

Burning Economic Issues



- Naira appreciates by 0.28% to N362/\$ at the parallel market
- NSE ASI climbs towards 30,000points (29,964.79 points)
- External reserves now at \$43.10bn (down 0.05% YTD)
- Brent up 1.36% to \$59.79pb
- Retail diesel price declines to N240/litre



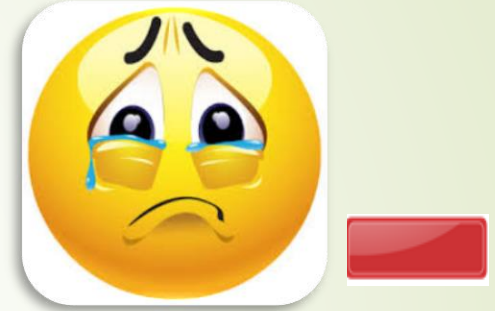
Impact

The Goodies



- Naira appreciates at the parallel market

The Downers



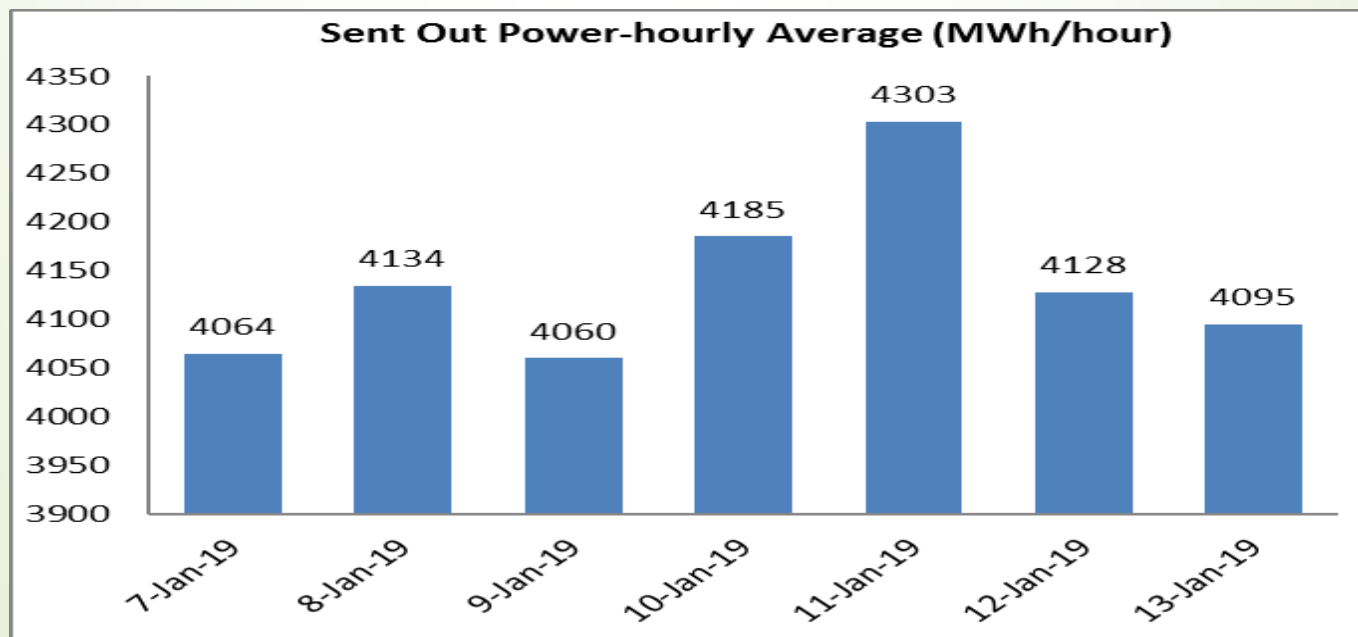
- Brent price still 30% (\$25pb) below its 6-month high of \$85pb
- Would limit savings into the Excess Crude Account

Power Sector

January 13th





- Average power output: 4,095MW/h (down by 32.36MW/h)
- Gas constraint stood at 1,237.5MW, grid constraint was 791MW and water constraint was 150MW
- Naira equivalent of power loss: N1.05billion (annualized at N383.25billion)

State	Temperature(noon-time)
Abuja	34°C
Kano	29°C
Lagos	32°C

















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

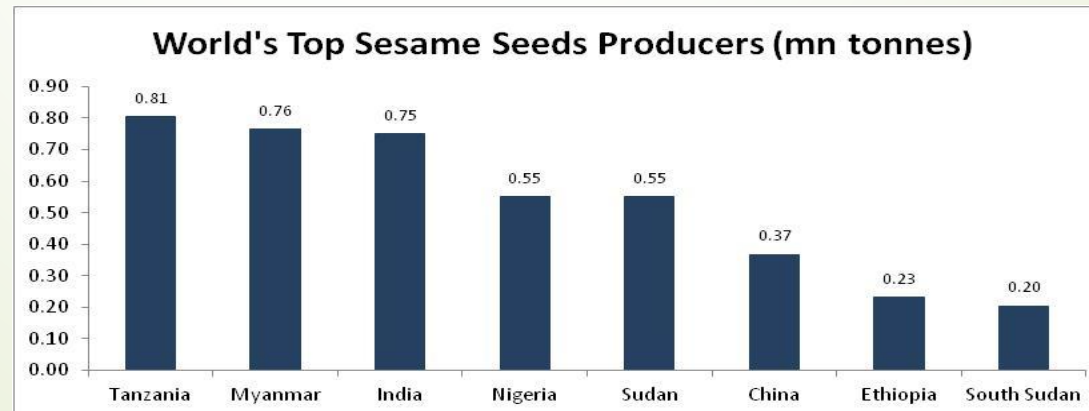
Consumer Goods – Current price

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

Commodity in Focus - Sesame Seeds

- Total global production (2017): Estimated at 5.53mn tonnes (\$4.15bn)
- Global output fell sharply by 9.5% compared to 2016
- Global price of sesame seeds increased in 2018 and is now trading at a range of \$1,550-\$1,650/tonne
- World's top producers: Tanzania, Myanmar, India
- World's top consumers: Tanzania, China, Sudan
- Uses: sesame oil, sesame flour, pastry garnishing, sushi, salad



