

BURNING ECONOMIC ISSUES



- Excise duty on Total Beverage and Alcohol (TBA) increased
- MTN Nigeria achieves 42.1% (52.3 million) subscriber share



- Rides on Etisalat blues



- CBN's financial stability report detects systemic weaknesses – capital & liquidity buffers required



- External reserves at record high of \$46bn
 - Due to higher oil revenue & proceeds of Eurobond
- Brent oil down 1.11% to \$64.23pb



Good News



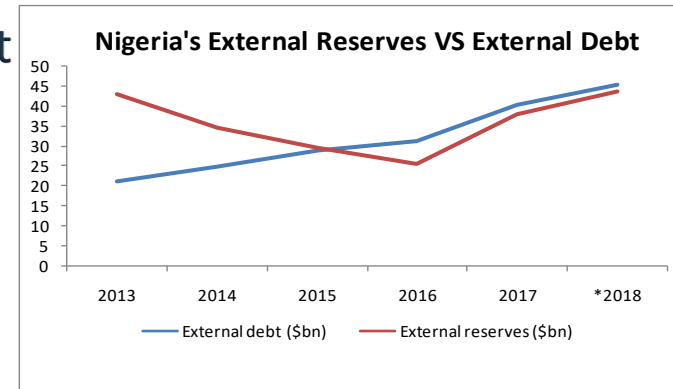
- \$46bn external reserves is a confidence booster
- Naira flat at N362/\$ (parallel)
- Increased excise duty will reduce fiscal deficit



Bad News



- Excise duty could stoke inflation
- On grid power below 4,000MWh/h
- Systemic weakness in financial system is a big risk
- External reserve to Total debt– 1:1



POWER GENERATION ANALYSIS & IMPACT

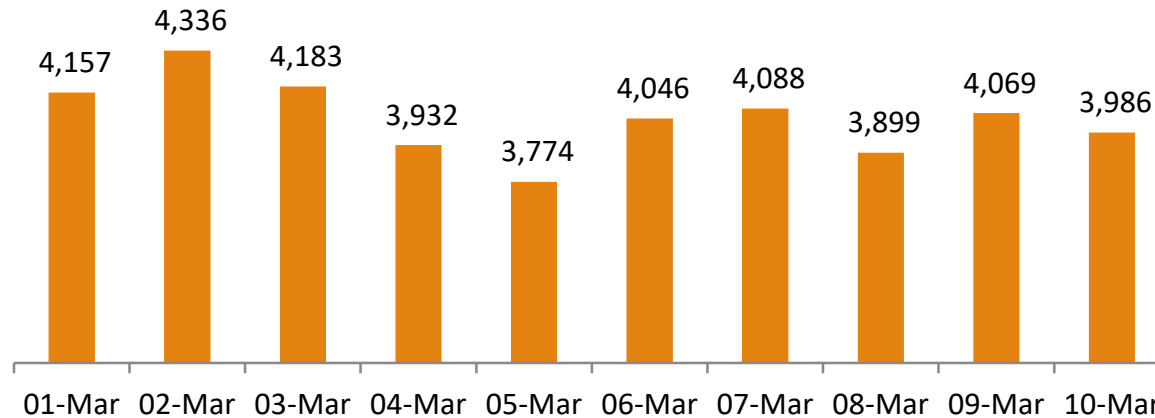


March 10th: Average power output was 3,986MWh/hour (down 83MWh/h)

- Total gas constraint was 2,281.4MWh/h; Grid constraint was 120.9MWh/h; Water constraint was 0MW

- Naira equivalent of power loss: N1.15bn (annualised at N419.75bn)


Power Output (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) 	N3,000	N3,000	↔	N1,800	N3,500
	New Yam(small tuber) 	N400	N400	↔	N400	N900
	Tomatoes (50kg) 	N8,500	N8,500	↔	N8,000	N28,000
Price Inelastic	Garri (50kg) (Yellow) 	N7,000	N7,000	↔	N7,000	N16,000
	Rice (50kg) 	N13,000	N13,000	↔	N13,000	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	N2,550	↔	N1,400	N2,700

•Dangote & Olam have introduced 52kg bag of flour

COMMODITY IN FOCUS - SWEET POTATOES

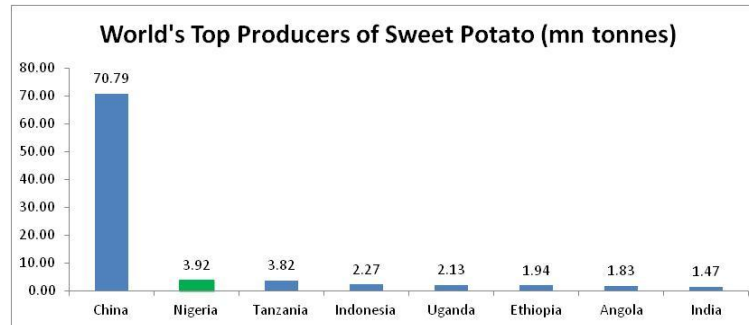
- **Total global production (2016):** 105.41mn tonnes

