

Burning Economic Issues

- Brent down 1.08% to \$67.10pb
- LNG price drops 0.92% to \$2.74mmbtu, down 17% YTD
- External Reserves climb to \$44.14bn
- Naira flat at N359.50-N360/\$ (parallel market)
- Power output sent up 3.6% to 4,458MWh/hour

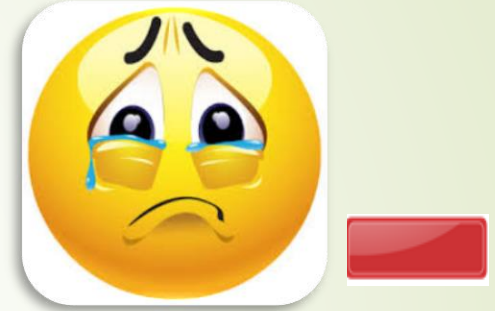
Impact

The Goodies



- External reserves above \$44bn

The Downers



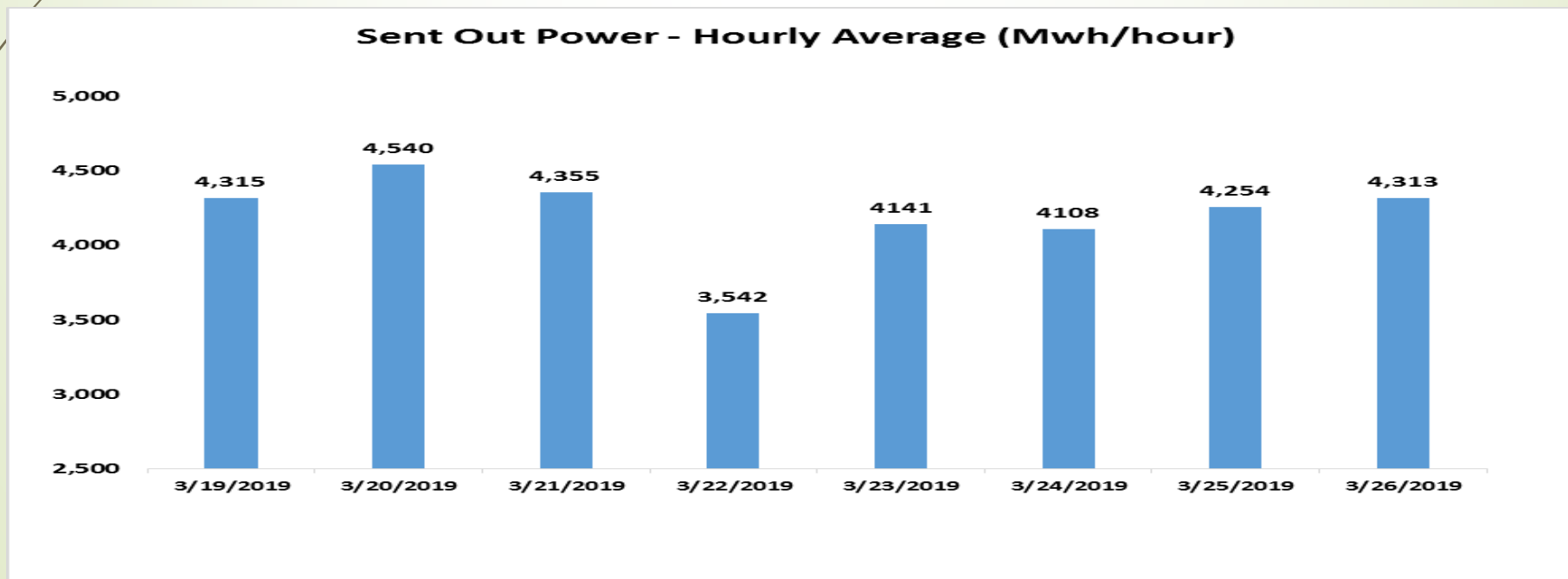
- Retail diesel price flat at N245/litre
- Diaspora flows threatened (Brexit saga)

Power Sector

March 27th





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

- Average power output: 4,458MW/h (up by 145MW/h)
- Gas constraint stood at 2,103MWh/h, line constraint at 867.5MWh/h, while water constraint was 150MWh/hr
- Naira equivalent of power loss: N1.56billion (annualized at N569.40billion)






