

# Burning Economic Issues

- Brent oil down by 0.60% to \$79.59pb
  - Cocoa price jumps to 2,226/MT, up 18% year-to-date
  - FG defends its external debt position
  - Naira flat at N362/\$ at parallel market, depreciates at IE window (N364.33/\$)
- On-grid power up 9% to 3,850MW/hr

# Impact

## The Goodies



- Nigeria climbs 10 places to 115<sup>th</sup> on Global Competitiveness index
- Price of Nigeria's key exports (crude oil, LNG, cocoa) up by over 7% YTD

## The Downers



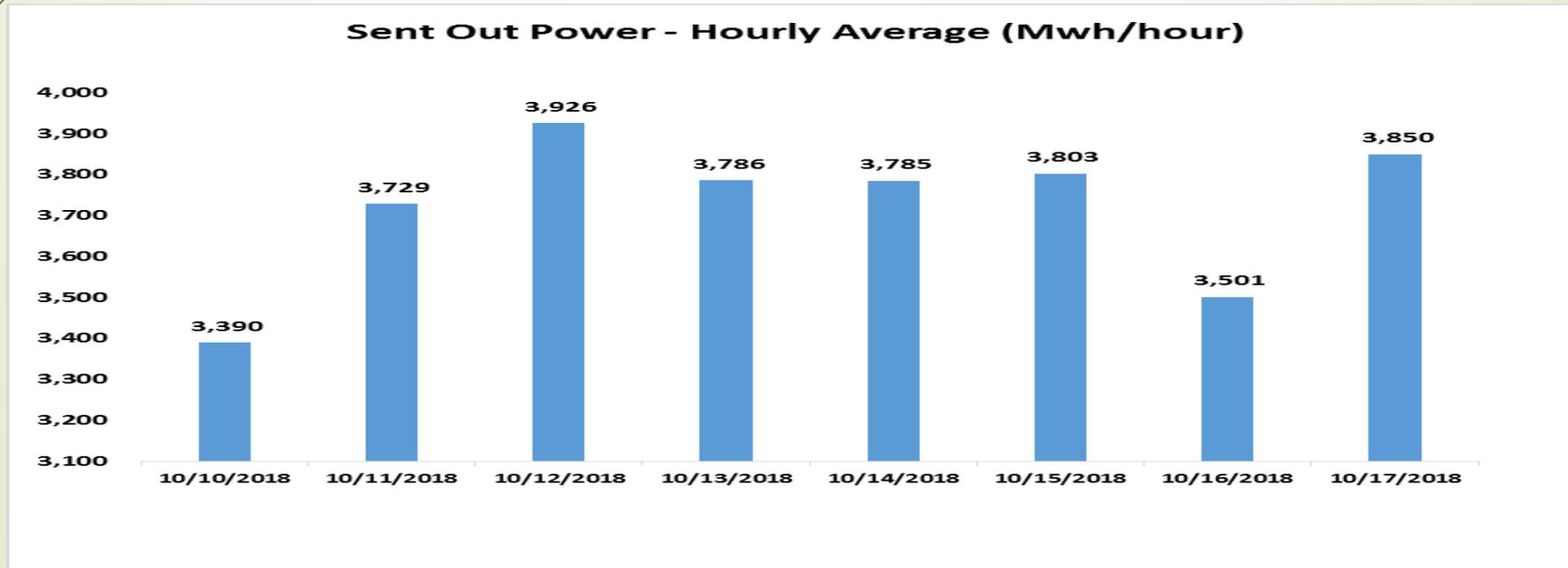
- On-grid power suffers as grid collapses again
- High diesel price (N250/\$) is choking businesses

# Power Sector

October 17<sup>th</sup>

State	Temperature
Abuja	23°C
Kano	27°C
Lagos	24°C

- Average power output: 3,850MW/h (up by 349MW/h)
- Gas constraint stood at 922.5MW while grid constraint was at 2,493.8MW. 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	N2,850	↔	N1,800	N3,500
New Yam (medium size)		N400	N400	↔	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	N6,500	↔	N7,000	N16,000
Rice (50kg) 	N16,000	N15,500	↑	N13,000	N22,000
Flour (50kg) 	N11,100	N11,100	↔	N8,500	N11,000
Beans (Oloyin)(50kg) 	N27,000	N25,500	↑	N12,000	N34,000
Cement (50kg) 	N2,550	N2,550	↔	N1,400	N2,700
Tomatoes (50kg) 	N12,000	N10,000	↑	N8,000	N20,000

- Most domestic commodities have increased relative to the previous month
- Domestic price of flour to increase by N250 to N11,350 in October

# 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

Introducing...



**BEST VALUE  
FOR MONEY  
BY FAR**

**UP TO 50%  
STRONGER  
AFTER 1 DAY**

**THE KING  
OF CEMENT**  
IDEAL FOR ALL  
**BLOCK & CONCRETE**  
APPLICATIONS



[www.dangote.com](http://www.dangote.com) [facebook.com/dangoteindustries](https://facebook.com/dangoteindustries) [@dangotegroup](https://twitter.com/dangotegroup)



# Stock Market

- NSE ASI  0.70% to 32,664.63 on October 18<sup>th</sup>
- Consumer goods sub index  0.14% to 751.60pts

	Share Prices (₹)	Daily % Change (October 17 <sup>th</sup> - 18 <sup>th</sup> )	YTD (% Change)
Nestle	1,400	 -	 8.17
Honeywell	1.26	 1.26	 33.83
Flour Mills	20.55	 0.24	 33.40
Cadbury	9.80	 -	 30.43
NB	88.60	 0.45	 33.97
Dangote Sugar	14.70	 2.00	 25.50
Unilever	43.50	 -	 2.32

# Oil Prices

- Brent crude down by 0.60% to \$79.59pb
- This was driven by a build up on US crude inventories
- US crude inventories have increased for four consecutive weeks
- Investors are maintaining tentative positions in view of geopolitical tension and potential US sanctions on Iran



# Oil Markets Today

COMMODITY	DAILY CHANGE October 17 <sup>th</sup> – October 18 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↓ 0.60%	↑ 23.50%	\$79.59pb
WTI	↓ 0.69%	↑ 19.27%	\$69.27pb
NATURAL GAS	↓ 0.72%	↑ 10.51%	\$3.30MBtu

# Agricultural Commodities

## Wheat



• Wheat prices down by 0.33% to \$5.11/bushel

• Suppressed by news of improved weather conditions in the US

## Corn



• Corn prices up by 0.12% to \$3.59/bushel

• Following the USDA's forecast of weak US corn output in 2018/2019

## Cocoa



• Cocoa prices increased by 1.46% to \$2,226/MT

• Due to increased global demand

## Sugar



• Sugar prices down by 0.45% to 0.1227/pound

• Driven by an uptick in Indian stockpiles

# OUTLOOK – Oil Prices



- Prices to trade within the range of \$80pb-\$83pb
- Prices are likely to rise in the near term as the market braces for the impact of US sanctions on Iran
- Heightened geopolitical tension will remain supportive of the market
- Fears of weakening global oil demand will place a ceiling on prices

# OUTLOOK – Agricultural Prices

## GRAINS

- Weather patterns in producer countries will influence prices

## SOFTS Sugar

- Monsoons in India and drought in Brazil will continue to raise prices

## Cocoa

- Favourable weather conditions in West African producers would boost supply and depress global prices