

Burning Economic Issues

- PMI for April up marginally to 57.7 points
- Q3'18 unemployment shows huge disparity between states
- LNG price crashes by 12% Ytd (\$2.59MBtu)
- Brent slips close to \$70pb (\$71.84pb)
- Power supply below 4,000MWh/h

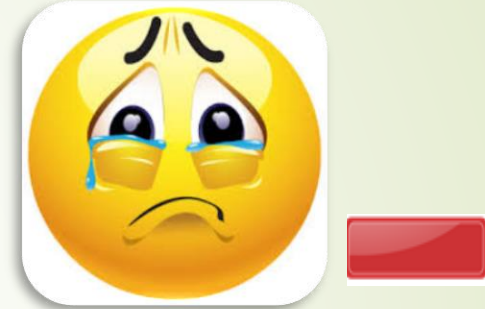
Impact

The Goodies



- Lower unemployment rate in:
 - Non-oil producing region and States (South West, Osun and Oyo)

The Downers



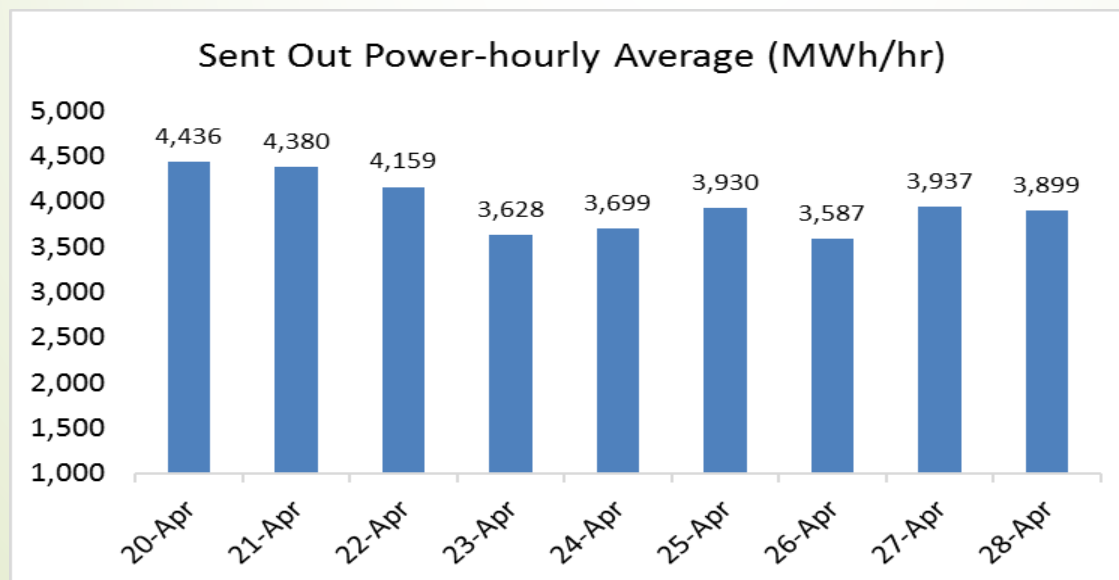
- Marginal increase in PMI points to a flat Q2 GDP growth
- LNG down to 12% ytd
 - Huge impact on export revenues in 2019 (approximately \$7bn)

Power Sector

April 28th








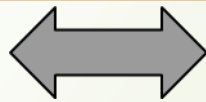
- Average power output: 3,899MW/h (down by 38MW/h)
- Gas constraint stood at 2,509 MWh/h, frequency constraint was 662.4MWh/h and water constraint 150MWh/h
 - Major gas constraints at Egbin Power plant (440MW) & Olorunsogo NIPP (379.5mw)
- Naira equivalent of power loss: N1.66billion (annualized at N605.9billion)

State	Temperature(noon-time)
Abuja	31°C
Kano	36°C
Lagos	31°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)		N9,000	N9,500		N6,000	N25,000
Semovita (10kg)		N3,000	N2,850		N1,800	N3,500
Old Yam (medium size)		N900	N800		N400	N1,900
Sugar (50kg)		N14,900	N14,900		N8,000	N20,000

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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	N6,250	↔	N6,150	N16,000
Rice (50kg) 	N17,000	N14,000	↑	N13,000	N22,000
Flour (50kg) 	N11,000	N11,000	↔	N8,500	N11,100
Beans (Oloyin)(50kg) 	N18,000	N24,000	↓	N12,000	N34,000
Cement (50kg) 	N2,550	N2,550	↔	N1,400	N2,700
Tomatoes (50kg) 	N13,000	N6,000	↑	N6,000	N20,000
Pepper (bag) 	N7,000	N6,000	↑	N5,000	N15,000

