



# Burning Economic Issues



- Brent crosses \$80pb before retreating to \$78.23pb
- August inflation numbers to be released tomorrow
- 10<sup>th</sup> anniversary of Lehman Brothers collapse & global crisis
  - Any lessons learnt ?
- Nigeria's cocoa main crop threatened by flood & disease
- External Reserves down to \$45.26bn but naira flat at N360/\$ (parallel market)

# Impact



- Sustained high oil price is positive for reserves and exchange rate stability
- August inflation to rise only marginally (0.01%)



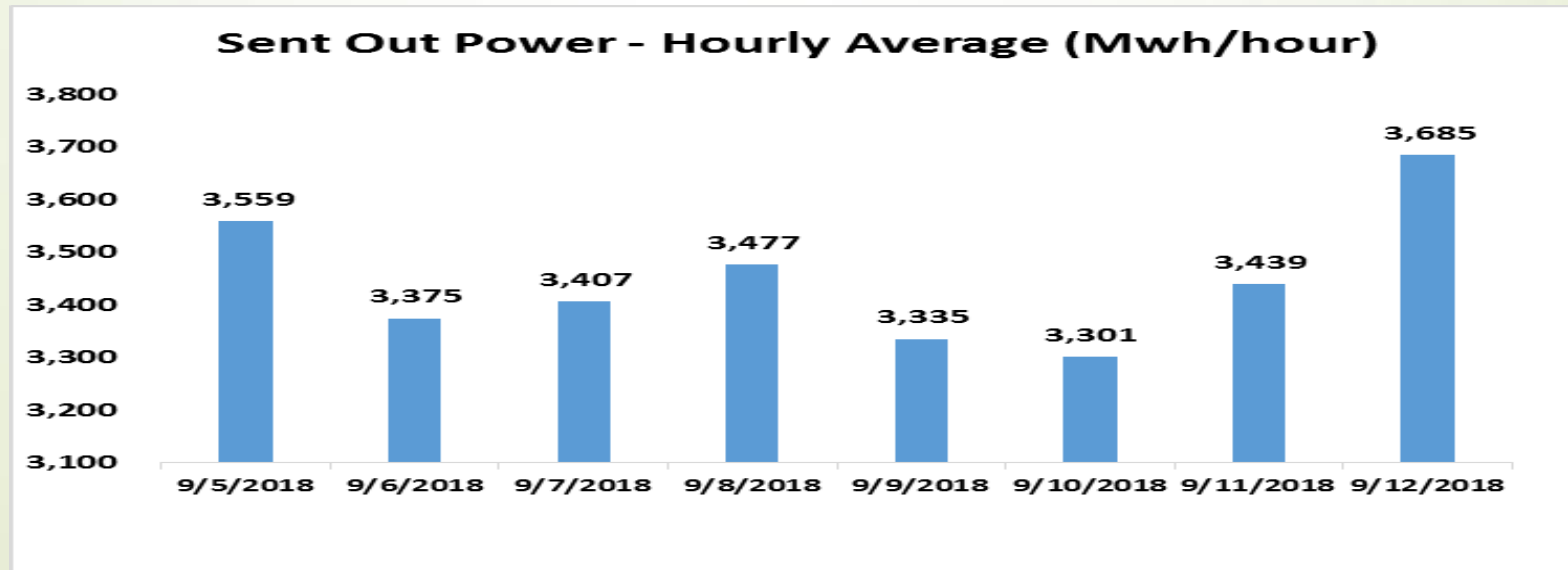
- Stock market firmly in correction territory
- On-grid power output has been firmly below 4,000MW since August 16
- Eleven occasions of systems collapse this year
- Diesel retail price at N235/litre

# Power Sector

September 12<sup>th</sup>





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

- Average power output: 3,685MW/h (up by 246MW/h)
- Gas constraint stood at 1,262.5MW while grid constraint was at 2,159.8MW. No water constraint
- Naira equivalent of power loss: N1.64billion (annualized at N598.60billion)















# 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















  
**DANGOTE  
FLOUR**

**Tasteful delight**



# Stock Market

- NSE ASI  0.84% to 32,022.23 on September 13<sup>th</sup>
- Consumer goods sub index  2.31% to 750.69pts

	Share Prices (₹)	Daily % Change (Sept 12 <sup>th</sup> -13 <sup>th</sup> )	YTD (% Change)
Nestle	1,398.00	 5.48	 8.00
Honeywell	1.27	 8.63	 28.10
Flour Mills	18.90	 -	 32.16
Cadbury	9.20	 -	 41.98
NB	84.90	 0.12	 39.70
Dangote Sugar	13.85	 2.11	 36.50
Unilever	44.05	 -	 21.95









# Oil Prices

- Brent crude down 1.83% to \$78.23pb
- Due to concerns of weak oil demand growth amid US-China trade frictions
- However, tightening global supply moderated losses
- Investors are also monitoring the impact of Hurricane Florence on the US East Coast amid surging demand for gasoline and diesel



# Oil Markets Today

COMMODITY	DAILY CHANGE September 12 <sup>th</sup> – September 13 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	 1.83%	 16.30%	\$78.23pb
WTI	 0.31%	 14.10%	\$70.11pb
NATURAL GAS	 0.30%	 5.71%	\$2.84MBtu

# Agricultural Commodities

## Wheat



•Wheat prices up by 0.05% to \$5.29/bushel

•Due to expectations of lower global supply

## Corn



•Corn prices down by 0.20% to \$3.57/bushel

•As the US corn harvest season commences

## Cocoa



•Cocoa prices down 0.70% to \$2,284/MT

• Driven by a surge in Ghana's cocoa production

## Sugar



•Sugar prices declined by 0.25% to 0.1200/pound

On investor profit-taking

# OUTLOOK – Oil Prices



- Prices to trade above \$78pb
- Concerns about the potential impact of US sanctions on Iran's oil exports are expected to bolster prices next week

# OUTLOOK – Agricultural Prices

## GRAINS

- Robust US harvest to fuel concerns of oversupply

## SOFTS

### Sugar

- Price to remain relatively low on concerns of global oversupply

### Cocoa

- Indications of lower production in Nigeria likely to push up prices