



Burning Economic Issues



- Nigeria's headline inflation increased for the first time in 18 months to 11.23% in August
- Value of e-payments (ATM, Mobile Money & Web payments) up 1.08% at N3.73trn in H1'18
- External reserves falls further to \$45.20bn
- Brent price up 1.76% to \$79.42pb
- Diesel retail price down at N230/litre



Impact



- High oil price is positive for fiscal and dollar accretion
- Naira appreciates at the IEFX window to N362.93/\$



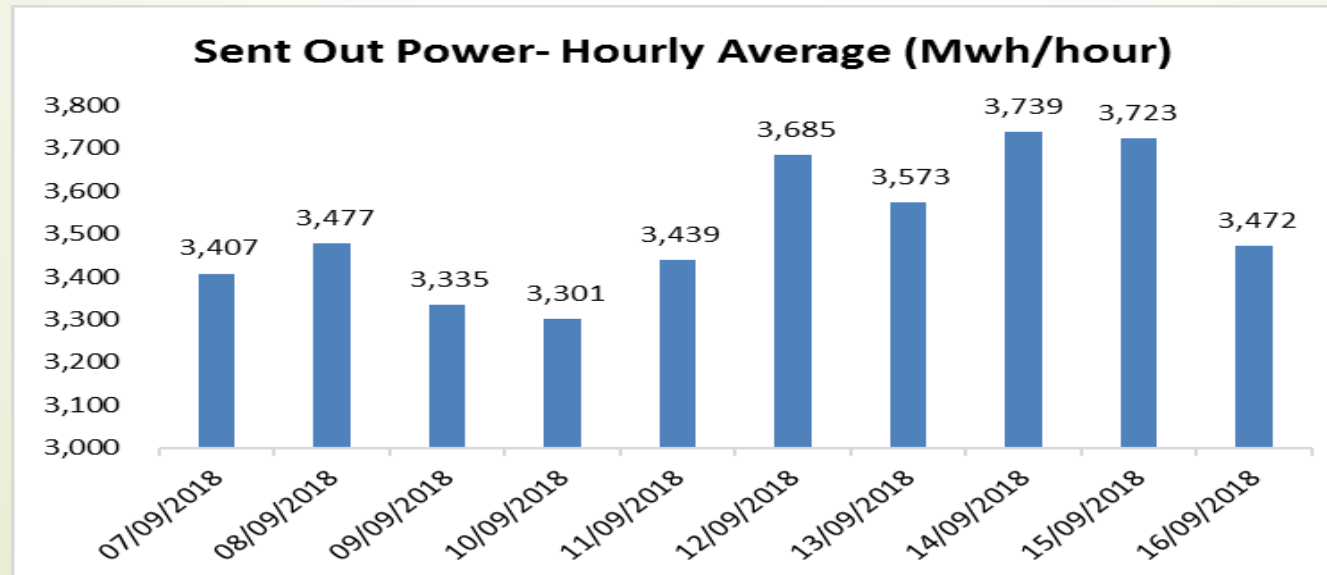
- Oil prices above \$75pb is negative for landing costs and puts pressure on subsidy payment
- Decline in external reserves reduces the CBN's ability to defend the naira

Power Sector

September 16th





State	Temperature
Abuja	24°C
Kano	27°C
Lagos	26°C

- Average power output: 3,472MW/h (down by 251.96MW/h)
- Gas constraint stood at 1,032.5MW while grid constraint was at 2,159.4MW. No water constraint
- Naira equivalent of power loss: N1.59billion (annualized at N580.35billion)












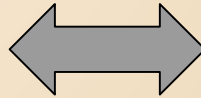


Domestic Commodities Price Movement

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

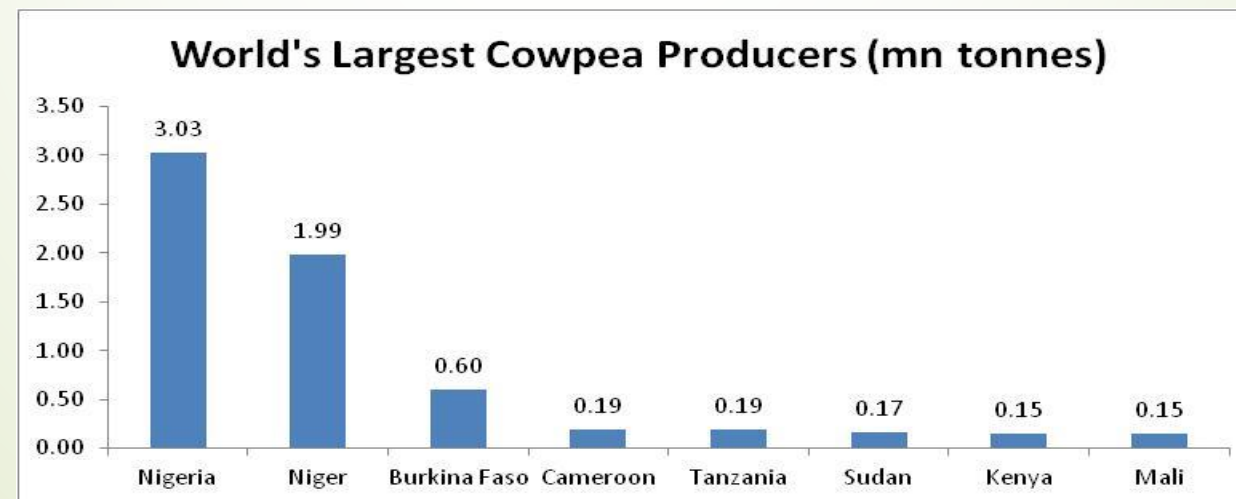
Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N120	N100	20%
Beer (60cl)	N260	N300	-15.30%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,100	-15.5%
Gala (big size)	N100	N100	0%

