



Burning Economic Issues



- Chinese currency falls below ¥7/\$
- Pound crashes to a 30-month low of \$1.21/£
- New tariffs on Chinese goods set for September 1st
- Oil price falls close to \$60pb
- External reserves falls to \$44.85bn
- On-grid power output at a low of 3,321MW/h



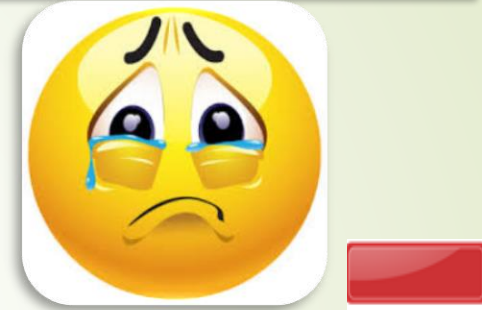
Impact

The Goodies



- Naira appreciates temporarily to N359/\$ at the parallel market
- Chinese currency falls sharply
 - Accounts for 26% of Nigeria's imports

The Downers



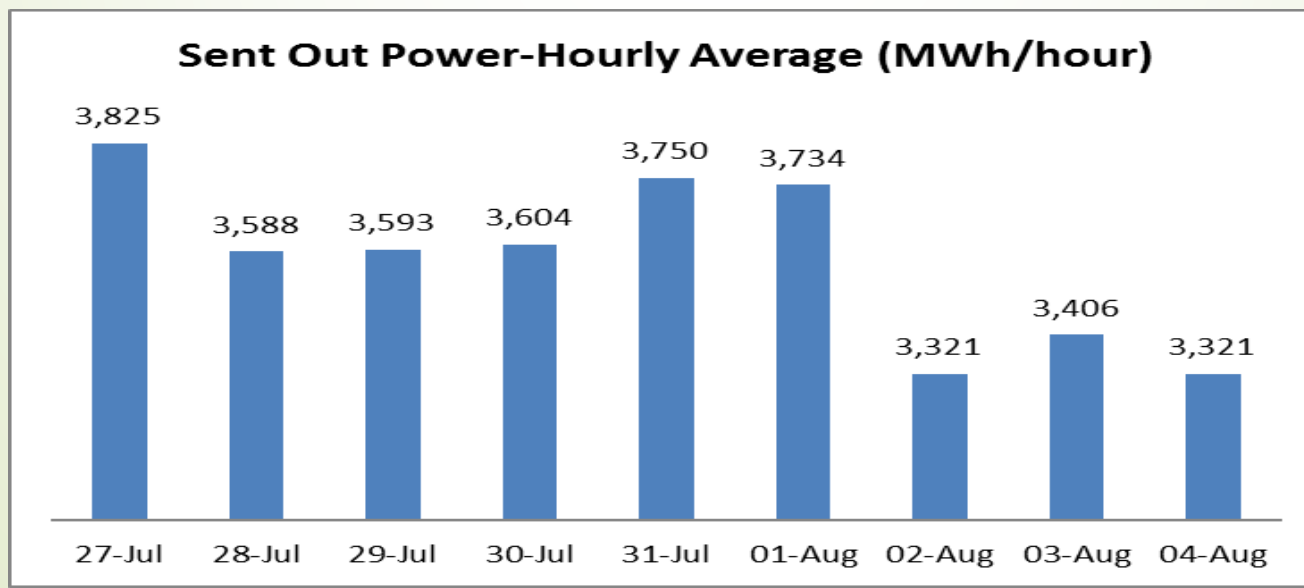
- Brent loses 7% in three trading days (\$60.45pb)
- LNG down by 28.91% ytd
- Power supply below 4,000MW/h for over one month
- Weak pound is bad for diaspora remittances

Power Sector

August 4th





State	Temperature(noon-time)
Abuja	22°C
Kano	23°C
Lagos	24°C

- Average power output: 3,321 MWh/h (down by 85MWh/h)
- Stations with the highest output: Egbin (332.09MWh/hour), Delta (326.9MWh/hr) and Shiroro (282.84MWh/hr).
- Gas constraints stood at 1,455MWh/h, Grid constraint was 2,603.7MWh/h
- Naira equivalent of power loss: N2.00billion (annualized at N730billion)










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
New Yam (medium size)		N1,000	N1,200	↓	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	N6,250	↔	N6,150	N16,000
Rice (50kg) 	N16,000	N16,000	↔	N13,000	N22,000
Flour (50kg) 	N11,200	N11,200	↔	N8,500	N11,500
Beans (Oloyin)(50kg) 	N14,000	N17,000	↓	N12,000	N34,000
Cement (50kg) 	N2,550	N2,550	↔	N1,400	N2,700
Tomatoes (50kg) 	N12,000	N20,000	↓	N6,000	N20,000
Pepper (bag) 	N8,000	N8,500	↓	N5,000	N15,000

- Most commodity prices declined due to harvest season

WIN BIG!

IN THE
DANGOTE

BAG OF GOODIES

CONSUMER PROMO



43
GAC SALOON CARS
TO BE WON

OVER
21 Million
POSSIBLE
WINNERS

42.5R
CASH PRIZE PER YEAR
SCRATCH CARD 50-1kg

OVER
₱200M
CASH PRIZE

OVER
300,000
FOODIE PACKS

550
REFRIGERATORS

24
MOTOR BIKES

24
TRICYCLES

400
TELEVISIONS

HOW TO WIN

- Buy any promotional bag of Dangote cement.
- Pick out the scratch card inserted.
- Scratch and stand a chance of winning any of the following items that is revealed on the card
- Saloon Car (star prize), Motorcycles, Tricycles, TV Sets, Fridge, Dangote pack of goodies and Airtime (across all mobile networks)
- Redemption of the gift items will be at our Depots, Regional Offices and specially selected Customer Outlets in areas that are distant from our depot and offices.