- Commencement of planting season weighs on 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 - Rice

- A globally consumed staple



- Total global production (2018/2019): Estimated at 493.8mn tonnes (\$200.48bn)

- Production was flat compared to 2017/2018

- Mainly produced and consumed in Asia

- World's top producers: China, India, Indonesia

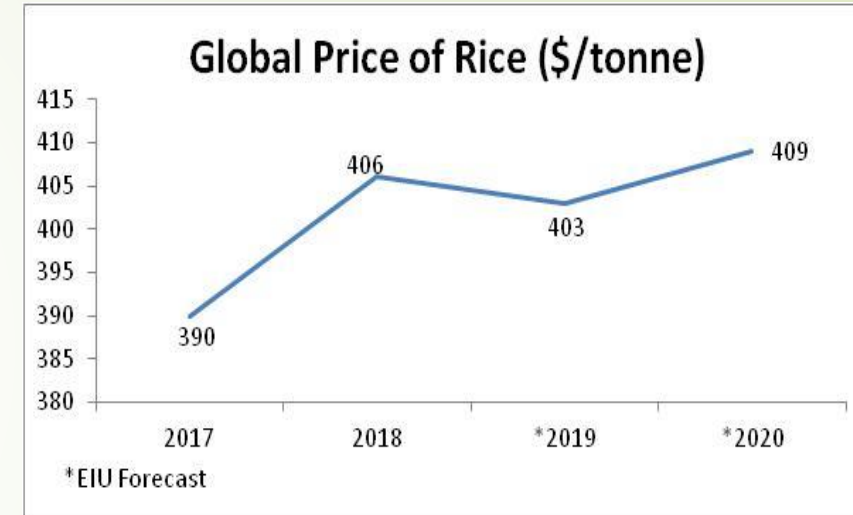
- World's top consumers: China, India, Indonesia



- Uses (food): boiled, rice cake, rice flour, tuwo shinkafa, livestock feed

- Uses (non-food): laundry starch

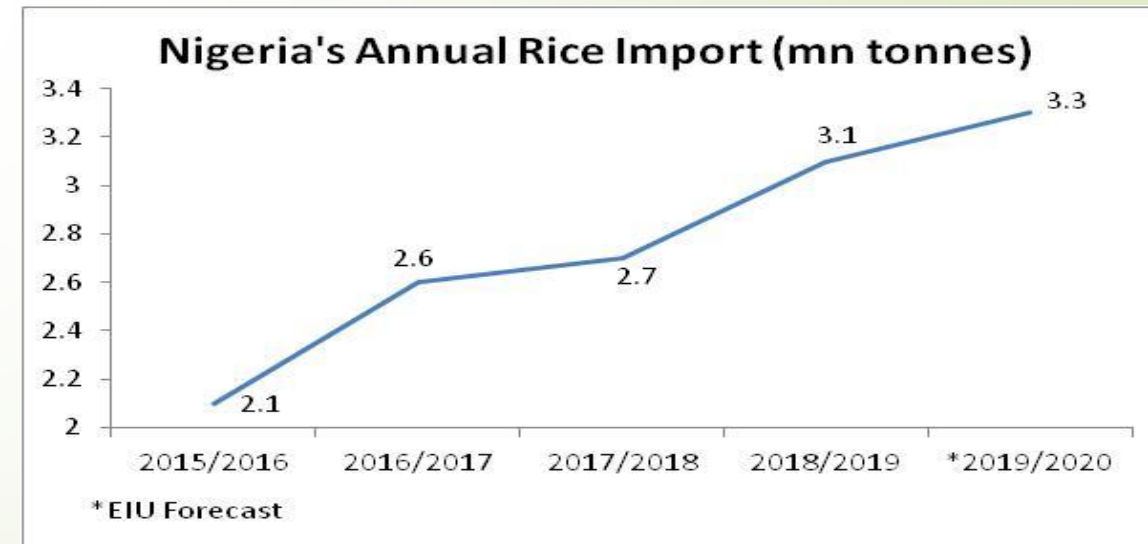
- Global price of rice was up 4% to \$406/tonne in 2018, projected to slide 0.7% in 2019



