

Burning Economic Issues



- Nigeria's growth projected to rise to 2.2% - World Bank
- President to submit minimum wage bill to NASS on Jan 23
- NSE ASI falls below 30,000 points, first time in 20 months
 - NSE in bear territory (-31.6% in 52 weeks)
- External reserves inches up to \$43.05bn
- Brent up 1.26% to \$60.84pb



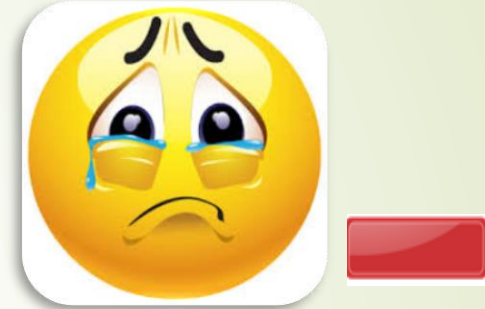
Impact

The Goodies



- Minimum wage bill to avert industrial action
- Brent now above benchmark price

The Downers



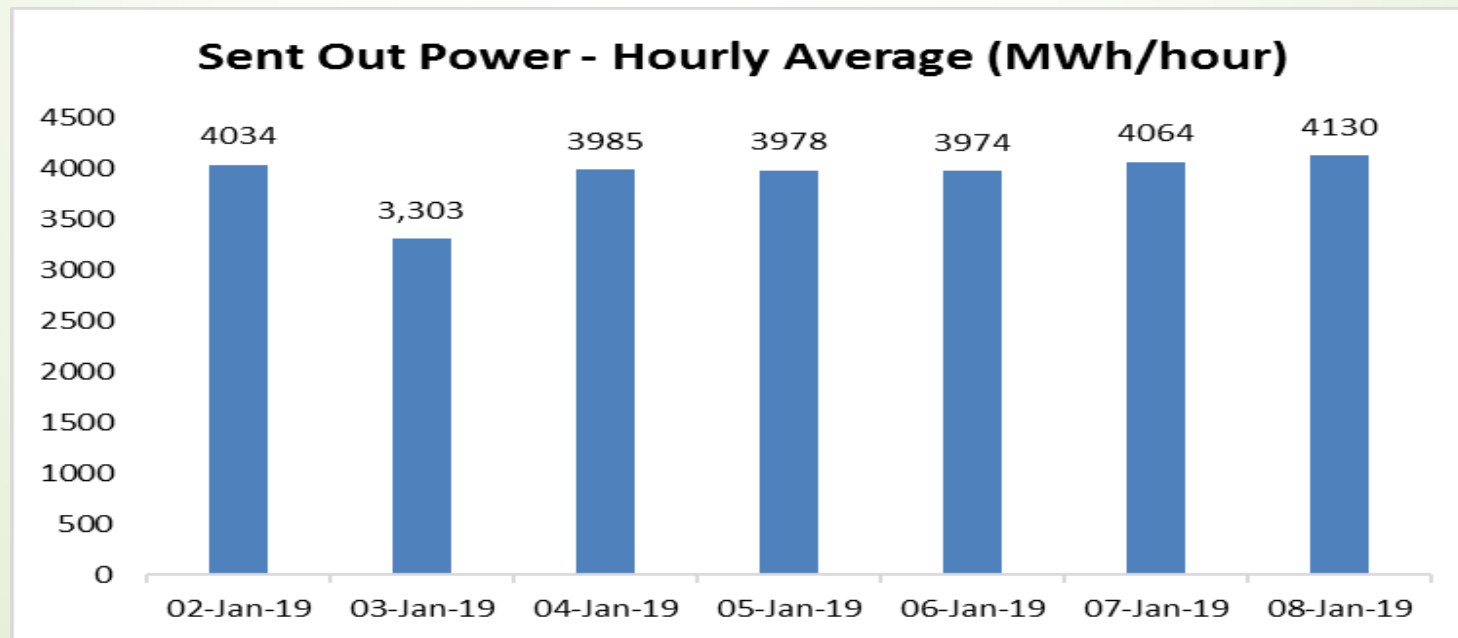
- Naira loses 0.28% at the parallel market (N360.50/\$)
- December inflation projected to jump to 11.37%

Power Sector

January 8th





State	Temperature (noon-time)
Abuja	34°C
Kano	24°C
Lagos	33°C

- Average power output: 4,130MW/h (up by 65.84MW/h)
- Gas constraint stood at 1,500MW, grid constraint at 1,178.2MW while water constraint at 150MW
- Naira equivalent of daily power loss: N1.36billion (annualized at N496.4billion)

















Domestic Commodities Price Movement

Relatively Elastic Products

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)		N2,800	N2,800	↔	N1,800	N3,500
New Yam (medium size)		N500	N400	↑	N400	N1,900
Sugar (50kg)		N14,900	N14,900	↔	N8,000	N20,000

Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N6,850	N6,500		N6,500	N16,000
Rice (50kg) 	N15,000	N15,500		N13,000	N22,000
Flour (50kg) 	N11,000	N11,000		N8,500	N11,100
Beans (Oloyin)(50kg) 	N20,000	N26,500		N12,000	N34,000
Cement (50kg) 	N2,550	N2,600		N1,400	N2,700
Tomatoes (50kg) 	N6,500	N8,000		N6,500	N20,000
Pepper (bag) 	N5,000	N8,000		N5,000	N15,000

- Commodity prices are bottoming out
- Nearing point of inflection in prices

Consumer Goods – Current price

Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
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  2.33% to 29,336.80 on January 09
- Consumer goods sub index  0.74% to 716.14pts

	Share Prices (₹)	Daily % Change (January 8 th – January 9 th)	YTD (% Change)
Nestle	1,450	 -	 2.36
Honeywell	1.09	 4.39	 14.84
Flour Mills	18.85	 4.72	 18.40
Cadbury	10	 3.63	 -
NB	78.9	 -	 7.72
Dangote Sugar	13.65	 -	 10.49
Unilever	37	 9.63	 -

Oil Markets Today

COMMODITY	DAILY CHANGE January 9 th -10 th	YTD	CURRENT PRICE
BRENT	↑ 1.26%	↑ 13.09%	\$60.84pb
WTI	↑ 1.93%	↑ 13.94%	\$51.74pb
NATURAL GAS	↑ 0.34%	↑ 1.70%	\$2.99MBtu

Oil Prices



- Brent up 1.26% to \$60.84pb
- Driven by possibility of an extension in OPEC-led supply cuts
- US-China trade talks also helped to bolster prices
- Risks to upward trend include:
 - Weaker global growth forecast could reverse upward trend
 - Rising US shale production

Agricultural Commodities

Wheat



- Wheat prices up by 0.97% to \$5.23/bushel
- On strong global demand

Corn



- Corn prices increased by 0.53% to \$3.82/bushel
- In response to a sharp decline in US export

Cocoa



- Cocoa prices declined by 1.16% to \$2,382/MT
- Driven by slowdown in global chocolate demand

Sugar



- Sugar prices declined by 5.72% to 0.1203/pound
- Despite expectations of lower sugar output from Thailand

OUTLOOK – Oil Prices



- Market would remain driven by US-China trade talk optimism
- The bullish trend could be sustained in coming weeks

OUTLOOK – Agricultural Prices

GRAINS

- Expected increase in China's importation of corn would put pressure on prices

SOFTS

Sugar

- Unfavourable weather conditions in Brazil could prop up prices in the near term

Cocoa

- Increased processing capacity in Ghana could reduce its exports and push prices up