

BURNING ECONOMIC ISSUES



- Naira depreciates 0.27% to N363/\$ - parallel market

- Nigeria's trade surplus increases 35% y-o-y to \$5.56bn in Q1 - NBS



- Exports jumped 56% to \$13.01bn in Q1 (annualised at \$52.04bn)



- Agricultural exports up 24% to \$203.16mn in Q1 – (1.5% of total exports)



- CBN clears \$600mn backlog of international airlines

- Brent oil down 0.56% to \$76.89pb



Good News



- 56% export increase boosts trade balance and the naira
- Oil is 32% (\$25) above budget benchmark of \$51pb



Bad News

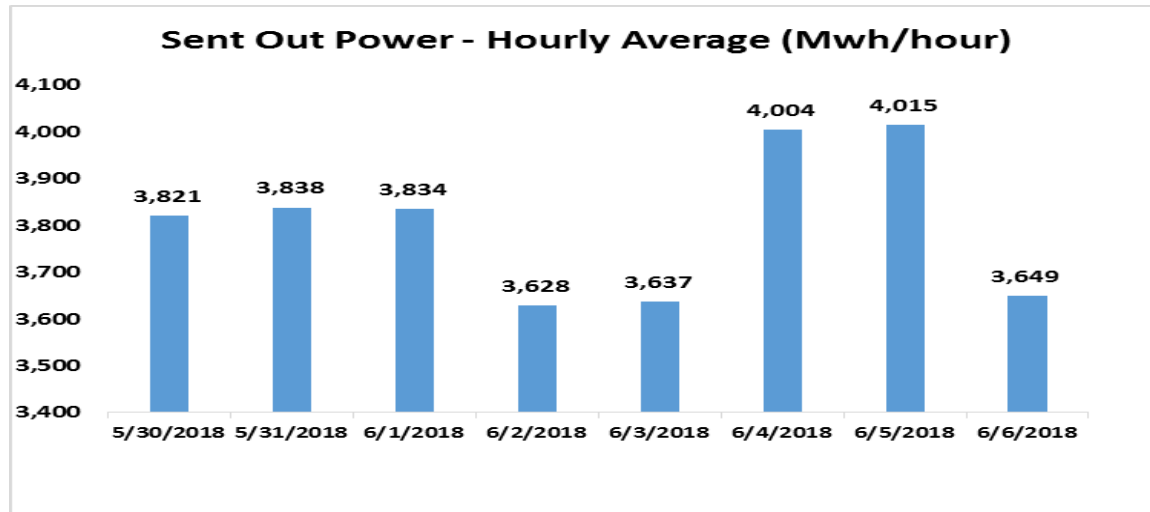


- High frequency and gas constraints continue to limit power output
- Diesel price at N233-235/litre undermines price stability

POWER GENERATION ANALYSIS & IMPACT



- June 06th : Average power output at 3,649MWh/hour (down 365.90MWh/h)
- Total gas constraint was 1,949MWh/h; Grid constraint was 430.1MWh/h; Water constraint was 365MW
- Naira equivalent of power loss: N1.32bn (annualised at N481.8bn)




State	Temperature
Kano	39°C (+4C)
Lagos	32°C (0°C)
Abuja	34°C (+3C)

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) 	N10,000	N10,000	↔	N6,000	N25,000
	Semolina(10kg) 	N3,000	N3,000	↔	N1,800	N3,500
	Old Yam(large tuber) 	N1,900	N1,900	↔	N400	N1,900
	Tomatoes (50kg) 	N15,000	N15,000	↔	N8,000	N28,000
Price Inelastic	Garri (50kg) (Yellow) 	N7,000	N7,000	↔	N7,000	N16,000
	Rice (50kg) 	N16,500	N16,500	↔	N13,000	N22,000
	Flour (50kg) 	N10,700	N10,700	↔	N8,500	N11,000
	Sugar (50kg) 	N14,900	N14,900	↔	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

Domestic commodity prices remain flat

COMMODITY IN FOCUS - PAPAYA FRUIT (PAWPAW)



- **Origin:** Mexico

- **Planting and maturity lag:** 2-6years

- **Total global production (2016):** 13.2mn tonnes (\$13bn)

