



Burning Economic Issues



- 90% of tariffs to go by 2022 (AfCFTA)
- Rig count flat at 14 (5th consecutive month)
- Brent up 0.41% to \$64.27pb
- External reserves up 0.09% to \$45.15billion
- Naira flat at N361/\$ at the parallel market



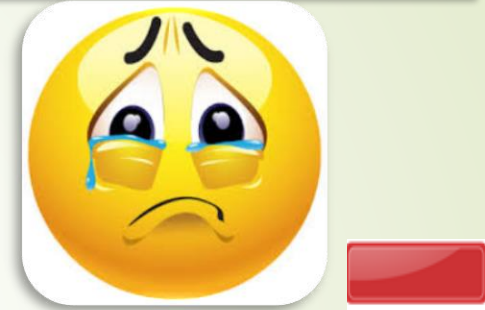
Impact

The Goodies



- AfCFTA to boost trade, output and employment (Nigeria, South Africa and Ethiopia)

The Downers



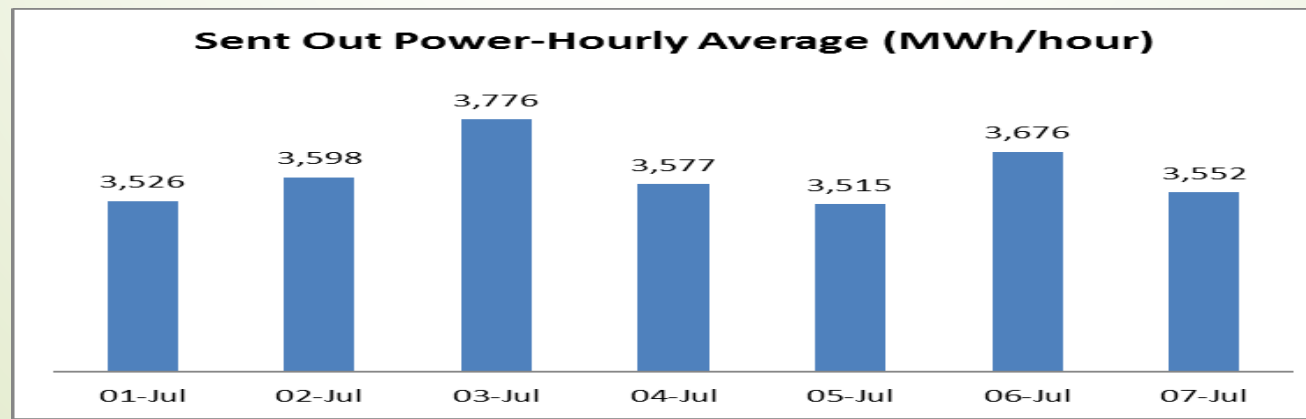
- Rig count at 14 (flat for 5 months)
- Power output at 3,552 MW/h
- Naira flat at N361/\$ at the parallel market

Power Sector

July 07th





State	Temperature(noon-time)
Abuja	23°C
Kano	22°C
Lagos	27°C

- Average power output: 3,552 MWh/h (down by 124MWh/h)
- Stations with the lowest output: Sapele (20.8MWh/h), Afam IV-V (49.42W/h), Odukpani NIPP (54.63MWh/h)
- Gas constraint stood at 2,018MWh/h, Grid constraint was 1,969MWh/h. Water constraint was 145MWh/h.
- Naira equivalent of power loss: N2.30billion (annualized at N839.5billion)



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

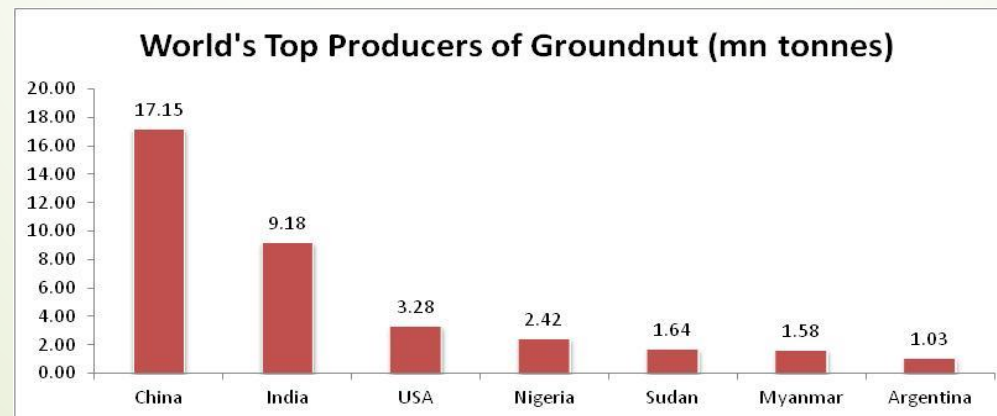
- Most commodity prices increased due to impact of planting season

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%

Commodity in Focus - Peanuts (Groundnut)

