

BURNING ECONOMIC ISSUES



- FGN's debt service payments total N1.5trn in 9M'17 (annualised at N2trn)
 - 48% higher than 2016's debt service payments of N1.35trn



- External reserves hit four-year high of \$40.33bn



- Brent oil down 0.82% to \$68.89pb

- Naira flat at N364/\$ at parallel market



- CBN sells \$210mn with \$100mn for SMEs
- Guinness reports blowout profits, up 131%



Good News



- Fuel scarcity over in Lagos
- Strong external reserves is naira positive



Bad News

- Diesel flat at N200/litre

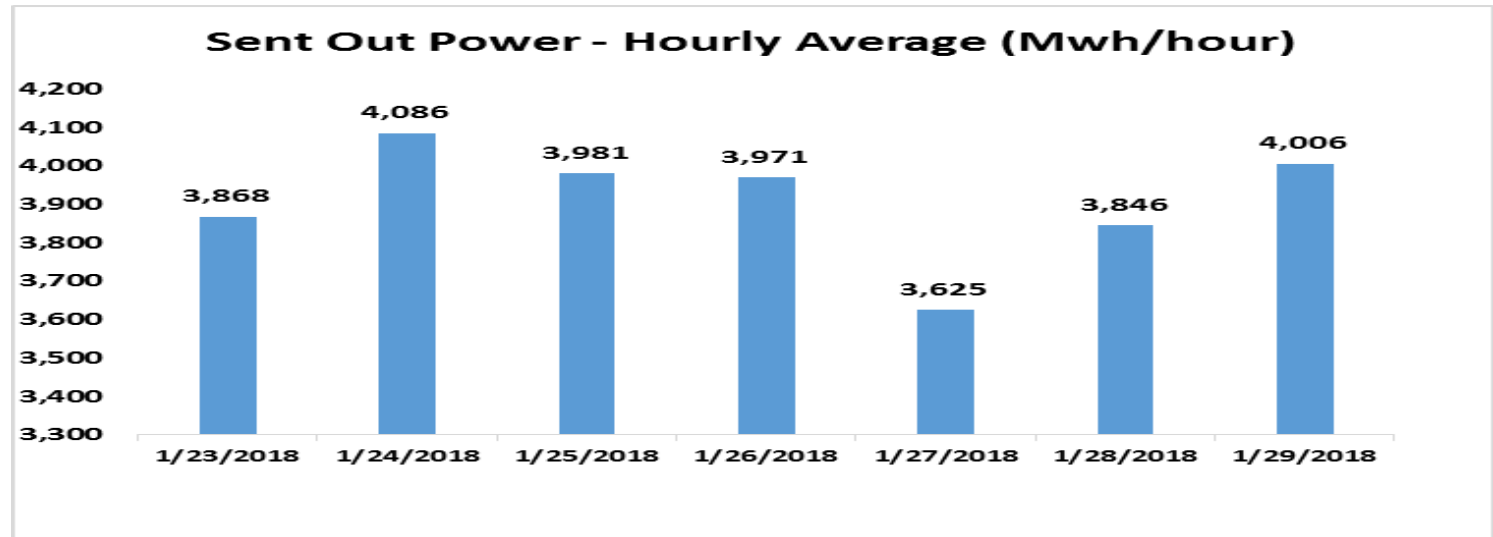


POWER GENERATION ANALYSIS & IMPACT



January 29th: Average power output was 4,006MWh/hour (Up 159.5MWh/h)


- Total gas constraint was 1,189MWh/h; transmission constraints was 0MW, frequency management constraints was 560MW, water management constraint was 290MW
- Naira equivalent of power loss: N0.98bn (annualised at N357.7bn)



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) (Yellow) 	N7,000	N7,000	↔	N7,000	N16,000
	Rice (50kg) 	N13,400	N13,400	↔	N13,400	N22,000
	Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
	Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
	Beans (Oloyin) (50kg) 	N27,000	N27,000	↔	N12,000	N34,000
	Cement (50kg) 	N2,650	N2,650	↔	N1,400	N2,700

COMMODITY IN FOCUS - AVOCADO



- **Total global production (2016):** 5.69mn tonnes (\$10.47bn)
- **Uses:** cooked, edible oil, salads, smoothies
- **World's top producers:** Mexico, Dominican Republic, Peru
- **World's top consumers:** Mexico, U.S, Dominican Republic, Colombia
- Avocado is produced in Nigeria, albeit in subsistent quantities
- The good news is that every Nigerian state has the potential to grow avocados
- **Major producing states:** Imo, Abia, Anambra, Enugu



CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N120	N100	-20%
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



Every meal starts with us



• Salt (Refined and Iodized) • Seasoning (Cubes and Tablets) • Tomato Paste • Vegetable Oil















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STOCK MARKET

- NSE ASI  0.42% to 44,493.79pts,
- Consumer goods sub index  0.30% to 1,044.29pts







	Share Prices (₹)	Daily % Change (Jan 29 – Jan 30)	YTD (%)
Nestle	1,470	 2.00	 7.21
Honeywell	3.08	 10.00	 39.52
Flourmill	30.85	 0.16	 3.29
Cadbury	15.80	 3.27	 0.97
NB	150.00	 -	 9.70
Dangote Sugar	21.05	 0.48	 0.38
Unilever	44.20	 0.67	 12.20

OIL PRICES

- Brent crude ▼ 0.82% to \$68.89pb
- U.S dollar has recovered from recent lows
- U.S oil rig count up 12 to 759 last week



OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 29 Jan - 30 Jan	YTD	CURRENT PRICE
O I L			
BRENT	 0.82%	 5.88%	\$68.89pb
WTI	 0.14%	 9.79%	\$66.23pb
NATURAL GAS	 0.85%	 17.97%	\$3.48MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.47% to \$4.23/bushel

•Driven by concerns of low U.S production.

Corn



•Corn futures up 0.28% to \$3.52/bushel

•Unfavourable weather in the US dampens expectations for crop harvest.

Cocoa



•Cocoa prices up 0.62% to \$1,941/mt

•Increased global demand is boosting prices

Sugar



•Sugar prices down 0.15% to \$0.1317/ pound

•Despite concerns of ample supply

OUTLOOK – OIL PRICES



- Oil expected to trade between \$68pb-\$70pb this week
- Refinery maintenance likely to curtail demand
- U.S dollar recovering from 3-year low

OUTLOOK – AGRIC PRICES

Grains

- Severe winter threatens U.S output outlook

Softs



SUGAR

- Concerns of oversupply will continue to weigh on market

COCOA

- Increased demand ahead of the Valentines day holiday is likely to support prices

