



Burning Economic Issues



- June PMI down 0.69% to 57.4pts - CBN
- Brent up 8.07% in the last two weeks (\$66.26pb)
- External reserves down 0.07% in 7 days (\$45.08bn)
- On-grid power output falls below 4,000MWh/hour
- Naira appreciates to N361/\$ (parallel market)



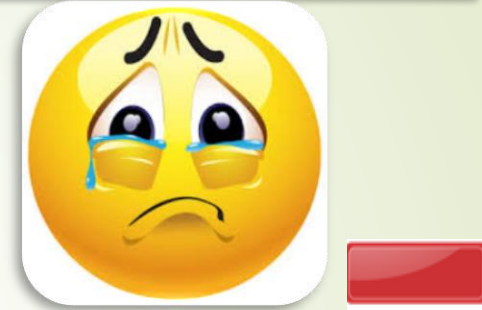
Impact

The Goodies



- Oil price above the \$65pb (\$66.26pb)
- Could serve as a turning point for external reserves
- Down 0.07% in the last week

The Downers



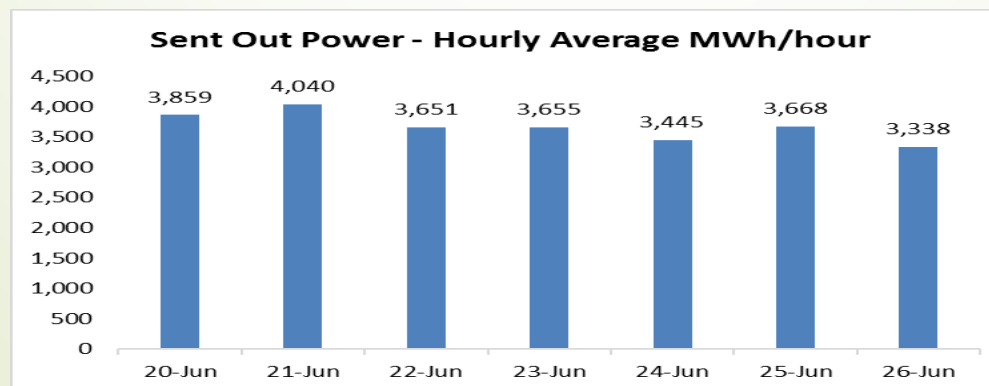
- Unemployment data not disclosed as scheduled
- Declining PMI an indication of slow Q2 GDP

Power Sector

June 26th





| State | Temperature(noon-time) |
|-------|------------------------|
| Abuja | 28°C |
| Kano | 33°C |
| Lagos | 27°C |

- Average power output: 3,338 MW/h (down by 330.18MW/h)
- Stations with the lowest output: Egbin ST6 (10.35MW/h), Okpai (15.31MW/h), Trans Amadi (38.05MW/h)
- Gas constraint stood at 1,826.5MWh/h, Grid constraint was 2,117.5MWh/h. There was no water constraint.
- Naira equivalent of power loss: N1.89billion (annualized at N689.85billion)



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 | N9,000 | ↔ | N6,000 | N25,000 |
| Semovita (10kg) |  | N3,000 | N3,000 | ↔ | N1,800 | N3,500 |
| Old Yam (medium size) |  | N1,300 | N1,200 | ↑ | 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 | N6,500 |  | N6,150 | N16,000 |
| Rice (50kg)  | N16,000 | N15,000 |  | N13,000 | N22,000 |
| Flour (50kg)  | N11,500 | N11,000 |  | N8,500 | N11,500 |
| Beans (Oloyin)(50kg)  | N17,000 | N19,000 |  | N12,000 | N34,000 |
| Cement (50kg)  | N2,550 | N2,550 |  | N1,400 | N2,700 |
| Tomatoes (50kg)  | N20,000 | N18,000 |  | N6,000 | N20,000 |
| Pepper (bag)  | N8,500 | N8,000 |  | N5,000 | N15,000 |

- Most commodity prices increased due to impact of planting season















Consumer Goods – Current price

| Goods | Street price | Supermarket price | % difference |
|----------------------|--------------|-------------------|--------------|
| Pepsi (50cl) | N100 | N100 | 0% |
| Heineken beer (60cl) | N300 | N330 | -10.00% |
| Bread Loaf | N350 | N400 | -12.5% |
| Indomie (1 carton) | N2,000 | N2,300 | -15.0% |
| Gala (big size) | N100 | N100 | 0% |

Domestic food prices remain flat

Stock Market

- NSE ASI  0.20% to 29,609.00pts on June 26th
- Consumer goods sub index:  0.35% at 607.16pts

| | Share Prices (₦) | Daily % Change (June 25 th – 26 th) | YTD (% Change) |
|---------------|---------------------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Nestle | 1,350 |  3.52 |  9.09 |
| Honeywell | 1.03 |  - |  19.53 |
| Flour Mills | 14.00 |  - |  39.39 |
| Cadbury | 10.25 |  6.39 |  2.50 |
| Dangote Sugar | 11.35 |  - |  25.57 |
| Unilever | 32 |  - |  13.51 |
| Ikeja Hotels | 1.30 |  - |  15.03 |

Oil Markets Today

| COMMODITY | DAILY CHANGE June 26 th – 27 th | YTD | CURRENT PRICE |
|-------------|----------------------------------------------------------|----------|---------------|
| BRENT | ↓ 0.35% | ↑ 23.16% | \$66.26pb |
| WTI | ↓ 0.40% | ↑ 30.24% | \$59.14pb |
| NATURAL GAS | ↓ 0.74% | ↓ 22.11% | \$2.29MBtu |



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Oil Prices

- Brent down by 0.35% to \$66.26pb
- Despite reports of lower US crude supplies in the week ending June 21
 - *API*: Down by 7.5 million barrels
 - *EIA*: down by 12.8 million barrels



Agricultural Commodities

Wheat



• Wheat prices down 0.32% to \$538.25/bushel

• Owing to robust global supply

Corn



• Corn prices declined by 0.49% to \$455.25/bushel

• Due to improved US weather conditions

Cocoa



• Cocoa prices down 0.92% to \$2,464/MT

• Driven by robust global supply

Sugar



• Sugar prices increased by 0.8% to 12.57/pound

• Owing to weather concerns in India

OUTLOOK – Oil Prices (In the next one week)



- Projected price range: \$65-\$66pb
- Possible outcomes from OPEC's meeting next week:
 - Increase production cuts: oil price could jump to \$70pb
 - Extend production cuts: resulting in higher oil prices
 - Increase global supply: could depress prices

OUTLOOK – Agricultural Prices

GRAINS

- Unfavourable weather conditions in the US could support grain prices in the near term

SOFTS

Sugar

- Unfavourable weather conditions in India would increase global price of sugar

Cocoa

- Threat of lower output from Ivory Coast and Ghana could push prices up