

Burning Economic Issues

- Q4 Consumer Confidence spikes 6.81% to 64.3 - NOI
- Minimum wage for States - N27,000 per month; Federal – N30,000 per month
- Brent stays above benchmark at \$61.18pb
- Gross external reserves down 0.02% to \$43.12bn
- Diesel price stubbornly high at N240/litre



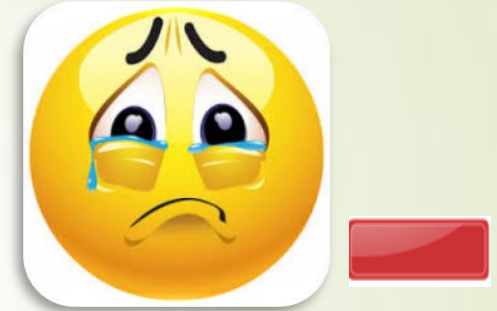
Impact

The Goodies



- Oil price in January – 3.95% above December's average of \$57.67pb

The Downers



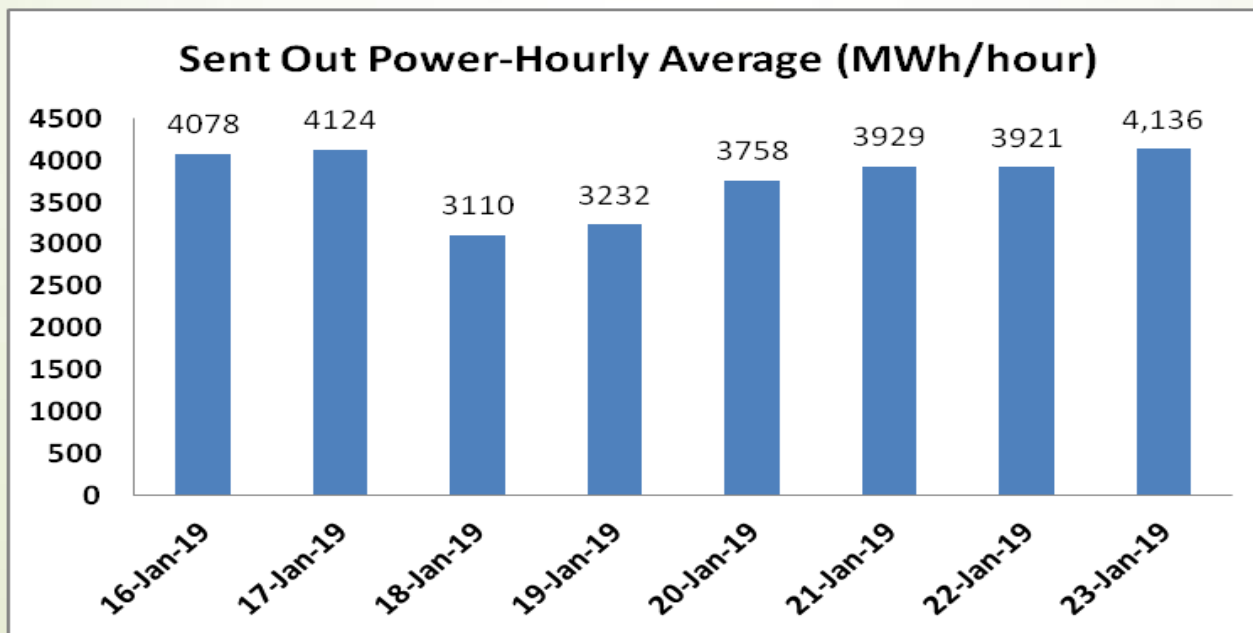
- Oil output cap at 1.69mbpd - OPEC
- NLC awaits NASS – rejects N27,000 per month
- Stalemate possible

Power Sector

January 23rd





- Average power output: 4,136MW/h (down by 215MW/h)
- Gas constraint stood at 2,337MW, grid constraint was 124MW and water constraint was 150MW
- Naira equivalent of power loss: N1.3billion (annualized at N474.5billion)

| State | Temperature(noon-time) |
|-------|------------------------|
| Abuja | 36°C |
| Kano | 36°C |
| Lagos | 32°C |








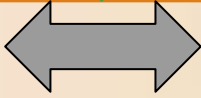








Domestic Commodities Price Movement

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

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Stock Market

- NSE ASI  0.36% to 30,989.60pts on January 24th
- Consumer goods sub index  0.01% to 721.91pts

| | Share Prices (₹) | Daily % Change (January 23 rd – 24 th) | YTD (% Change) |
|------------------|---------------------|---|--|
| Nestle | 1,450 |  - |  2.36 |
| Honeywell | 1.29 |  0.06 |  0.78 |
| Flour Mills | 19.6 |  0.15 |  15.15 |
| Cadbury | 10.00 |  - |  - |
| NB | 79.9 |  0.1 |  6.55 |
| Dangote Sugar | 14.50 |  - |  4.92 |
| Unilever | 37.00 |  - |  - |

Oil Markets Today

| COMMODITY | DAILY CHANGE January 23 rd – 24 th | YTD | CURRENT PRICE |
|-------------|---|--|------------------|
| BRENT |  0.04% |  12.55% | \$61.18pb |
| WTI |  0.72% |  15.04% | \$52.24pb |
| NATURAL GAS |  3.69% |  5.10% | \$3.09MBtu |

Oil Prices

- Brent crude inch up 0.04% to \$61.18pb
- Due to a lower US crude oil inventories
- Concerns of a weaker global economic growth will continue to weigh on market dynamics



Agricultural Commodities

Wheat



- Wheat prices up by 0.19% to \$5.22/bushel
- Amid concerns of a reduction in Russia's export

Corn



- Corn prices up by 0.26% to \$3.8/bushel
- Due to an increased global demand

Cocoa



- Cocoa prices down by 2.64% to \$2,246/MT
- Driven by unfavorable weather conditions in Ivory Coast

Sugar



- Sugar prices decreased by 0.77% to 0.1303/pound
- Despite a projection of a decline in India's sugar production

OUTLOOK – Oil Prices



- Brent to trade in a \$60-\$62pb range in January
- On OPEC's compliance with production cut
- Global slowdown to impact oil prices

OUTLOOK – Agricultural Prices

GRAINS

- Corn price to be bullish in the near term due to robust demand from Brazilian ethanol producers

SOFTS

Sugar

- India's diversion of sugar for ethanol production is expected to drive up prices

Cocoa

- Stable Ghanaian supply of cocoa could result in lower cocoa prices