Domestic food prices remain flat

Commodity in Focus - Cowpea (Beans)



- Total global output: Estimated at 7mn tonnes (Approx. \$10bn)
- World's top producers: Nigeria, Niger, Burkina faso
- World's largest consumer: Nigeria
- Uses: cooked, bean cake, moin moin, animal feed



Source: FAOSTAT, FDC Think Tank

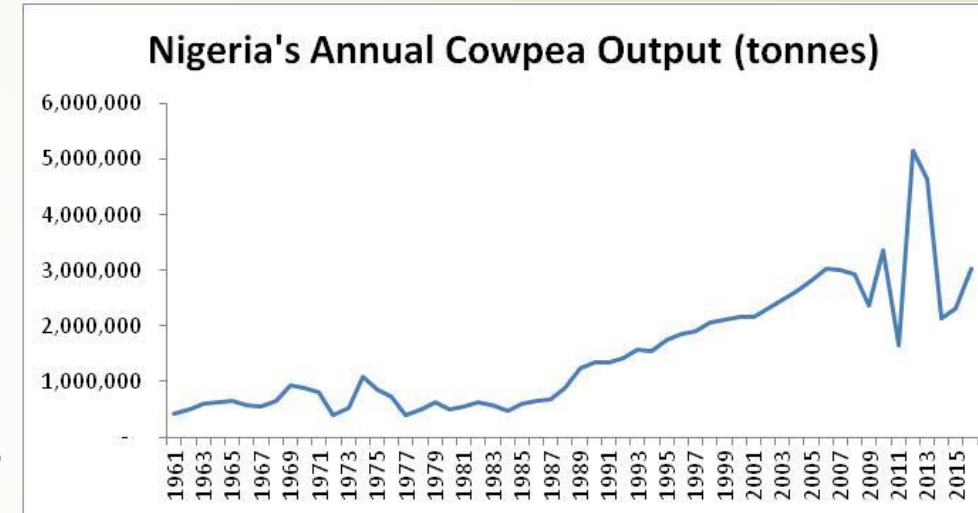

**DANGOTE
FLOUR**

Tasteful delight



Cowpea Production in Nigeria















- **Total output** : Estimated at 3mn tonnes (\$4.5bn) - 43% of global
- **Rank**: Global- 1st
- **Potential Output**: about 6mn tonnes
- **Major producing states**: Borno, Zamfara, Sokoto, Kano
- Major producing regions are prone to conflicts
- A 50kg bag of beans in Nigeria costs N26,000
- Down marginally by 2% from N26,500 in the last month



Source: FAOSTAT, FDC Think Tank

Stock Market

- NSE ASI  0.39% to 32,201.98 on September 17th
- Consumer goods sub index  0.81% to 748.81pts







	Share Prices (₹)	Daily % Change (Sept 14 th -17 th)	YTD (% Change)
Nestle	1,350.00	 1.46	 13.24
Honeywell	1.48	 6.47	 29.52
Flour Mills	19.15	 0.79	 33.97
Cadbury	9.40	 -	 40.01
NB	92.00	 0.54	 31.80
Dangote Sugar	13.90	 -	 30.50
Unilever	43.00	 -	 4.88

Oil Prices

- Brent crude up 1.76% to \$79.42pb
- India to cut crude oil purchase from Iran to less than 12 million barrels
- Trade war between China and US continues as Trump announces additional \$200bn tariffs on Chinese imports
- Would reduce oil demand and may further depress prices



Oil Markets Today

COMMODITY	DAILY CHANGE September 17 th – September 18 th	YTD	CURRENT PRICE
BRENT	 1.76%	 18.77%	\$79.42pb
WTI	 0.42%	 13.57%	\$68.62pb
NATURAL GAS	 0.50%	 4.07%	\$2.83MBtu

Agricultural Commodities

Wheat



•Wheat prices up by 0.39% to \$5.14/bushel

•Due to concerns about global supply

Corn



•Corn prices down by 0.28% to \$3.51/bushel

•Driven by higher US output

Cocoa



•Cocoa prices increased by 0.36% to \$2,227/MT

•Despite robust Ivory Coast harvest

Sugar



•Sugar prices declined by 1.75% to 0.1181/pound

• On higher Indian and Pakistan output

OUTLOOK – Oil Prices



- OPEC to maintain supply deal owing to concerns about global demand
- Brent to trade between \$75-80pb within the next few weeks

OUTLOOK – Agricultural Prices

GRAINS

- Robust US harvest to push prices down in the near term

SOFTS

Sugar

- Hike in ethanol price would reduce the supply of sugar and increase prices

Cocoa

- Flood and disease outbreak would affect Nigeria's output and push prices up