

Burning Economic Issues



- Dangerous undercurrents threaten global economy-IMF
- FGN seeks NASS approval for \$2.8bn Eurobond
- Burger King to expand in Africa (open in Nigeria)
- Brent falls sharply by 1.60% to \$81.76pb
- External reserves continues downward slide (\$43.53bn)
- Diesel price stays above N250 per liter



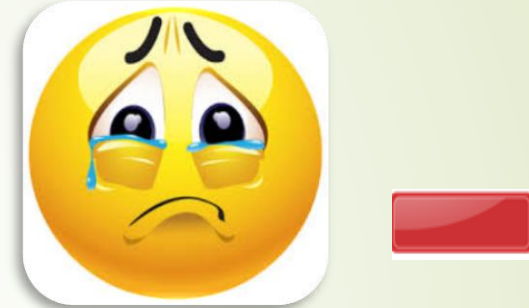
Impact

The Goodies



- Burger King to open in Nigeria (3 restaurants a day globally)
- Likely to increase the demand for locally produced potatoes and poultry products

The Downers



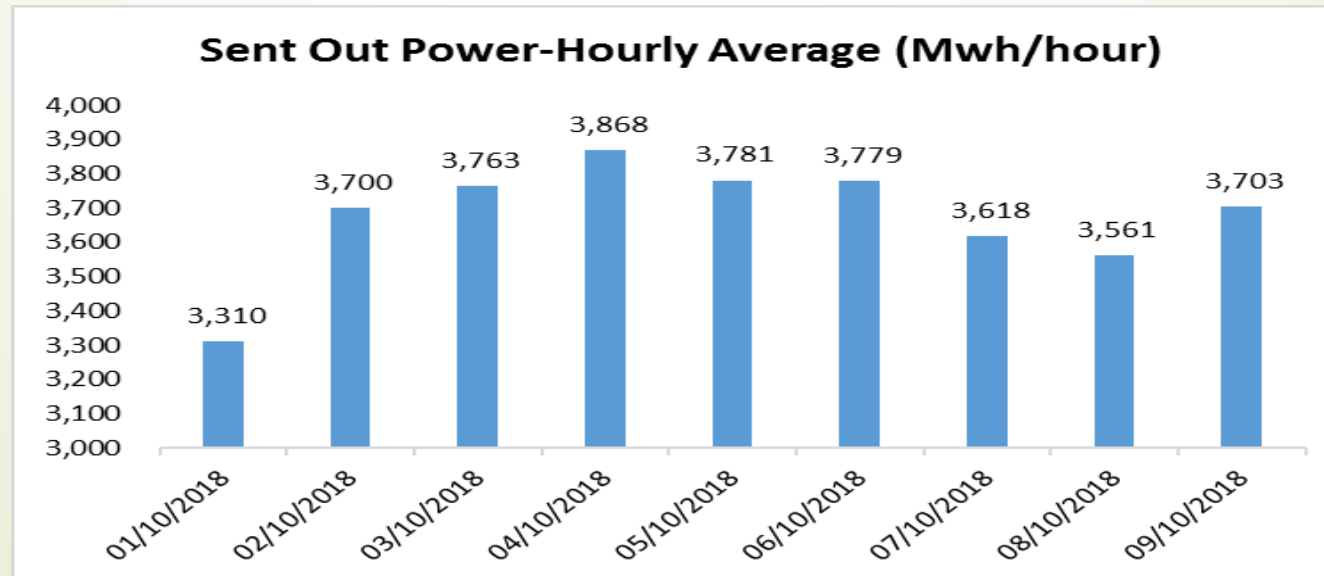
- External reserves falling falling falling
- The bears take hold of the stock market
- Diesel price is sticky at above N250/liter

Power Sector

October 9th





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

- Average power output: 3,703MW/h (up by 142.08MW/h)
- Gas constraint stood at 892.5MW while grid constraint was at 3,027MW. No water constraint
- Naira equivalent of power loss: N1.88billion (annualized at N686.2billion)









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

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Stock Market

- NSE ASI  0.11% to 32,382.58 on October 10th
- Consumer goods sub index  0.09% to 745.02pts

	Share Prices (₦)	Daily % Change (October 9 th - 10 th)	YTD (% Change)
Nestle	1,420.3	 1.09	 8.72
Honeywell	1.42	 2.07	 32.38
Flour Mills	20.40	 2.51	 29.66
Cadbury	10.30	 -	 34.27
NB	85.50	 2.84	 36.62
Dangote Sugar	14.55	 -	 27.25
Unilever	42.5	 1.19	 3.66

Oil Prices

- Brent crude down 1.60% to \$81.76pb
- As IMF lowers global growth outlook
- However, Hurricane Mexico affected output and supported prices
- Saudi Arabia to make up for India's loss of Iranian oil in November



Oil Markets Today

COMMODITY

DAILY CHANGE October 9th – October 10th

YTD

CURRENT PRICE

BRENT

↓ 1.60%

↑ 22.27%

\$81.76pb

WTI

↓ 1.52%

↑ 19.27%

\$72.06pb

NATURAL GAS

↓ 0.76%

↑ 10.51%

\$3.26MBtu

Agricultural Commodities

Wheat



- Wheat prices up by 0.39% to \$5.17/bushel
- On the back of unfavourable weather conditions in the US

Corn



- Corn prices up by 0.07% to \$3.65/bushel
- Despite bumper US harvest

Cocoa



- Cocoa prices increased by 1.58% to \$2,119/MT
- In spite of strong Ivory Coast output

Sugar



- Sugar prices up by 0.23% to 0.1297/pound
- Expectations of India's plan to export raw sugar, first time in 3 years

OUTLOOK – Oil Prices



- Decline in output from the Gulf of Mexico is expected to keep prices steady above \$80pb
- Brent likely to trade between \$80-82pb for the rest of the week

OUTLOOK – Agricultural Prices

GRAINS

- Hurricane Michael is likely to impact negatively on output and push prices up

SOFTS

Sugar

- Increased Indian exports could weigh negatively on global prices

Cocoa

- Favourable weather conditions in African producing countries would boost supply and depress global prices