



Burning Economic Issues



- MPC concludes 4th meeting of 2018
- Brent up 0.52% to \$81.62pb (4-year high)
- CBN revokes Skye Bank's license (Polaris Bank- new bridge bank)
- Gross external reserves decline by 5% since July to \$44.83bn

Naira falls by approximately 1% since July at the IEFX window (N364.28/\$)



Impact



- Brent price at \$81pb is excellent for reserves and naira stability
- Production at 1.7mbpd in August and average price at \$72.64pb
- Estimated revenue in August- \$123.48mn



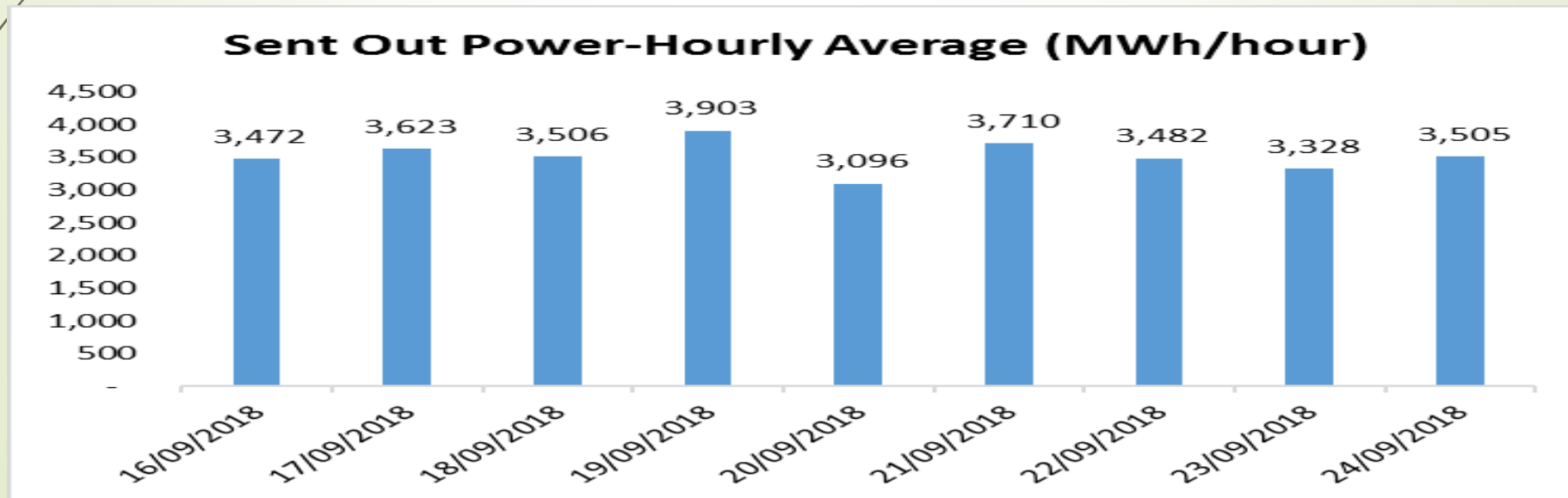
- Skye bank-shareholders lose N10.7bn as CBN injects N786bn
- Naira falling sharply, in need of support
- Reserves still falling in spite of higher oil price
- \$5bn of portfolio investment has exited since May

Power Sector

September 24th





State	Temperature
Abuja	25°C
Kano	34°C
Lagos	29°C

- Average power output: 3,505MW/h (up by 176.93MW/h)
- Gas constraint stood at 1,000MW while grid constraint was at 2,238MW. No water constraint
- Naira equivalent of power loss: N1.55billion (annualized at N565.75billion)