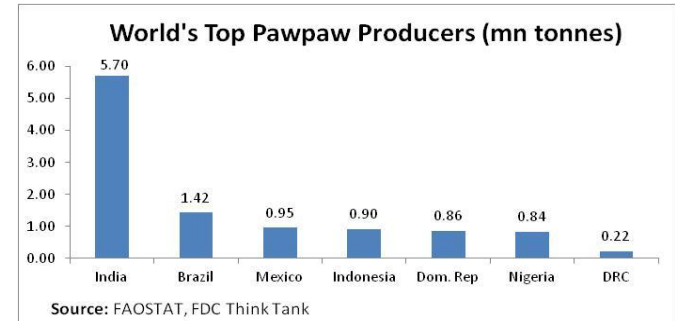


- **World's top producers:** India, Brazil, Mexico

- **World's top consumers:** India, Brazil, Nigeria

- **Uses:** eaten on its own, fruit salads, pharmaceuticals, traditional medicine,

rich in vitamin A



PAPAYA FRUIT PRODUCTION IN NIGERIA

- **Papaya output:** 837,000tonnes (6.34% of global production)

- **Rank:** Global – 6th, Africa -1st

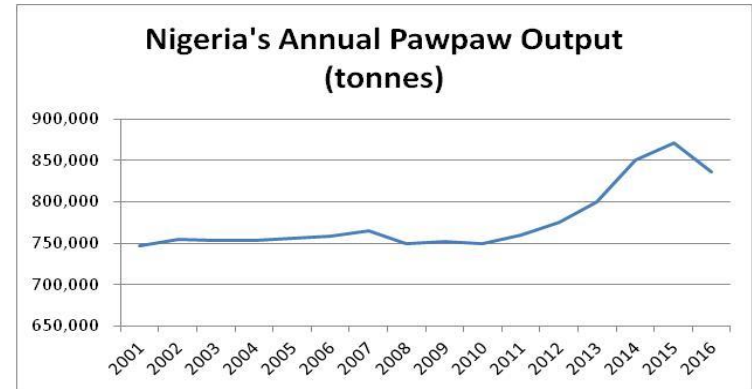
- Virtually grown in all states of the country

- No export potential

- Harvest season is November - April

- A papaya fruit costs roughly N350 in Nigeria. One metric tonne costs \$500-\$1,000

- **Risks:** perishable, pests & diseases



CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N120	N100	20%
Beer (60cl)	N260	N300	-15.30%
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  1.58% to 39,042.11pts on June 07th .
- Consumer goods sub index  1.03% to 913.88pts







	Share Prices (₹)	Daily % Change (June 06 – June 07)	YTD (%)
Nestle	1,430.00	 -	 2.83
Honeywell	2.30	 0.43	 21.05
Flour Mills	32.95	 0.18	 13.72
Cadbury	12.05	 4.78	 9.80
NB	118.00	 1.03	 5.41
Dangote Sugar	19.60	 2.08	 6.36
Unilever	53.00	 -	 21.95

OIL PRICES



- Brent price down 0.56% to \$76.89pb
- Due to signs of weak Chinese demand and prospects of higher US oil production
- However, supply disruptions in Venezuela supported the market

OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 07 June – 08 June	YTD	CURRENT PRICE
O I L			
BRENT	 0.56%	 18.14%	\$76.89pb
WTI	 0.41%	 18.88%	\$65.68pb
NATURAL GAS	 0.14	 4.07%	\$2.88MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 0.25% to \$5.37/bushel

•On the back of a stronger US dollar

Corn



•Corn futures up 0.24% to \$4.12/bushel

•On indications of lower production from Brazil

Cocoa



•Cocoa prices gain 1.12% to \$2,371/mt

•Heavy rainfall in West Africa has raised concerns about potential crop damage

Sugar



•Sugar jumped 1.65% to \$0.1202/pound

•Due to stronger demand in Europe

OUTLOOK – OIL PRICES



- Prices are likely to hover around \$76pb for the rest of the week
- OPEC set to meet on June 22 to determine extension of production cut deal
- This will determine oil prices in H2'18

OUTLOOK – AGRIC PRICES

Grains

- Increasing global stockpiles likely to put pressure on prices

Softs

SUGAR

- Short term outlook is bullish due to higher demand

COCOA

- Prices are expected to trade higher in the near term as unfavourable weather threatens output