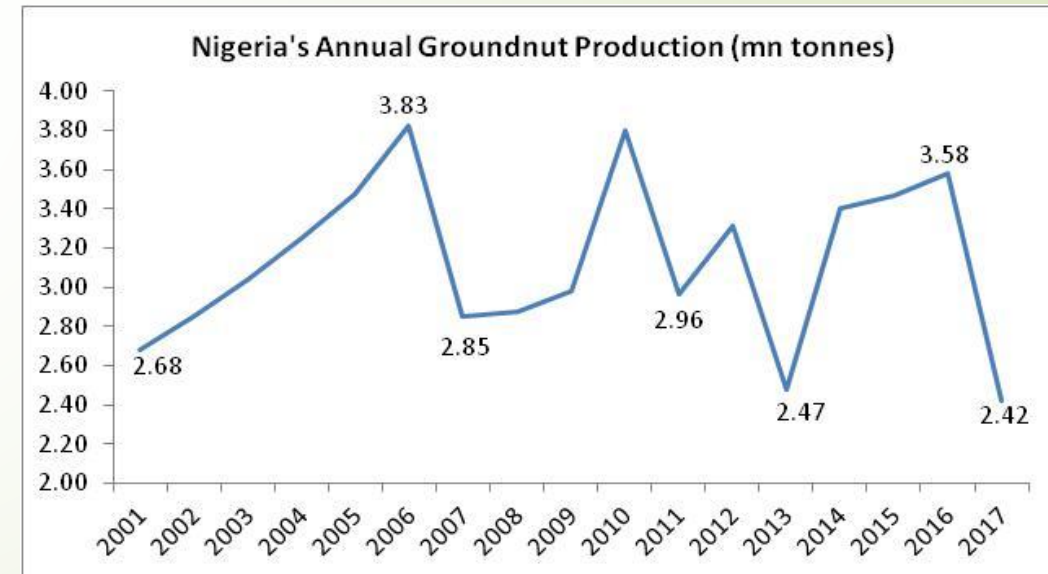
- Planting/harvesting lag: Approx. 5 months
- Total global production: 47.1mn tonnes (\$64.67bn)
- World's top producers: China, India, U.S
- World's top consumers: China, India, EU
- Uses: roasted, boiled, groundnut oil, chocolates, groundnut cake, groundnut soup
- Roasted groundnut and groundnut cake (kuli-kuli) jointly consumed with garri
- Groundnut oil is the most widely consumed vegetable oil



Source: FAOSTAT, FDC Think Tank


Peanuts (Groundnut) Production in Nigeria















- Total production (2017): 2.42mn tonnes (\$3.32bn), 5.14% of global
- Rank: Global- 4th, SSA- 1st
- Nigeria's peanut production fell sharply by 32.4% to 2.42mn in 2017
- Mainly due to insecurity in the production region
- Major producing states: Kano, Kaduna, Taraba, Bauchi
- Potential output: Approx. 7mn tonnes
- Mainly used by household and companies
- Substitutes for soybean oil and corn oil



Source: FAOSTAT, FDC Think Tank

Stock Market

- NSE ASI  0.06% to 29,287.87pts on July 8th
- Consumer goods sub index:  0.20% at 605.91pts

	Share Prices (₦)	Daily % Change (July 05 th –08 th)	YTD (% Change)
Nestle	1,345	 -	 9.43
Honeywell	1.03	 -	 19.53
Flour Mills	16.5	 10.00	 28.57
Cadbury	11.45	 4.09	 14.5
Dangote Sugar	11.50	 -	 24.59
Unilever	32	 -	 13.51
Ikeja Hotels	1.43	 -	 6.54



4 Years
45 Warehouses
13 States



100,000 Farmers
40,000 Youth & Women



100,000 MT
Grains & Seeds



\$30M Traded
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Oil Markets Today

COMMODITY	DAILY CHANGE July 08 th – 09 th	YTD	CURRENT PRICE
BRENT	↑ 0.41%	↑ 19.46%	\$64.27pb
WTI	↓ 0.31%	↑ 26.58%	\$57.48pb
NATURAL GAS	↓ 0.29%	↓ 18.37%	\$2.40MBtu

Oil Prices

- Brent up by 0.41% to \$64.27pb
- Driven by:
 - OPEC's output cut extension till March 2020
 - EIA's report of a weekly decline of 1.1 million barrels of US crude stocks



Agricultural Commodities

Wheat



• Wheat prices up 0.15% to \$515.75/bushel

• As a result of a tight supply in Ukraine

Corn



• Corn prices rose by 0.85% to \$446/bushel

• Despite strong US supply

Cocoa



• Cocoa prices increased by 1.23% to \$2,463/MT

• In spite of high global supply

Sugar



• Sugar prices inched up to \$12.47/pound

• Due to adverse weather conditions in India

OUTLOOK – Oil Prices



- Brent likely to trade between \$65pb-\$67pb
- On OPEC's output cut extension and geo-political tensions
- However, concerns about a weak outlook for global oil demand could put pressure on prices

OUTLOOK – Agricultural Prices

GRAINS

- Robust harvest in the US and Russia is expected to push down prices in coming weeks

SOFTS

Sugar

- Prices to decline in the near term due to expectations of a 14% decline in India's sugar output

Cocoa

- Unfavorable weather conditions in Ivory Coast and Ghana could lead to higher prices