

BURNING ECONOMIC ISSUES



- Headline inflation declines further to 11.61% in May



- Buhari to sign 2018 budget next week



- Oil production drops by 3% to 1.71mbpd in May – lowest in 9 months

- Fed Reserve Bank increases US interest rates by 25 basis points to 1.75-2%



- Sees 4 rate hikes in 2018

- On-grid power up 8.3% to 3,559MWh/hr, 6% below May's average (3,780MWh/hr)



Good News



- Headline inflation rate now at a 25-month low
- Core and food inflation also lower
- Diesel retail price drops to N220/litre in Lagos



Bad News

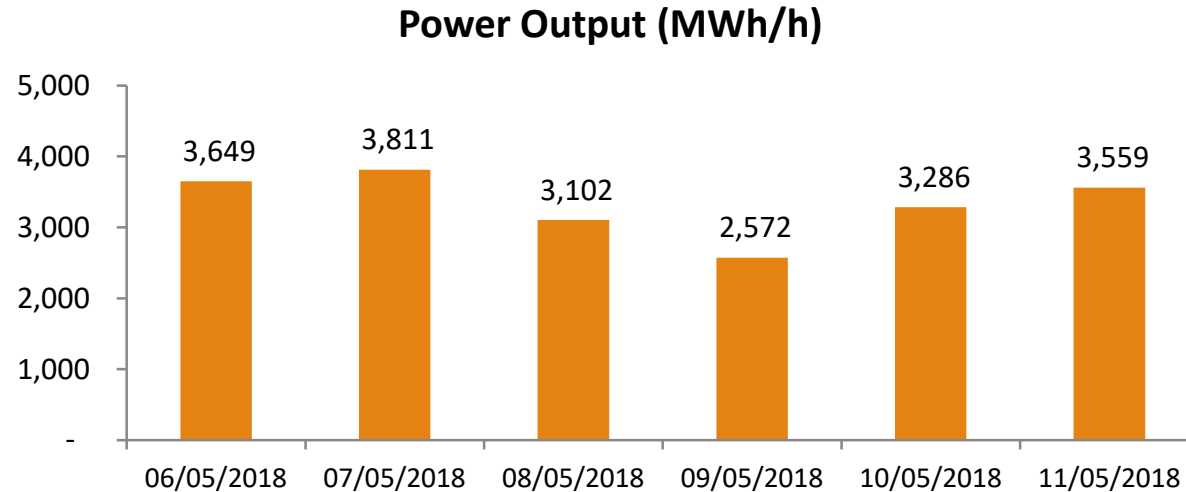


- Hike in US interest rates could trigger capital outflow
- Brent oil down 0.86% to \$76.08pb – will have an adverse impact on Nigeria's export revenue
- Average power output still below 4,000MWh/hr

POWER GENERATION ANALYSIS & IMPACT



- June 11th : Average power output at 3,559MWh/hour (up 273.05MWh/h)
- Total gas constraint was 2,195MWh/h; Grid constraint was 238.2MWh/h; Water constraint was 190MW
- Naira equivalent of power loss: N1.26bn (annualised at N459.9bn)




State	Temperature
Kano	33°C (+1°C)
Lagos	29°C (0°C)
Abuja	28°C (-1°C)

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















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

STOCK MARKET

- NSE ASI  0.35% to 39,031.72 on June 13th .
- Consumer goods sub index  0.60% to 917.01pts

	Share Prices (₹)	Daily % Change (June 12 – June 13)	YTD (%)
Nestle	1,495.00	 -	 3.92
Honeywell	2.39	 1.70	 13.81
Flour Mills	32.65	 1.08	 12.59
Cadbury	13.00	 -	 17.04
NB	115.00	 1.79	 14.75
Dangote Sugar	19.00	 2.56	 5.00
Unilever	55.00	 -	 34.15



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OIL PRICES



- Brent price down 0.86% to \$76.08pb
- Due to an increase in US crude stockpiles and gasoline supplies
 - US crude stockpiles increased by 833,000 barrels
- Amid falling demand in China
- Despite cracks in key Nigerian pipelines threatening crude supply

OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 13 June – 14 June	YTD	CURRENT PRICE
O I L			
BRENT	 0.86%	 13.77%	\$76.08pb
WTI	 0.03%	 10.26%	\$66.62pb
NATURAL GAS	 0.17%	 0.24%	\$2.96MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 0.89% to \$5.29/bushel

•Due to expectations of a large harvest in France

Corn



•Corn futures decline by 0.39% to \$3.85/bushel

•Driven by ample demand

Cocoa



•Cocoa prices fall 0.78% to \$2,425MT

•On speculations of an increase in production from Ivory Coast and Ghana

Sugar



•Sugar prices lose 1.03% to \$0.1254/pound

•Due to ample global supply

OUTLOOK – OIL PRICES



- Prices are to hover around \$75-76pb
- An increase in US Fed rates will put pressure on Oil prices
- Fears of demand uncertainty and slow down in global economic growth to weigh on prices
- OPEC set to meet on June 22 in Vienna to determine extension of production cut deal

OUTLOOK – AGRIC PRICES

Grains

- Favourable weather conditions amid bountiful harvest likely to put pressure on prices



SUGAR

- Prices to remain bearish due to ample global supply



Softs

COCOA

- Prices are expected to trade lower due to adequate supply from key producing regions