



Burning Economic Issues



- Q2 GDP growth slows to 1.5% from 1.95% in Q1
 - Agric. Sector growth falls sharply to 1.3% from 3% in Q1
- Brent down 0.13% to \$76.11pb on higher OPEC production
- Nigeria's oil exports set to increase by 22% to 1.71mbpd in October
- Naira depreciates 0.27% to N361/\$ at parallel market
- On-grid power up 4.3% to 3,642 MW/hour
- Diesel Price (retail) flat at N225/litre

Impact



- Increased oil exports is dollar and fiscal revenue positive



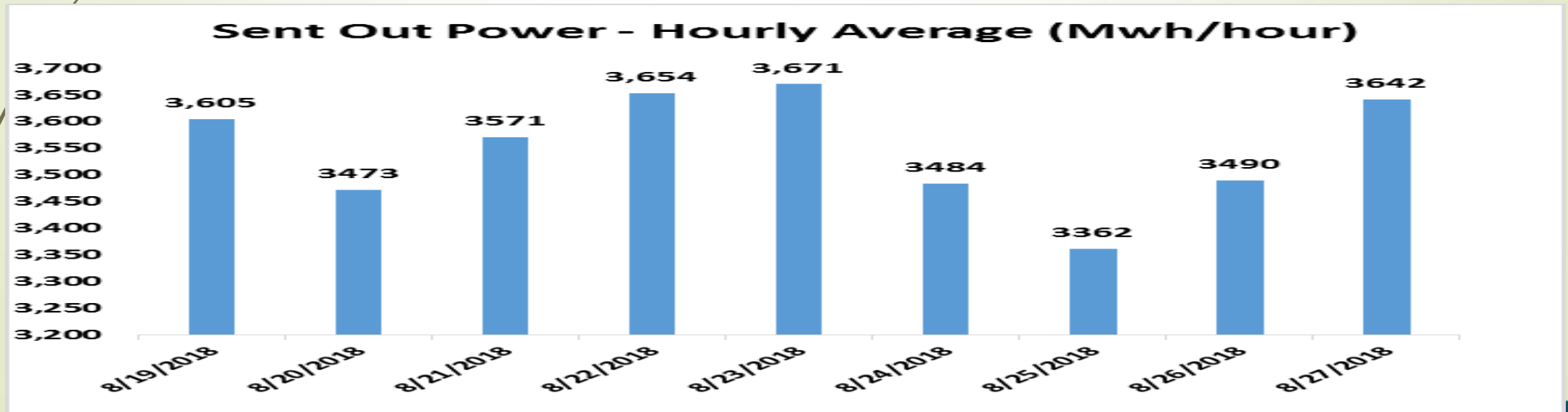
- FG's FY'18 growth target of 3.5% now unlikely
- Tepid pace of GDP growth is a cause for concern for policymakers

Power Sector

August 27th








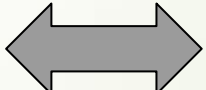
State	Temperature
Abuja	24°C
Kano	27°C
Lagos	27°C

- Average power output: 3,642 MW/h (up by 152MW/h)
- Gas constraint stood at 1,722.5MW while grid constraint was at 1,998.5MW. No water constraint
- Naira equivalent of power loss: N1.79 billion (annualized at N653.35 billion)









Domestic Commodities Price Movement

Relatively Elastic Goods

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N12,500	N10,000		N6,000	N25,000
Semovita (10kg)		N2,900	N2,800		N1,800	N3,500
Old Yam (large tuber)		N1,900	N1,900		N400	N1,900
Sugar (50kg)		N14,900	N14,900		N8,000	N20,000

Domestic Commodities Price Movement

Relatively Inelastic Goods

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N7,500	N7,500	↔	N7,000	N16,000
Rice (50kg) 	N16,000	N15,500	↑	N13,000	N22,000
Flour (50kg) 	N11,000	N11,000	↔	N8,500	N11,000
Beans (Oloyin)(50kg) 	N27,000	N27,000	↔	N12,000	N34,000
Cement (50kg) 	N2,550	N2,550	↔	N1,400	N2,700
Tomatoes (50kg) 	N20,000	N12,000	↑	N8,000	N20,000















