

Burning Economic Issues



- FGN to submit minimum wage proposal to NEC
- Inflation jumped to 11.44% in December
- Brent down 0.08% to \$61.27pb
- External reserves now at \$43.11bn
- Average PMS price declines by 15.1% (year-on-year) to N145.80/litre
- Retail diesel price flat at N240/litre



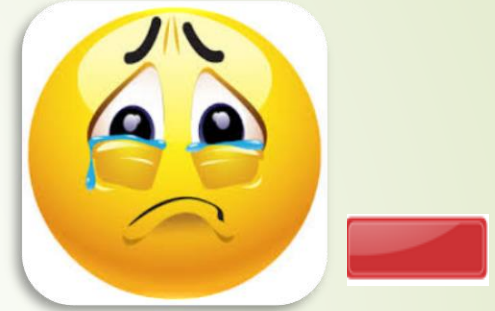
Impact

The Goodies



- Oil price above \$60pb is revenue and external reserves positive
- 3-day gaining streak for the NSE

The Downers



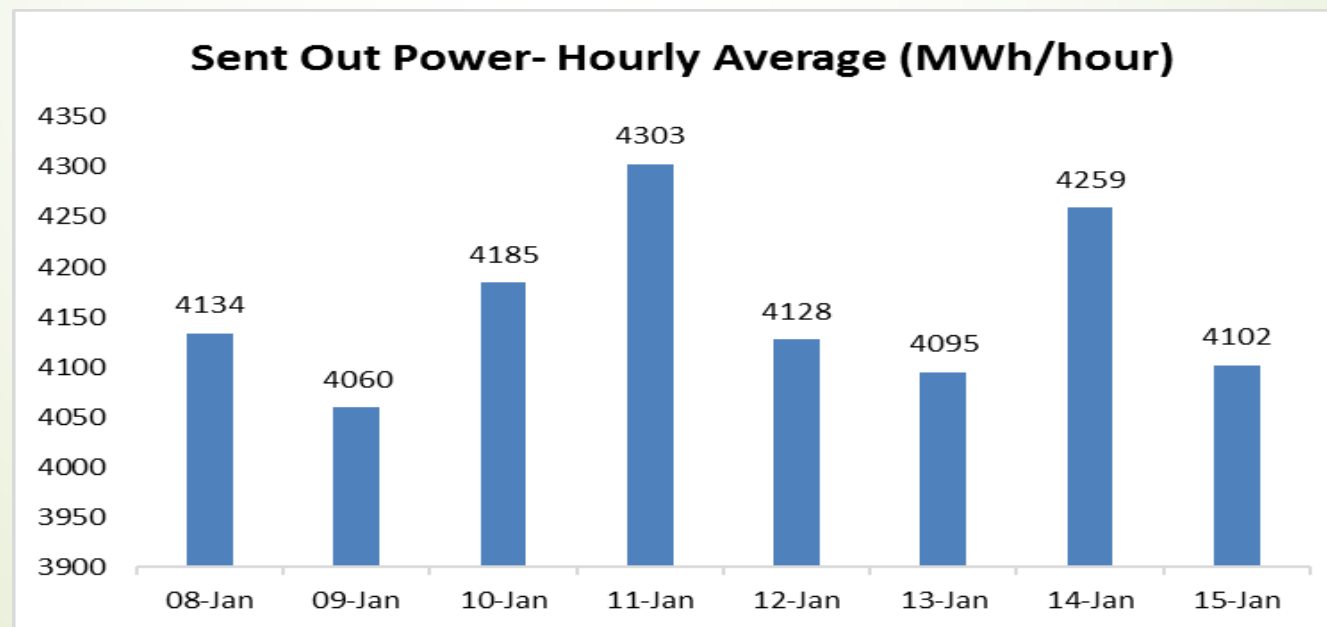
- Inflation maintains its upward trend for the 2nd consecutive month
- Power output down on higher gas constraints

Power Sector

January 15th





- Average power output: 4,102MW/h (down by 156.86MW/h)
- Gas constraint stood at 2,021.99MW while grid constraint was 235MW. There was no water constraint
- Naira equivalent of power loss: N1.08billion (annualized at N394.20billion)

State	Temperature(noon-time)
Abuja	360C
Kano	290C
Lagos	330C

















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  1.07% to 30,460.68 on January 16th
- Consumer goods sub index  0.24% to 707.50pts

	Share Prices (₹)	Daily % Change (January 15 th - 16 th)	YTD (% Change)
Nestle	1,401	 -	 5.66
Honeywell	1.26	 9.57	 1.56
Flour Mills	19.45	 0.78	 15.80
Cadbury	10.00	 -	 -
NB	78.0	 -	 8.77
Dangote Sugar	14.55	 -	 4.59
Unilever	37.00	 -	 -

Oil Markets Today

COMMODITY	DAILY CHANGE January 16 th – 17 th	YTD	CURRENT PRICE
BRENT	 0.08%	 13.88%	\$61.27pb
WTI	 0.71%	 14.38%	\$51.94pb
NATURAL GAS	 1.86%	 17.35%	\$3.45MBtu

Oil Prices

- Brent crude down by 0.08% to \$61.27pb
- As China moves to stimulate its economy following series of disappointing data
- Risks to oil prices in the short term:
 - EIA's downward revision of its 2019 forecast to \$60.52pb could push prices down
 - Closure of Libya's oil ports due to poor weather conditions



Agricultural Commodities

Wheat



- Wheat prices up by 0.78% to \$5.15/bushel
- Driven by weak supplies from Russia

Corn



- Corn prices up by 0.81% to \$3.74/bushel
- Owing to unfavourable weather conditions in Brazil and Argentina

Cocoa



- Cocoa prices down by 2.86% to \$2,274/MT
- Despite unfavorable weather conditions in Ivory Coast

Sugar



- Sugar prices increased by 0.08% to 0.1317/pound
- Despite projections of increased global output in 2019

OUTLOOK – Oil Prices



- Brent to trade within the range of \$59-\$61pb this week
- As more international bodies become pessimistic about oil prices in 2019

OUTLOOK – Agricultural Prices

GRAINS

- Increased corn imports from the EU could push prices up in the near term

SOFTS

Sugar

- The projected increase in global output is expected to depress the price of sugar in the 2019/2020 season

Cocoa

- Arid weather conditions in Ivory Coast could result in increased cocoa prices