

BURNING ECONOMIC ISSUES



- Trade balance jumps to \$11.23bn in 2017 from (-\$806.2mn)
- Agric. exports grew 180.7% y-o-y to \$313.86mn



- NNPC incurs daily under-recovery of N774mn (\$2.1mn)



- Brent oil increases 0.12% to \$65.62pb

- Naira flat at N362/\$ (parallel)



- On grid power output down to 4,183MWh/hr



Good News



- Improvement in trade balance is naira positive
- On grid power output consistently above 4,00MWh/hr in the past week
- Diesel price stable at N190/litre



Bad News



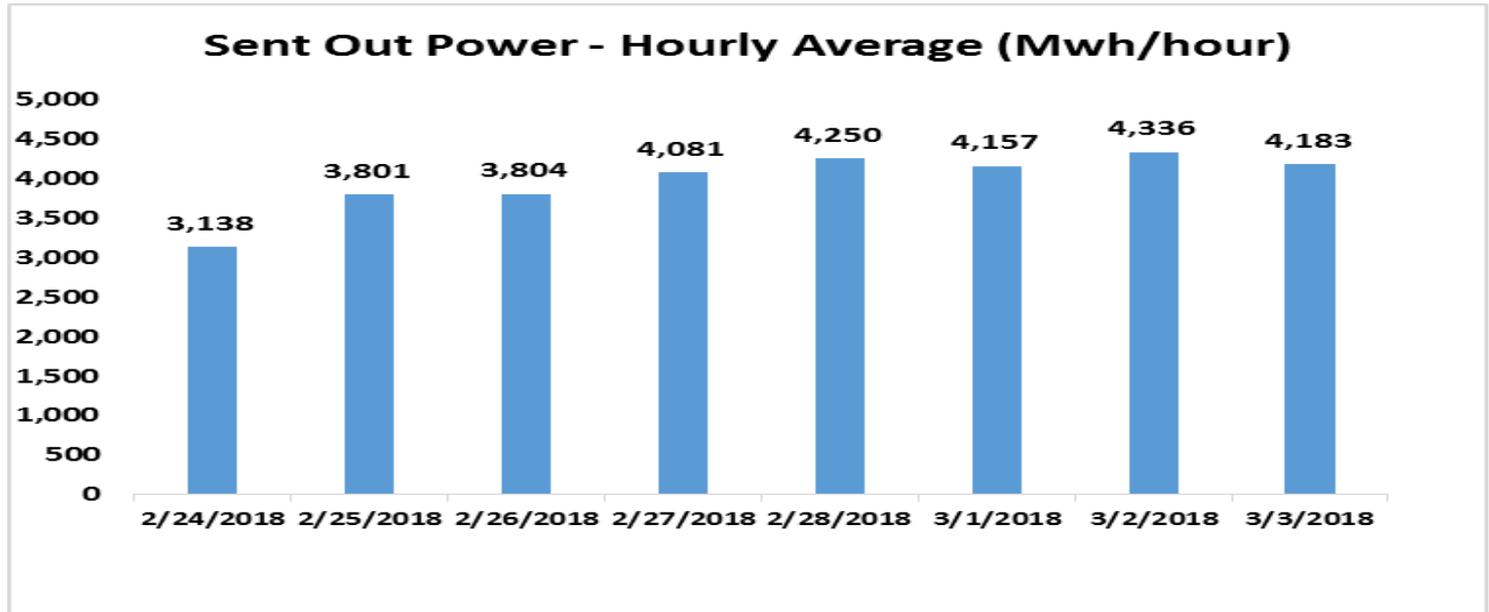
- Shiroro power station collapses (6% of total grid)

POWER GENERATION ANALYSIS & IMPACT



March 03rd: Average power output was 4,183MWh/hour (down 153.02MWh/h)

- Total gas constraint was 1,865MWh/h; grid constraint was 477.5MW
- Naira equivalent of power loss: N1.08bn (annualised at N394.2bn)



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) 	N3,000	N2,800	↑	N1,800	N3,500
	New Yam(small tuber) 	N400	N400	↔	N400	N900
	Tomatoes (50kg) 	N8,500	N8,000	↑	N8,000	N28,000
Price Inelastic	Garri (50kg) (Yellow) 	N7,000	N7,000	↔	N7,000	N16,000
	Rice (50kg) 	N13,000	N15,500	↓	N13,400	N22,000
	Flour (50kg) 	N9,500	N9,500	↔	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) 	N2,550	N2,650	↓	N1,400	N2,700

COMMODITY IN FOCUS - GUM ARABIC



- **Total global production:** approximately 100,000tonnes
- **Leading producers:** Sudan, Chad, Nigeria
 - Insecurity-related issues has disrupted production in Chad and Sudan
- **Consuming regions:** North America, Europe
- **Uses:** confectionery, chewing gum, icing, candy
- Nigeria produces approximately 22,000 tonnes (22% of global)
- **Nigeria's rank:** 3rd (Global), 1st (West Africa)
- Price has increased by roughly 4% in the past year to \$3,800/tonne
- Export value is N160.18mn in Q4, annualized at **N640.72mn (\$1.78mn)**
- **Major producing states:** Borno, Yobe, Sokoto, Adamawa
- Nigeria's agricultural sector grew by 3.45% in 2017, contributed 25% of GDP

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



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STOCK MARKET

- NSE ASI  0.22% to 43,609.77pts
- Consumer goods sub index  0.94% to 991.70pts

	Share Prices (₹)	Daily % Change (Mar 05 – Mar 06)	YTD (%)
Nestle	1,380.00	 1.43	 11.95
Honeywell	2.75	 0.36	 34.29
Flourmill	34.60	 4.69	 12.24
Cadbury	15.15	 -	 1.15
NB	130.00	 0.08	 7.71
Dangote Sugar	22.50	 4.90	 9.75
Unilever	59.60	 10.17	 29.02

OIL PRICES



- Brent crude  0.12% to \$65.62pb
- Due to a weaker dollar and supply disruptions in Libya
- However, resurging shale is capping price gains
- Number of active U.S oil rigs is at its highest level since April 2015
- IEA has also revised upwards U.S shale growth outlook to 17mbpd by 2023

OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 05 Mar – 06 Mar	YTD	CURRENT PRICE
O I L			
BRENT	 0.12%	 2.12%	\$65.62pb
WTI	 0.18%	 1.12%	\$62.66pb
NATURAL GAS	 0.08%	 11.34%	\$2.618MBtu

AGRIC COMMODITIES

Wheat



↑ •Wheat futures up 0.59%
to \$170.28/ tonne

Despite reports of
adverse weather
conditions in the U.S .

Corn



↓ •Corn futures down
0.27% to \$149.90/tonne

Driven by a weaker U.S
dollar.

Cocoa



↑ •Cocoa prices up 2.80%
to \$2,313/mt

•On expectations of
lower production from
West Africa

Sugar



↓ •Sugar prices down 0.88%
to \$0.1346/ pound

•Due to lower global
demand

OUTLOOK – OIL PRICES



- Concerns of rising shale production would weigh on the market
- Oil would also be influenced by the outcome of the meeting between OPEC and U.S shale oil representatives this week

OUTLOOK – AGRIC PRICES

Grains • Robust U.S production to fuel concerns of oversupply

—→
SUGAR

- Concerns of ample supply and lower demand would continue to depress prices

COCOA

- Expectations of lower main-crop harvest in West Africa would boost prices

Softs