Consumer Goods – Current price

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 food prices remain flat

Stock Market

- NSE ASI  0.58% to 35,516.21 on August 28th
- Consumer goods sub index  0.24% to 824.35pts

	Share Prices (₹)	Daily % Change (August 27 – August 28)	YTD (% Change)
Nestle	1,500.00	 -	 0.26
Honeywell	1.63	 7.24	 9.29
Flour Mills	23.60	 9.77	 6.71
Cadbury	10.05	 0.50	 31.22
NB	100.00	 0.50	 24.15
Dangote Sugar	15.50	 3.33	 13.17
Unilever	51.00	 -	 20.17



Tasteful delight

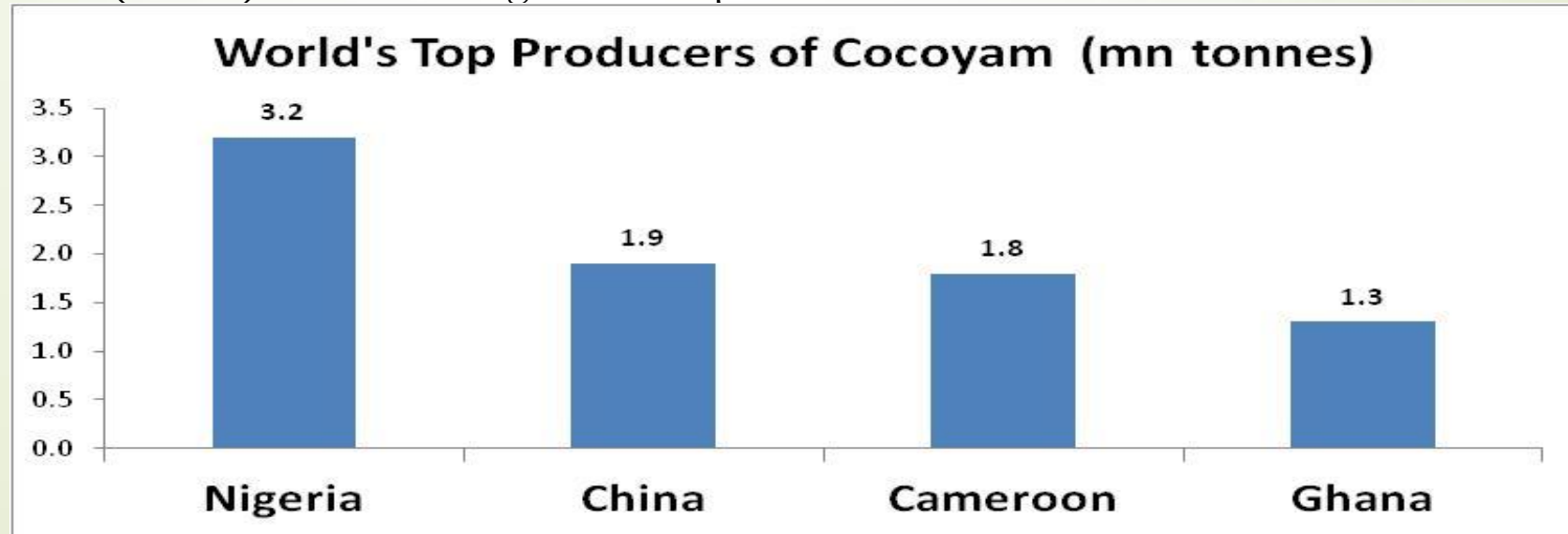


COMMITMENT | ASSURANCE | SUCCESS

Commodity in Focus - Cocoyam



- Total global production: 10.6mn tonnes (\$2.12bn)
- World's top producers:  Nigeria,  China,  Cameroon
- World's top consumers:  Nigeria,  Ghana,  Cameroon
- Uses (tubers): boiled, fried, cocoyam flour, cocoyam fufu, animal feed
- Uses (leaves): cooked as vegetable soup

