



Burning Economic Issues



- Brent up 0.40% to \$77.68pb
- MTN investor jitters continue to roil markets
 - NSE down 12.54% in 2018
- Naira flat at N360/\$ at parallel market
 - Appreciates marginally to N363.07/\$ at IEFX window
- On-grid power down 1% to 3,301MW/hour

Impact



- Higher oil price positive for external reserves and naira



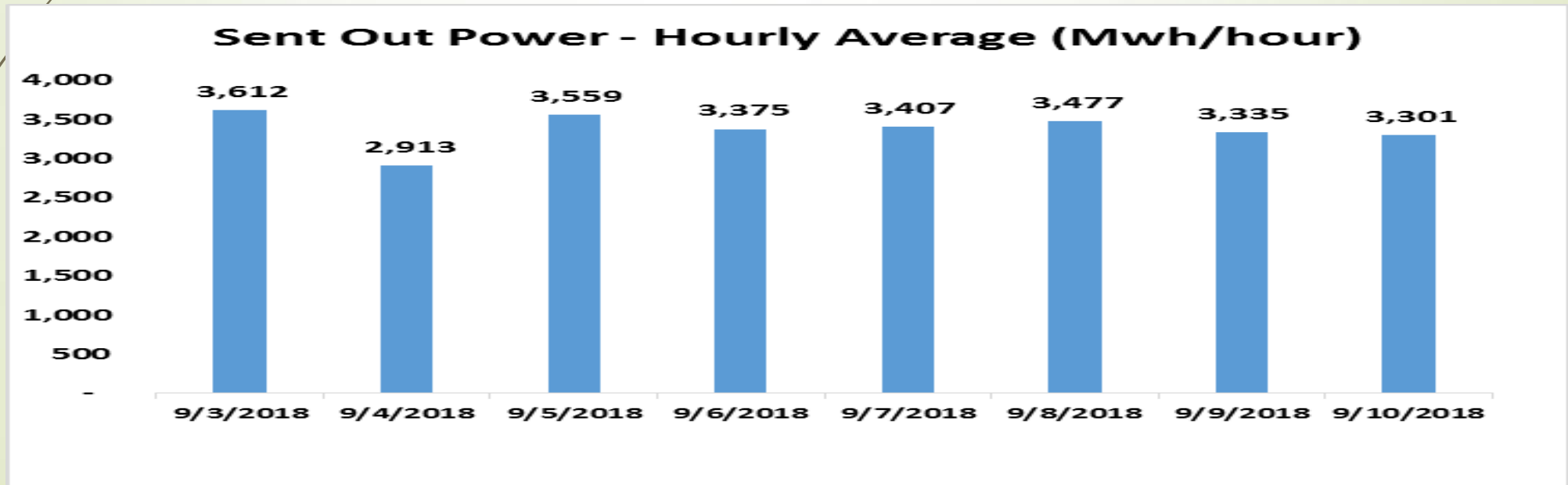
- External reserves down to \$45.42bn
- Transmission constraints now 2,906.5MW

Power Sector

September 10th





State	Temperature
Abuja	25°C
Kano	29°C
Lagos	27°C

- Average power output: 3,301MW/h (down by 34MW/h)
- Gas constraint stood at 1,260.5MW while grid constraint was at 2,906.5MW. No water constraint
- Naira equivalent of power loss: N2billion (annualized at N730billion)















