



Burning Economic Issues



- FBN PMI bounces back by 12.07% to 54.8 in August from 48.9 (July)
- FAAC down 13.03% to N714.8bn in August
- Stock market loses 5.9% in August- 2nd highest loss in 2018
- On-grid power down 1.22% to 3,396MW/hour
- Brent down 0.13% to \$78.05pb



Impact



- Solid PMI numbers point to positive Q3 growth
- \$78 Brent price is a 1-month high
- Revenue and forex accretive



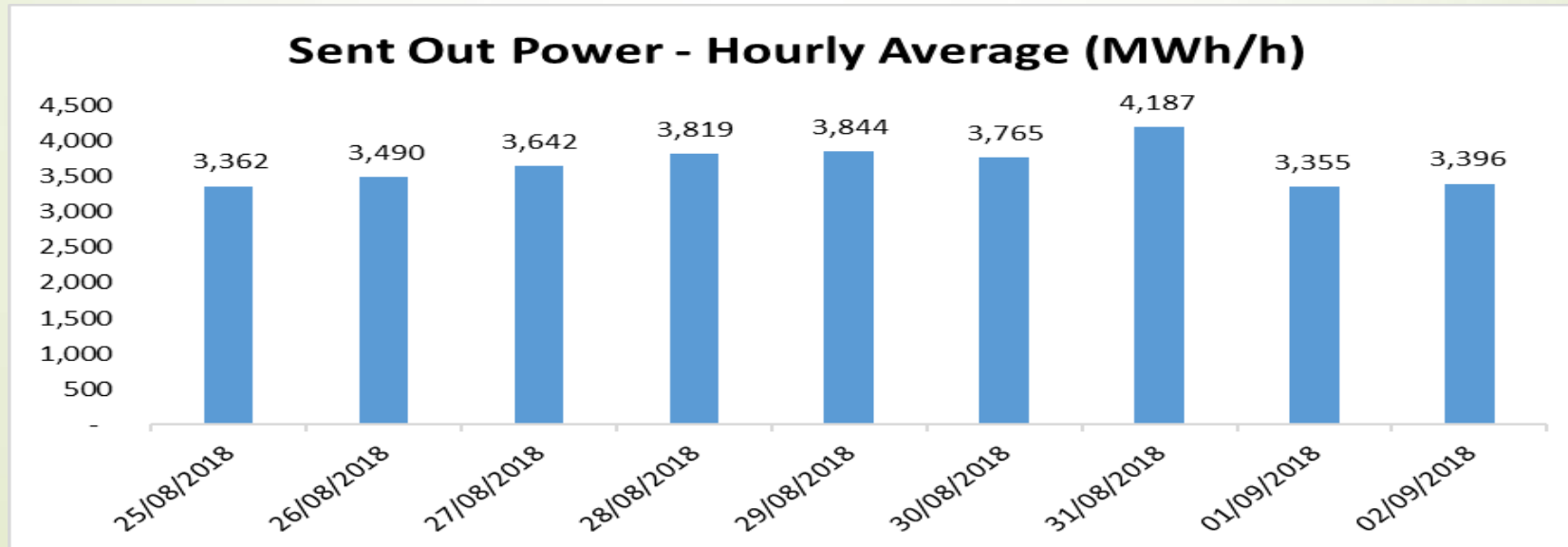
- 13% decline in FAAC will increase salary backlog and reduce government investment
- Stock market is responding to negative sentiment and a shot in the foot syndrome(MTN)
- Retail diesel price flat at N235/liter

Power Sector

September 2nd





State	Temperature
Abuja	25°C
Kano	26°C
Lagos	27°C

- Average power output: 3,396MW/h (down by 40.62MW/h)
- Gas constraint stood at 1,478.5MW while grid constraint was at 2,771.4MW. No water constraint
- Naira equivalent of power loss: N2.04 billion (annualized at N744.60 billion)












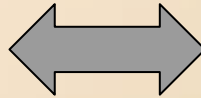


Domestic Commodities Price Movement

Relatively Elastic Goods

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N10,000	N10,000	↔	N6,000	N25,000
Semovita (10kg)		N2,850	N2,900	↓	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		N6,500	N7,500		N7,000	N16,000
Rice (50kg)		N14,500	N15,500		N13,000	N22,000
Flour (50kg)		N11,100	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)		N10,000	N20,000		N8,000	N20,000

Most domestic commodities have declined relative to the previous month

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



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COUNTRY/LOCATION	PLANT TYPE	COUNTRY/LOCATION	PLANT TYPE	COUNTRY/LOCATION	PLANT TYPE
• Cameroon	(Integrated Plant)	• Kenya	(Integrated Plant)	• Senegal	(Integrated Plant)
• Cote d'Ivoire	(Grinding Plant)	• Liberia	(Import Terminal)	• Sierra Leone	(Import Terminal)
• Ethiopia	(Integrated Plant)	• Nigeria, Gboko	(Integrated Plant)	• South Africa	(Integrated Plant)
• Ghana, Takoradi	(Grinding Plant)	• Nigeria, Ibesse	(Integrated Plant)	• Mali	(Grinding Plant)
• Ghana, Tema	(Import Terminal)	• Nigeria, Obajana	(Integrated Plant)	• Tanzania	(Integrated Plant)
		• Niger Republic	(Integrated Plant)	• Zambia	(Integrated Plant)
		• Rep. of Congo	(Integrated Plant)	• Nepal	(Integrated Plant)
		• Under Construction/Commissioning			
		• Planned			

Stock Market

- NSE ASI  0.03% to 34,837.50 on September 3rd
- Consumer goods sub index  1.57% to 807.48pts







	Share Prices (₹)	Daily % Change (August 31 – September 3)	YTD (% Change)
Nestle	1,500.00	 -	 3.60
Honeywell	1.60	 7.38	 23.81
Flour Mills	21.95	 9.67	 24.31
Cadbury	10.05	 -	 35.86
NB	95.00	 2.96	 29.58
Dangote Sugar	15.10	 4.13	 24.50
Unilever	50.00	 -	 21.95

Oil Prices

- Brent crude down 0.13% to \$78.05pb
- Despite anticipated decline in global supply by November
- Production by OPEC members rose to a 2018 high of 32.74mbpd in August
- Boosted by recovery in Libyan production and Iraq's exports
- Japan plans to halt Iran oil imports under US pressure



Oil Markets Today

COMMODITY	DAILY CHANGE September 3 rd – September 4 th	YTD	CURRENT PRICE
BRENT	 0.13%	 16.71%	\$78.05pb
WTI	 0.47%	 16.07%	\$70.13pb
NATURAL GAS	 1.61%	 3.15%	\$2.71MBtu

Agricultural Commodities

Wheat



↑ •Wheat prices rose by 1.96% to \$5.46/bushel

•Due to concerns over a decline in Russian output

Corn



↓ •Corn prices down by 2.38% to \$3.65/bushel

•Owing to ample global supply

Cocoa



↑ •Cocoa prices up 2.68% to \$2,336/MT

• Despite expectations of robust Ghana and Ivory Coast harvest

Sugar



↑ •Sugar prices increased by 0.28% to 0.1060/pound

Driven by weak Thailand output

OUTLOOK – Oil Prices



- Global oil supply to tighten ahead of November as more markets halt Iran imports
- Would likely push prices above \$80pb in the coming months

OUTLOOK – Agricultural Prices

GRAINS

- Restrictions on Russian wheat exports to push prices up

SOFTS

Sugar

- Supply glut likely to push prices down in the coming months

Cocoa

- Higher production from Ivory Coast & Ghana likely to reverse upward trend in prices