

BURNING ECONOMIC ISSUES



- Brent down 0.17% to \$71.95pb amid US-China trade frictions

- External reserves (\$46.76bn) falls below \$47bn, lowest point in 5 months



- South Africa's external reserves - \$50.5bn



- Naira steady against dollar (N360/\$) and pound sterling (N475/£)



- Nigeria imported an average of 53.7mn litres of PMS a day in Q2'18 - NBS

- Q2 total PMS imported (4.79bn litres)

- CBN injects \$23.2bn in forex months in last 17 months



Good News



- Naira appreciates against the pound sterling – N475/£ from 2018 low of N500/£

Bad News



- Declining external reserves could trigger speculative attack on the naira

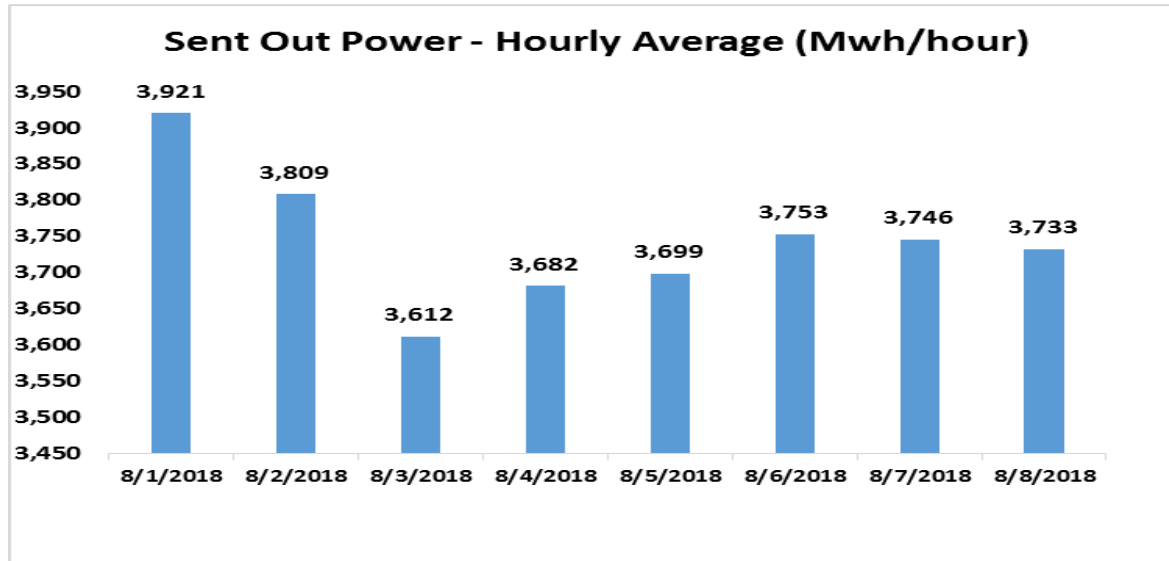


- On-grid power down marginally

POWER GENERATION ANALYSIS & IMPACT



- August 08th: Average power output at 3,733MWh (down 13Wh/h)
- Total gas constraint was 2,523MW; Grid constraint was 1,297.1MW; Water constraint was nil
- Naira equivalent of power loss: N1.83bn (annualised at N667.95.6bn)







State	Temperature
Kano	27°C (-4°C)
Lagos	27°C (-1°C)
Abuja	24°C (-5°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) 	N12,500	N12,500	↔	N6,000	N25,000
	Semovita(10kg) 	N2,800	N2,800	↔	N1,800	N3,500
	Old Yam(large tuber) 	N1,900	N1,900	↔	N400	N1,900
	Tomatoes (50kg) 	N20,000	N20,000	↔	N8,000	N20,000
Price Inelastic	Garri (50kg) (Yellow) 	N6,750	N6,750	↔	N6,750	N16,000
	Rice (50kg) 	N16,000	N16,000	↔	N13,000	N22,000
	Flour (50kg) 	N11,000	N11,000	↔	N8,500	N11,000
	Sugar (50kg) 	N14,900	N14,900	↔	N8,000	N20,000
	Beans (Oloyin) (50kg) 	N26,500	N26,500	↔	N12,000	N34,000
	Cement (50kg) 	N2,550	N2,550	↔	N1,400	N2,700

Domestic food 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%

COMMODITY IN FOCUS - TIMBER



- **Total global production:** 2.05bn m³ (Approx. \$344.4bn)

- **World's top producers:**  U.S.,  China,  Canada

- **World's top consumers:**  U.S.,  China

- Improved global awareness for increased tree planting to minimize green house gases

- A tree is estimated to absorb about 1 tonne of CO₂ gas over a life time

- **Uses:** furniture, doors, roofs, charcoal, direct energy for cooking





Tasteful delight





TIMBER PRODUCTION IN NIGERIA



- **Nigeria's output:** 12.1mn m³ (\$2.03bn) - 0.49% of global
- **Nigeria's rank:** Global- 25th, SSA- 1st
- **Major producing states:** Cross River, Edo, Ogun, Ondo, Oyo, Delta
- The country has lost 57% of its forests
- Annual rate of deforestation at over 5% per annum
- Forest cover in Nigeria is now below 6%, less than the UN's recommendation of 26%
- Nigeria once had the world's largest sawmill in Sapele– African















Timber and Plywood (UAC)

Deforestation league table

Country	Biggest decrease in forest area (1990-2014) (%)
Togo	69.7
Nigeria	57
Uganda	53.4
Mauritania	45.1
Honduras	42.1
Niger	42.6

STOCK MARKET

- NSE ASI  0.19% to 36,232.66 on August 9th .
- Consumer goods sub index  0.09% to 845.69pts







	Share Prices (₹)	Daily % Change (August 08 – August 09)	YTD (% Change)
Nestle	1,530.00	 -	 0.26
Honeywell	1.69	 -	 14.29
Flour Mills	25.10	 0.32	 0.71
Cadbury	10.00	 -	 31.72
NB	103.00	 0.40	 24.15
Dangote Sugar	16.00	 0.18	 16.50
Unilever	52.40	 -	 28.17

OIL PRICES



- Brent oil down 0.17% to \$71.95pb
- China's has vowed to impose tariffs on US petroleum products.
- Investors are concerned that this could limit energy demand growth
- However, falling US crude inventories and the introduction of financial sanctions on Iran offset losses

OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 09 August – 10 August	YTD	CURRENT PRICE
O I L			
BRENT	 0.17%	 9.63%	\$71.95pb
WTI	 0.24%	 12.41%	\$66.65pb
NATURAL GAS	 0.44%	 6.11%	\$2.94MMBtu

AGRIC COMMODITIES

Wheat



•Wheat fell by 0.77% to \$5.82/bushel

•Due to concerns of weak global demand

Corn



•Corn down 0.21% to \$3.85/bushel

•In spite of expectations of a good harvest from the Black Sea region

Cocoa



•Cocoa prices fell 0.98% to \$2,129/MT

•On expectations of higher West African output

Sugar



•Sugar prices down 0.65% to \$0.1077/pound

•Due to concerns of a global supply glut

OUTLOOK – OIL PRICES



- Brent prices expected to trade around \$71-74pb next week
- Rising demand is expected to support the market.
- However, escalating trade tensions between the US and China would moderate gains

OUTLOOK – AGRIC PRICES

Grains

- Prices expected to increase as severe heat in Europe affect production



SUGAR

- Futures to remain low on weak fundamentals

Softs

COCOA

- Expectations of increased supply to depress prices in the coming week