Source: FAOSTAT, FDC Think Tank

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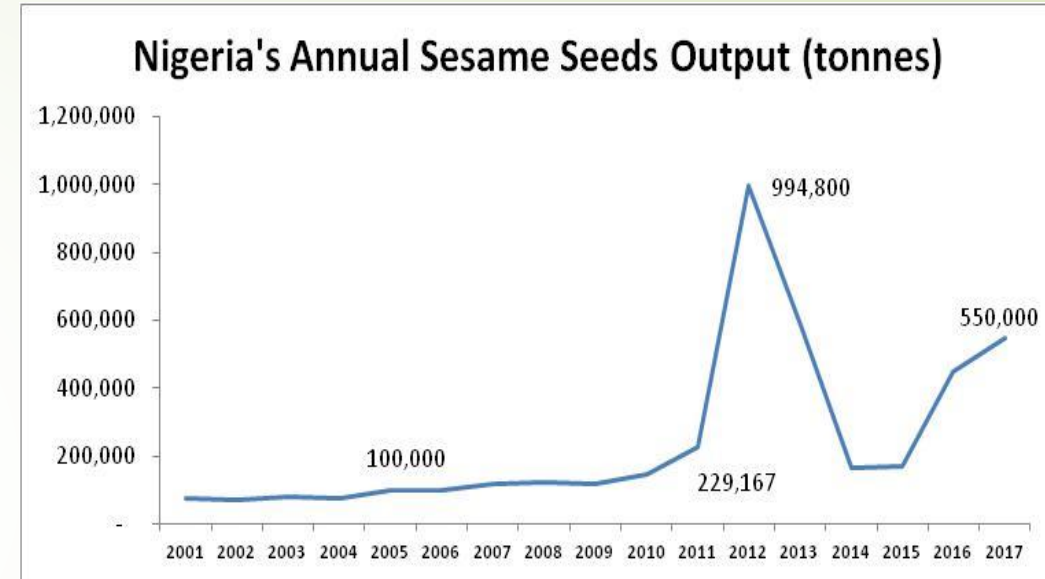


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Sesame Seeds Production in Nigeria















- **Nigeria's production:** estimated at 550,000 tonnes (\$413mn)
- 9.95% of total global output
- **Rank:** 2nd largest in SSA & 4th in the world
- **Potential output:** Approx. 1mn tonnes
- Mainly produced for exports to Japan, China and Turkey
- Export earnings from sesame seeds in excess of \$700mn
- Produced in 27 states mainly Jigawa, Nassarawa, Benue, Taraba
- Pastoral conflicts in major producing states weighing on output



Source: FAOSTAT, FDC Think Tank

Stock Market

- NSE ASI  0.45% to 29,964.79 on January 14th
- Consumer goods sub index  0.07% to 704.24pts

	Share Prices (₹)	Daily % Change (January 11 th - 14 th)	YTD (% Change)
Nestle	1,401	 -	 5.66
Honeywell	1.15	 -	 10.16
Flour Mills	19.30	 -	 16.45
Cadbury	10.00	 -	 -
NB	78.0	 -	 8.77
Dangote Sugar	14.00	 -	 8.20
Unilever	37.00	 -	 8.78

Oil Markets Today

COMMODITY	DAILY CHANGE January 14 th – 15 th	YTD	CURRENT PRICE
BRENT	↑ 1.36%	↑ 11.13%	\$59.79pb
WTI	↑ 1.37%	↑ 12.75%	\$51.20pb
NATURAL GAS	↑ 3.37%	↑ 26.19%	\$3.71MBtu

Oil Prices

- Brent crude up by 1.36% to \$59.79pb
- Amidst reports of a slowdown in China's imports and exports in December
 - Exports down 4.4% (year-on-year) and imports fell by 7.6%
- Fuelling concerns about slow global growth in 2019
- Saudi Minister quells fears about an imbalanced oil market



Agricultural Commodities

Wheat



• Wheat prices down by 0.96% to \$5.15/bushel

• Despite poor weather conditions in key producing countries

Corn



• Corn prices up by 0.53% to \$3.80/bushel

• Driven by rising global demand

Cocoa



• Cocoa prices up by 0.42% to \$2,346/MT

• Despite reports of weak cocoa output from Ivory Coast

Sugar



• Sugar prices declined by 0.08% to 0.1277/pound

• Despite a decline in India's sugar exports

OUTLOOK – Oil Prices



- Market sentiments are expected to remain bearish in coming days
- On rising concerns about global growth
- Brent could remain below \$60pb this week

OUTLOOK – Agricultural Prices

GRAINS

- Increased demand for Russian wheat is expected to increase global wheat prices

SOFTS

Sugar

- The projected decline in India's exports would push prices up in the near term

Cocoa

- Poor weather conditions in Ivory Coast would result in higher global prices
- This is positive for Nigeria's export revenue