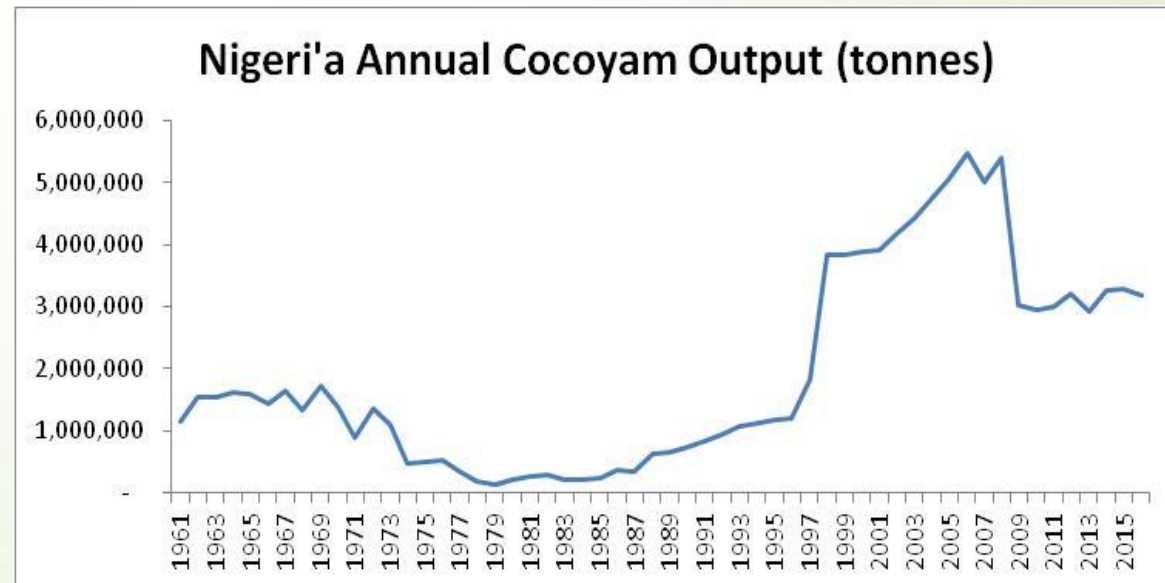


Source: FAOSTAT, FDC Think Tank



Cocoyam Production in Nigeria

- Total output: 3.2mn tonnes (\$640mn), 30% of total global production
- Rank (Global): 1st
- Mostly consumed by the lower and working class
- Potential output: 5mn tonnes
- Major producing states: Ebonyi, Ondo, Cross River



Source: FAOSTAT, FDC Think Tank

Oil Prices

- Brent crude down 0.13% to \$76.11pb
- On higher OPEC production and concerns a protracted US-China trade war would dampen global growth
- Declining US rig count and lower US oil inventories offset losses
- OPEC & non-OPEC members set to hold conference call this week to discuss output deal



Oil Markets Today

COMMODITY	DAILY CHANGE August 27 th – 28 th	YTD	CURRENT PRICE
BRENT	↓ 0.13%	↑ 11.6%	\$76.11pb
WTI	↓ 0.19%	↑ 12.3%	\$68.74pb
NATURAL GAS	↓ 0.14%	↔ 0%	\$2.95MBtu

Agricultural Commodities

Wheat



•Wheat prices dipped by 0.84% to \$5.37/bushel

•On weak global demand

Corn



•Corn prices down by 1.03% to \$3.78/bushel

•As investors monetize gains from last week's rally

Cocoa



•Cocoa prices increased by 1.16% to \$2,364/MT

•Partly due to expectations of weak Nigerian production

Sugar



•Sugar prices rose by 1.09% to 0.1023/pound

On bargain-hunting activities

OUTLOOK – Oil Prices



- Concerns over weak global growth would continue to weigh on prices
- Global oil market set to tighten considerably when US sanctions on Iran take effect in November
- This would push up oil prices significantly

OUTLOOK – Agricultural Prices

GRAINS

- Weather conditions in top producers to influence prices

SOFTS

Sugar

- Combination of weak demand and excess supply to depress prices

Cocoa

- Higher production from Ivory Coast & Ghana likely to weigh on the market