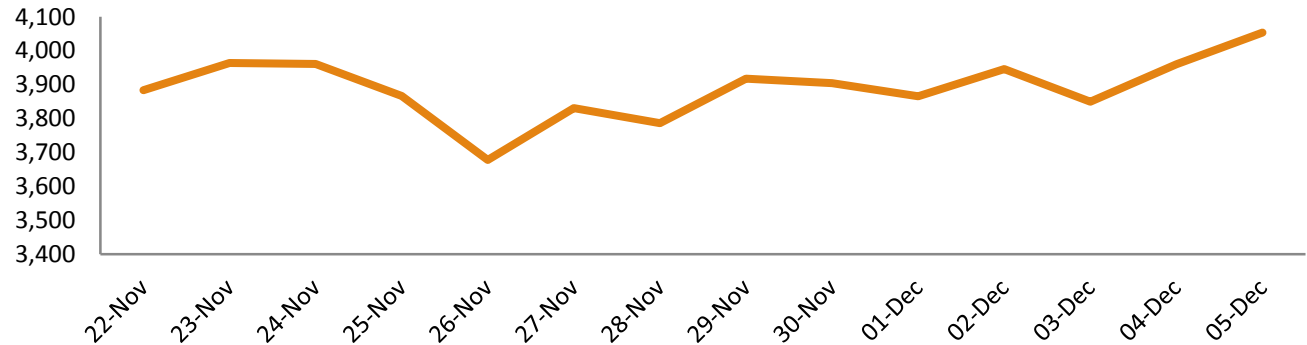
POWER GENERATION ANALYSIS & IMPACT



December 5th : Average power output sent was 4,054MWh/hour (up 93.5MWh/h)

- Gas constraint was 793MW; line constraint was 117MW; frequency management constraint due to loss of DisCo feeders was 1189MW, water management constraint was 150MW
- Estimated loss: N1.023mn (annualised at N373.3bn /\$0.93mn)
- Generation peak surpassed 5000MW

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) 	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) 	N17,000	N15,000	↔	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) 	N27,500	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  1.51% to 39,075.30pts
- Consumer goods sub index  1.51% to 952.01pts

	Share Prices (₹)	Daily % Change (Dec 05 –Dec 06)	YTD (%)
Nestle	1330.11	 -	 64.2
Honeywell	2.13	 -	 63.8
Flourmill	34.02	 2.79	 83.9
Cadbury	15.41	 0.72	 0.49
NB	140.4	 1.74	 5.12
Dangote Sugar	19.93	 6.58	 180.3
Unilever	44.4	 3.38	 26.8



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OIL PRICES

- Brent crude  0.26% to \$61.38pb
- Prices down on concerns over increasing US crude output
- US crude stocks rose to 9.2mb in the week ending Dec 1 –API report
- Now reaching close to levels of top producers Russia and Saudi Arabia



OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 04 Dec – 06 Dec	YTD	CURRENT PRICE
O I L			
BRENT	 0.26%	 10.17%	\$61.38pb
WTI	 1.28%	 6.79%	\$56.06pb
NATURAL GAS	 1.67%	 21.24%	\$2.93MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 0.63% to \$4.32/bushel

•Technical trading and ample global supplies

Corn



•Corn futures up 0.28% to \$3.54/bushel

•Prices up on increasing demand from China (700,000 tonnes)

Cocoa



•Cocoa prices down 3.54% to \$1,932/mt

•Prices down on favourable crop condition in West Africa

Sugar



•Sugar prices down 1.06% to \$0.1490 pound

•Prices down on lower demand

OUTLOOK – OIL PRICES



- US oil production expected to pose a threat to oil prices
- Losses will be capped as OPEC and Non-OPEC members restrict output

OUTLOOK – AGRIC PRICES

Grains

- Ample global supplies expected to weigh on prices



SUGAR

- Sugar cane output expected to increase in the short-term

COCOA

- Expectations of a global surplus on favourable weather conditions

Softs