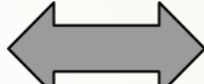










Domestic Commodities Price Movement

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)		N2,850	N2,850	↔	N1,800	N3,500
New Yam (medium size)		N800	N800	↔	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 	N6,250	N6,150		N6,150	N16,000
Rice (50kg) 	N14,000	N14,000		N13,000	N22,000
Flour (50kg) 	N11,000	N11,000		N8,500	N11,100
Beans (Oloyin)(50kg) 	N24,000	N18,000		N12,000	N34,000
Cement (50kg) 	N2,550	N2,550		N1,400	N2,700
Tomatoes (50kg) 	N6,000	N7,000		N6,000	N20,000
Pepper (bag) 	N6,000	N7,000		N5,000	N15,000

- Mixed movement in domestic commodity 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 - TIMBER



- **Total global production:** 2.05bn cubic metres (Approx. \$247bn)

- **World's top producers:**  U.S.,  China,  Canada

- **World's top consumers**  U.S.,  China

- Improved global awareness for increased tree planting to minimize green house gases

- A tree is estimated to absorb about 1 tonne of CO2 gas over a life time

- **Uses:** furniture, doors, roofs, charcoal, direct energy for cooking

- The use of wooden floors is growing in popularity



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Timber Production in Nigeria



- **Nigeria's timber output:** 12.1mn cubic metres - 0.49% of global output
- **Major producing states:** Cross River, Edo, Ogun, Ondo, Taraba, Plateau
- Nigeria has the second highest rate of deforestation in the world
- The country has lost 57% of its forests
- There is also a high level of aridity
- Forest cover in Nigeria is now below 6%, less than the UN's recommendation of 26%

Deforestation league table

Country	Biggest decrease in forest area (1990-2015) (%)
Togo	69.7
Nigeria	57
Uganda	53.4
Mauritania	45.1
Honduras	42.1
Niger	42.6



Timber Production in Nigeria



















- Nigeria once had the world's largest sawmill in Sapele—African Timber and Plywood (UAC).
- The price of a ¼ inch of plywood ranges from \$6 to \$42
- Major furnishing companies in Nigeria include Alibert Furniture & Ausken International

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Stock Market

- NSE ASI  0.01% to 30,833.50pts on March 28th
- Consumer goods sub index:  0.08% at 695.28pts

	Share Prices (₦)	Daily % Change (March 27 th – 28 th)	YTD (% Change)
Nestle	1,497.90	 -	 4.16
Honeywell	1.20	 -	 10.86
Flour Mills	18.00	 -	 22.75
Cadbury	10.90	 2.68	 26.3
Dangote Sugar	14.20	 -	 8.85
Unilever	39.00	 -	 5.89
Ikeja Hotels	1.71	 -	 22.22
Newrest ASL	7.05	 -	 10.76

Oil Markets Today

COMMODITY	DAILY CHANGE March 27 th – 28 th	YTD	CURRENT PRICE
BRENT	↓ 1.08%	↑ 23.94%	\$67.10pb
WTI	↓ 0.24%	↑ 29.42%	\$59.19pb
NATURAL GAS	↓ 0.92%	↓ 17%	\$2.74MBtu

Oil Prices

- Brent crude down 1.08% to \$67.10pb
- Driven by a surprise build-up in US crude inventories
- US crude inventories rose by 2.8 million barrels last week
- Further disruptions in Venezuela's oil exports moderated losses



Agricultural Commodities

Wheat



• Wheat prices down by 0.11% to \$4.46/bushel

• In spite of signs of improved demand for North American wheat

Corn



• Corn prices fell by 0.46% to \$3.69/bushel

• Due to higher corn production from the Philippines

Cocoa



• Cocoa prices up by 0.95% to \$2,237/MT

• Due to weak Asian cocoa output

Sugar



• Sugar prices up 0.88% to 0.1259/pound

• On the back of lower sugar production in Brazil

OUTLOOK – Oil Prices



- Brent to remain within the range of \$66-69pb
- On optimism that OPEC would extend its output cut at the bi-annual meeting in June

OUTLOOK – Agricultural Prices

GRAINS

- USDA report on demand outlook for 2019/20 season expected to influence the direction of grain prices

SOFTS

Sugar

- Strong sugar exports from major South American producers likely to push prices down

Cocoa

- Expectations of a bumper harvest from Ivory Coast likely to depress prices