Source: EIU, FDC Think Tank

Rice Production in Nigeria

















- **Output:** Estimated at 6.3mn tonnes or 1.3% of global production (\$2.56bn)
- Nigeria is the second largest importer of rice in the world (3.1mn tonnes)
- Nigeria is the largest producer of rice in Africa
- **Major producing states:** Ebonyi, Cross River, Benue, Enugu, Kebbi, Niger
- **Production potential:** 12mn tonnes
- The domestic price of rice has been flat in the last month
 - ❖ Caprice: N14,000/50kg bag
 - ❖ Ofada: N3,500-N4,000/5kg bag
 - ❖ Basmati (TRS): N6,500/5kg bag



Source: EIU, FDC Think Tank

Stock Market

- NSE ASI  1.22% to 29,159.74pts on April 30th
- Consumer goods sub index:  0.67% to 670.18pts

	Share Prices (₦)	Daily % Change (April 29 th – 30 th)	YTD (% Change)
Nestle	1,520	 1.94	 2.36
Honeywell	1.11	 -	 13.28
Flour Mills	16.25	 0.31	 29.65
Cadbury	11.8	 -	 18
Dangote Sugar	13.9	 0.71	 8.85
Unilever	31	 -	 16.22
Ikeja Hotels	1.75	 -	 14.38
Newrest ASL	6.85	 -	 13.29



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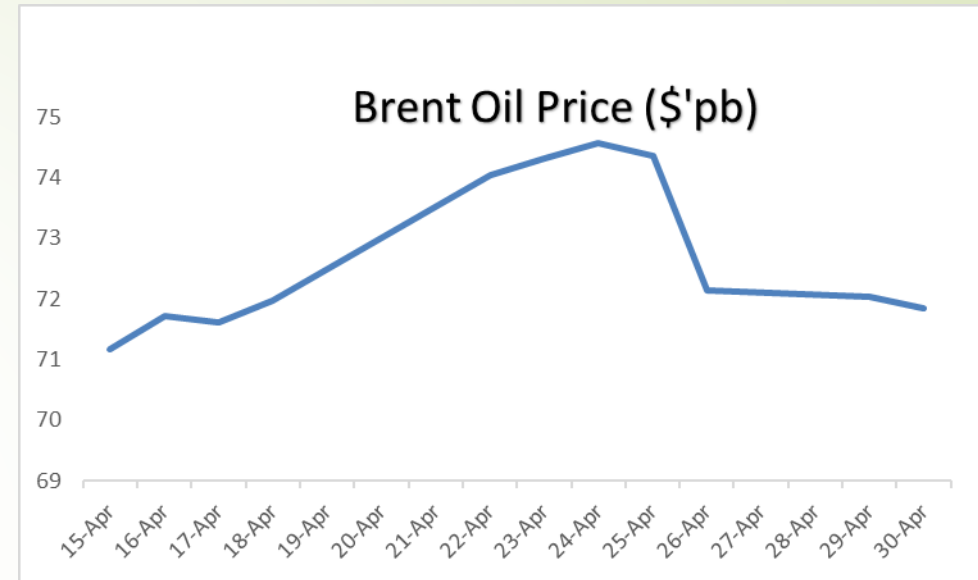


Oil Markets Today

COMMODITY	DAILY CHANGE April 29 th – 30 th	YTD	CURRENT PRICE
BRENT	↓ 0.28%	↑ 33.53%	\$71.84pb
WTI	↓ 0.17%	↑ 39.59%	\$63.39pb
NATURAL GAS	↓ 0.15%	↓ 11.90%	\$2.59MBtu

Oil Prices

- Brent crude down 0.28% to \$71.84pb
- As US urges increased OPEC output
 - To soften the impact of US sanctions on Iran



Agricultural Commodities

Wheat



- Wheat prices up 1.11% to \$4.45/bushel
- Despite robust global supply

Corn



- Corn prices increased by 0.45% to \$3.65/bushel
- Due to planting delays in the US

Cocoa



- Cocoa prices rose by 2.19% to \$2,335/MT
- On strong global demand

Sugar



- Sugar prices down by 0.32% to 0.1265/pound
- Despite expectations of lower production by India

OUTLOOK – Oil Prices (2 weeks)



- We expect Saudi Arabia to maintain its production level
 - Despite US removal of waivers on Iranian crude (China and India)
- Brent to trade within the range of \$72-\$74pb in the short term

OUTLOOK – Agricultural Prices

GRAINS Price of wheat to reverse trend due to ample global supply



SOFTS Sugar

- Prices to continue its downward trend due to higher global stockpiles

Cocoa

- Production constraints in Ghana to drive prices up in the near term