- Global production increased by 1.36% compared to 2015

- **World's top producers:**  China (67%),  Nigeria,  Tanzania

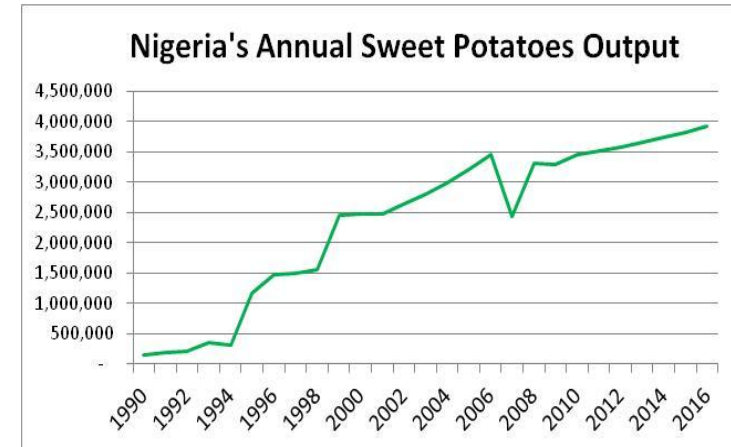
- **World's top consumers:**  China,  Nigeria,  Tanzania

- **Uses:** Fried potato, flour, sweet potato chips (crisps), boiled potato



SWEET POTATOTES PRODUCTION IN NIGERIA

- **Total output (2016):** 3.92mn tonnes, 2.35% increase over 2015
- Nigeria's output outpaced global growth by 0.99% in 2016
- **Potential output:** Estimated at 7mn tonnes
- **Rank:** Global – 2nd, SSA- 1st
- **Major producing states:** Kaduna, Kano, Zamfara, Sokoto
- Nigeria is the 2nd largest producer of tubers – 108 million
 - After China – 173 million



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  0.26% to 43,056.51pts on March 12th
- Consumer goods sub index  0.03% to 998.59pts

	Share Prices (₹)	Daily % Change (Mar 09 – Mar 12)	YTD (%)
Nestle	1,380.00	 0.07	 11.31
Honeywell	2.65	 -	 26.19
Flourmill	37.30	 0.93	 28.62
Cadbury	17.60	 4.35	 12.32
NB	130.00	 0.39	 3.63
Dangote Sugar	23.35	 3.78	 16.75
Unilever	60.80	 2.25	 48.29







OIL PRICES

- Brent crude  0.61% to \$65.09pb
- Expectations of a rise in US Shale output
- Despite lower weekly US rig counts and falling US unemployment
- The US has become the second largest crude oil producer ahead of Saudi

Arabia




OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 06 Mar – 07 Mar	YTD	CURRENT PRICE
O I L			
BRENT	 1.11%	 3.95%	\$64.23pb
WTI	 0.52%	 2.15%	\$61.72pb
NATURAL GAS	 0.33%	 7.18%	\$2.741MBtu

AGRIC COMMODITIES


Wheat



- 
- Wheat futures down 0.18% to \$179.07/tonne
-
- Favourable weather conditions in the U.S.


Corn



- 
- Corn futures down 0.26% to \$155.30/tonne
-
- Despite expectations of a fall in stockpiles by the USDA


Cocoa



- 
- Cocoa prices up 0.69% to \$2,482/mt
-
- As Ivory Coast is set to reduce production over the next two years

Sugar



- 
- Sugar prices down 0.31% to \$0.1280/pound
-
- Ample global supply

OUTLOOK – OIL PRICES



- Oil expected to trade between \$63pb-\$65pb this week
- Expectations of a rise in US active oil rigs will increase shale production
- U.S. shale production would continue to weigh on the market
- EIA expects total U.S. Production to rise to 10.6 million bpd in 2018

OUTLOOK – AGRIC PRICES

Grains

- Expectations of a fall in U.S. stockpiles ahead of USDA's outlook will weigh on prices



SUGAR

- Health concerns and ample global supply will continue to weigh on prices

COCOA

- Expectations of low main-crop harvest in Ivory Coast would boost prices

Softs