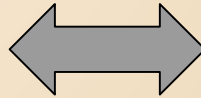


Domestic Commodities Price Movement

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

- 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








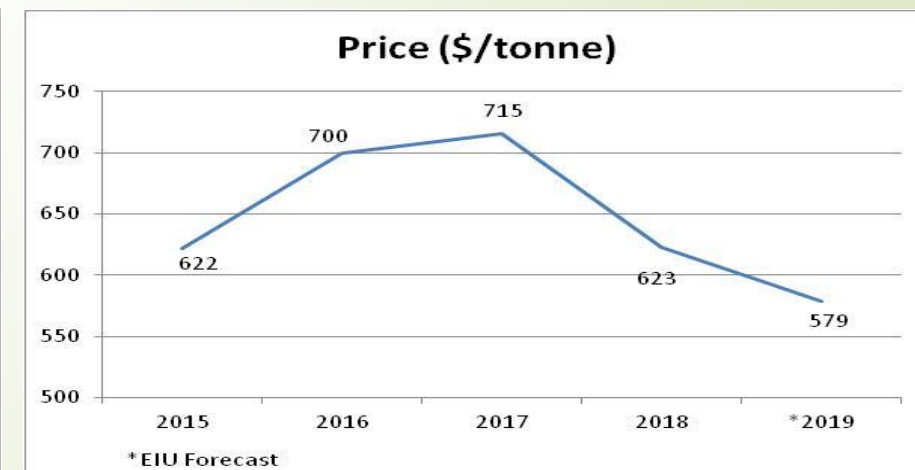
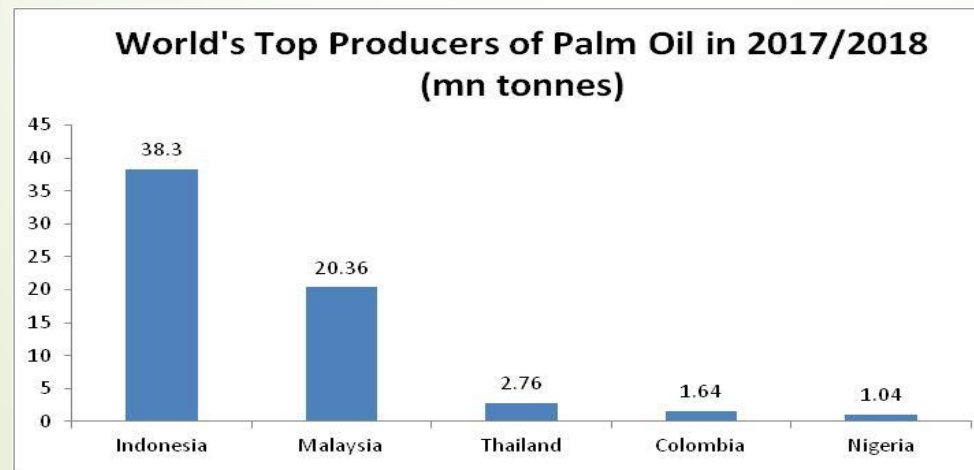
Stock Market

- NSE ASI  0.27% to 32,451.27 on September 24th
- Consumer goods sub index  0.57% to 757.86pts

	Share Prices (₹)	Daily % Change (Sept 21 st -24 th)	YTD (% Change)
Nestle	1,400	 -	 10.03
Honeywell	1.46	 4.29	 30.48
Flour Mills	20.00	 -	 31.03
Cadbury	9.05	 -	 42.25
NB	90.00	 3.23	 33.28
Dangote Sugar	14.70	 -	 26.5
Unilever	45.00	 4.65	 9.76

Commodity in Focus - Palm oil

- Mainly obtained from oil palm fruits
- Total global production (2017/2018): Estimated at 70.35mn tonnes (\$43.83bn)
- 2018/2019 production forecast: 71.94mn tonnes (a 2.26% increase over 2017/18)
- World's top producers:  Indonesia,  Malaysia
- World's top consumers:  Indonesia,  India,  EU
- Uses: stew, sauce, soap, margarine, noodles, cosmetics