Promo runs from July 1st - Sept 30th, 2019



*TERMS AND CONDITIONS APPLY
*ALL DANGOTE STAFF, FAMILIES, THIRD PARTY AGENTS AND THEIR STAFF ARE EXEMPTED FROM THIS PROMO
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Approved by National Lottery Regulatory Commission (NLRC) Approved by the Consumer Protection Council

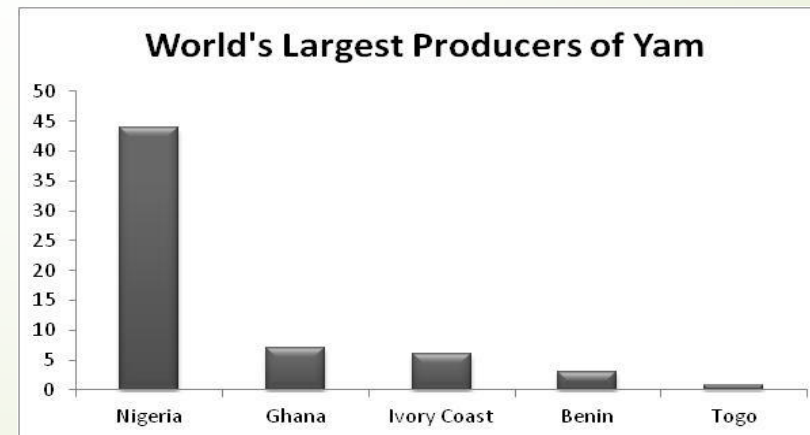


Consumer Goods – Current price

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 - Yams

- Planting to harvesting lag: 3 to 4 months
- Total global production : Estimated at 66mn tonnes (\$46.2bn)
- Mostly produced in West Africa
- World's top producers: Nigeria, Ghana, Ivory Coast
- World's top consumers: Nigeria, Ghana
- Uses: ceremonies, boiled, yam porridge, fried, roasted, pounded, yam flour (*elubo*), pouno yam



















Source: FAOSTAT, FDC Think Tank

Yam Production in Nigeria

- Total production : 44mn tonnes (\$30.8bn)
- 66.7% of global output
- Rank: Global-1st
- Potential output: 80mn – 100mn tonnes
- Large scale production is feasible in almost all states of the federation
- Top producing states: Benue, Cross River, Delta, Taraba, Nassarawa, Ebonyi, Anambra
- Threats to local production: pastoral conflicts, terrorism
- Constraints to export: Congestion at the port, inadequate storage facilities, infestation
- A medium sized yam tuber currently costs N1,300 in Nigeria (1 year high = N1,900)

Stock Market

- NSE ASI  0.51% to 27,527.40pts on August 6th
- Consumer goods sub index:  0.12% at 548.14pts

	Share Prices (₦)	Daily % Change (August 5 th –6 th)	YTD (% Change)
Nestle	1,270	 -	 14.48
Honeywell	0.95	 5	 25.78
Flour Mills	15.60	 -	 32.47
Cadbury	10.30	 9.65	 3
Dangote Sugar	9.80	 -	 35.74
Unilever	32.00	 -	 13.51
Ikeja Hotels	1.46	 -	 4.58

Oil Markets Today

COMMODITY	DAILY CHANGE August 5 th – August 6 th	YTD	CURRENT PRICE
BRENT	↑ 1.07%	↑ 12.36%	\$60.45pb
WTI	↑ 0.56%	↑ 21.67%	\$55.25pb
NATURAL GAS	↑ 0.97%	↓ 28.91%	\$2.09MBtu



4 Years
45 Warehouses
13 States



100,000 Farmers
40,000 Youth & Women



100,000 MT
Grains & Seeds



\$30M Traded
\$5M Input Loans

...building an alternative asset class.



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Oil Prices

- Brent up 1.07% to \$60.45pb
- Despite:
 - Escalated US/China trade war
 - Subdued global economic growth



Agricultural Commodities

Wheat



- Wheat prices down 1.63% to \$482.75/bushel
- Despite reports of a reduction in the US wheat cultivation

Corn



- Corn prices fell by 1.53% to \$403.25/bushel
- In spite of lower corn output in the US

Cocoa



- Cocoa prices slipped by 0.67% to \$2,361.00/mt
- Driven by increased cocoa supplies from Ivory Coast and Ghana

Sugar



- Sugar prices dropped by 0.42% to \$11.97/pound
- As a result of improved weather conditions in India

OUTLOOK – Oil Prices



- Brent likely to trade between \$60pb-\$62pb in the coming days
- China's threat to retaliate if the new tariffs go into effect could push prices downward

OUTLOOK – Agricultural Prices

GRAINS

- Prices to increase in the coming weeks due to lower US wheat supplies

SOFTS

Sugar

- Sugar price is likely to rise due to a forecast of a fall in India's sugar production

Cocoa

- Heavier rainfall in Ivory Coast is projected to increase cocoa supply and depress prices further