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

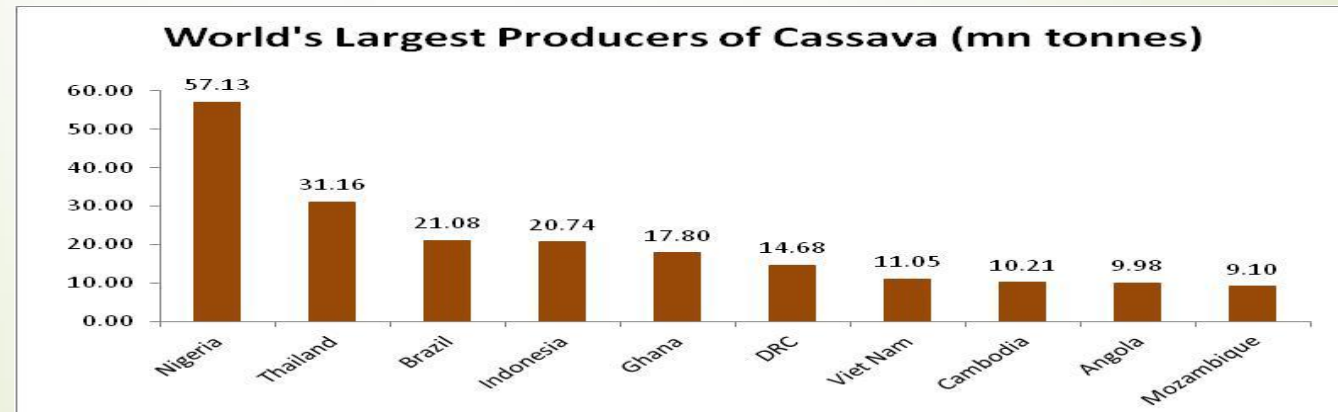
Consumer Goods – Current price

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

Commodity in Focus - Cassava

- Total global production (2016): Estimated at 277.1mn tonnes
- World's second largest producer of tubers after China
- World's top producers:  Nigeria,  Thailand,  Brazil
- World's top consumers:  Nigeria,  Indonesia,  Brazil
- Uses (food): garri, fufu/akpu, cassava flour (*lafun*), african salad (*abacha*)
- Uses (industrial): industrial starch, biofuel, alcohol, livestock feed



Source: FAOSTAT, FDC Think Tank



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COUNTRY/LOCATION

- Cameroon
- Cote d'Ivoire
- Ethiopia
- Ghana, Takoradi
- Ghana, Tema

PLANT TYPE

- (Integrated Plant)
- (Grinding Plant)
- (Integrated Plant)
- (Grinding Plant)
- (Import Terminal)

COUNTRY/LOCATION

- Kenya
- Liberia
- Nigeria, Cboko
- Nigeria, Ibesse
- Nigeria, Obajana
- Niger Republic
- Rep. of Congo

PLANT TYPE

- (Integrated Plant)
- (Import Terminal)
- (Integrated Plant)
- (Integrated Plant)
- (Integrated Plant)
- (Integrated Plant)

COUNTRY/LOCATION

- Senegal
- Sierra Leone
- South Africa
- Mali
- Tanzania
- Zambia
- Nepal

PLANT TYPE

- (Integrated Plant)
- (Import Terminal)
- (Integrated Plant)
- (Grinding Plant)
- (Integrated Plant)
- (Integrated Plant)

• Under Construction/Commissioning * Planned



Cassava Production in Nigeria

- Total Production (2016): Estimated at 57.13mn tonnes (approx. 20.6% of global)

- Down 1% from 2015, partly due to pastoral conflicts

- Rank in global production: 1st

- Potential Output: 100mn tonnes



- Mainly cultivated in Southern & Middle Belt states- Benue, Kwara, Kogi, Delta,















Ogun, Edo

- A 50kg bag of garri in Nigeria now costs N6,500, 12-month high is N16,000

- Down 12% from August (N7,500)

Stock Market

- NSE ASI  0.48% to 33,449.17 on September 11th
- Consumer goods sub index  1.60% to 780.72pts







	Share Prices (₹)	Daily % Change (Sept 10 th -11 th)	YTD (% Change)
Nestle	1,485.00	 9.59	 2.60
Honeywell	1.52	 -	 21.10
Flour Mills	22.00	 2.27	 25.10
Cadbury	10.05	 -	 35.86
NB	86.00	 4.86	 35.15
Dangote Sugar	14.40	 10.00	 34.50
Unilever	46.80	 -	 21.95

Oil Prices

- Brent crude up 0.40% to \$77.68pb
- Due to declining Iran exports (impact of US sanctions)
- Lower US-rig count and production disruptions in Libya & Venezuela also buoyed prices



Oil Markets Today

COMMODITY	DAILY CHANGE September 10 th – September 11 th	YTD	CURRENT PRICE
BRENT	 0.40%	 16.30%	\$77.68pb
WTI	 0.58%	 14.10%	\$68.41pb
NATURAL GAS	 0.29%	 5.71%	\$2.77MBtu

Agricultural Commodities

Wheat



- Wheat prices up by 0.15% to \$5.31/bushel
- Due to a drawdown in Ukraine's stockpiles

Corn



- Corn prices down by 0.27% to \$3.61/bushel
- Pressured by robust US output

Cocoa



- Cocoa prices down 1.96% to \$2,259/MT
- Driven by a surge in Ghana's cocoa production

Sugar



- Sugar prices increased by 1.94% to 0.1101/pound
- On investor bargain-hunting

OUTLOOK – Oil Prices



- Prices to trade above \$77pb
- Supply disruptions in Libya and indications of declining US production likely to push up prices this week

OUTLOOK – Agricultural Prices

GRAINS

- Robust US harvest to fuel concerns of oversupply

SOFTS

Sugar

- Price increase to be short-lived due to consistent bearish fundamentals

Cocoa

- Higher production in Ghana likely to depress prices