Source: EIU, FDC Think Tank

Palm Oil Production in Nigeria

- **Palm oil output (2017/2018):** 1.04mn tonnes (\$647.9mn),

1.5% of global output

- **Rank:** Global- 5th, SSA- 1st

- **Leading players:** Okomu Oil Plc and Presco Plc

- Palm oil producers facing challenges- Okomu & Presco

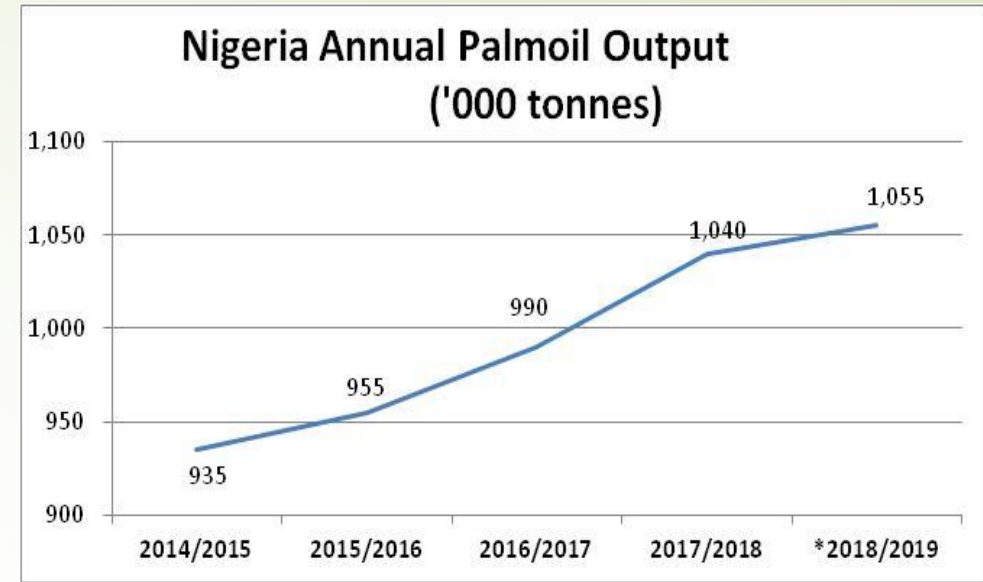
profit down

- **Major producing states:** Akwa Ibom, Cross River, Rivers,

Abia

- **Domestic price of palm oil:** N10,000/25 litre keg

- Relatively flat compared to last month



Source: EIU, FDC Think Tank

	Okomu			Presco			Unilever		
	H1'18	H1'17	Change	H1'18	H1'17	Change	H1'18	H1'17	Change
Revenue (N'bn)	12.94	12.47	4%	11.66	12.83	-9%	48.13	42.63	13%
PAT (N'bn)	5.94	6.24	-5%	3.99	5.56	-28%	5.72	3.68	55%
FCF (N'mn)	6.13	4.89	25%	-2.54	3.93	-165%	371	6,626.30	-94%

Oil Prices

- Brent crude up 0.52% to \$81.62pb
- As OPEC and allies ignore Trump's call for lower prices
- Ends Ministerial Monitoring Committee meeting with no pledge to boost supply
- Cartel expects increased output in September and October



Oil Markets Today

COMMODITY	DAILY CHANGE September 24 th – September 25 th	YTD	CURRENT PRICE
BRENT	↑ 0.52%	↑ 22.06%	\$81.62pb
WTI	↑ 0.35%	↑ 19.71%	\$72.33pb
NATURAL GAS	↑ 0.39%	↑ 3.39%	\$3.05MBtu

Agricultural Commodities

Wheat



•Wheat prices up by 0.34% to \$5.24/bushel

•Driven by slow-down in Russian harvest

Corn



•Corn prices down by 0.21% to \$3.57/bushel

•Owing to expectations of increased global output

Cocoa



•Cocoa prices increased by 2.68% to \$2,225/MT

•On reports of a decline in cocoa output in the next harvest season

Sugar



• Sugar prices fell by 3.00% to 0.1133/pound

• Due to weak global demand

OUTLOOK – Oil Prices



- Brent may hit above \$80pb this week
- Oil trading houses are predicting the return of \$100pb for the first time since 2014
- As capacity to replace Iranian supplies in Q4 dwindles

OUTLOOK – Agricultural Prices

GRAINS

- Favorable demand for US supplies to result in increased price of grains

SOFTS

Sugar

- Switch of Indian mills to raw sugar would boost sugar prices

Cocoa

- Decline in cocoa harvest to push prices up in the short to medium term