

Burning Economic Issues

- President directs CBN to ban forex access for food imports
- Straight war with the US
- Threat of global recession roils global stock markets (-3%)
- July inflation to fall to 10.98%
- External reserves down \$530mn in one month- \$44.62bn
- Brent down 1.32% to \$59.14pb

Spread between IE & Parallel widens to 0.83%



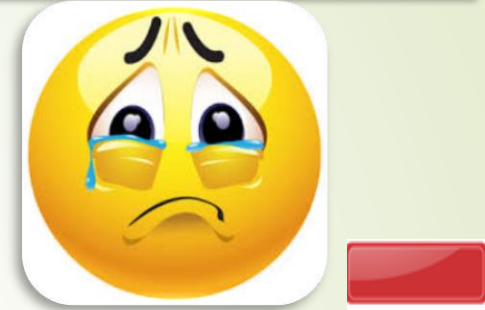
Impact

The Goodies



- Inflation to fall to 10.98%
- Food inflation will drop on higher harvest output

The Downers



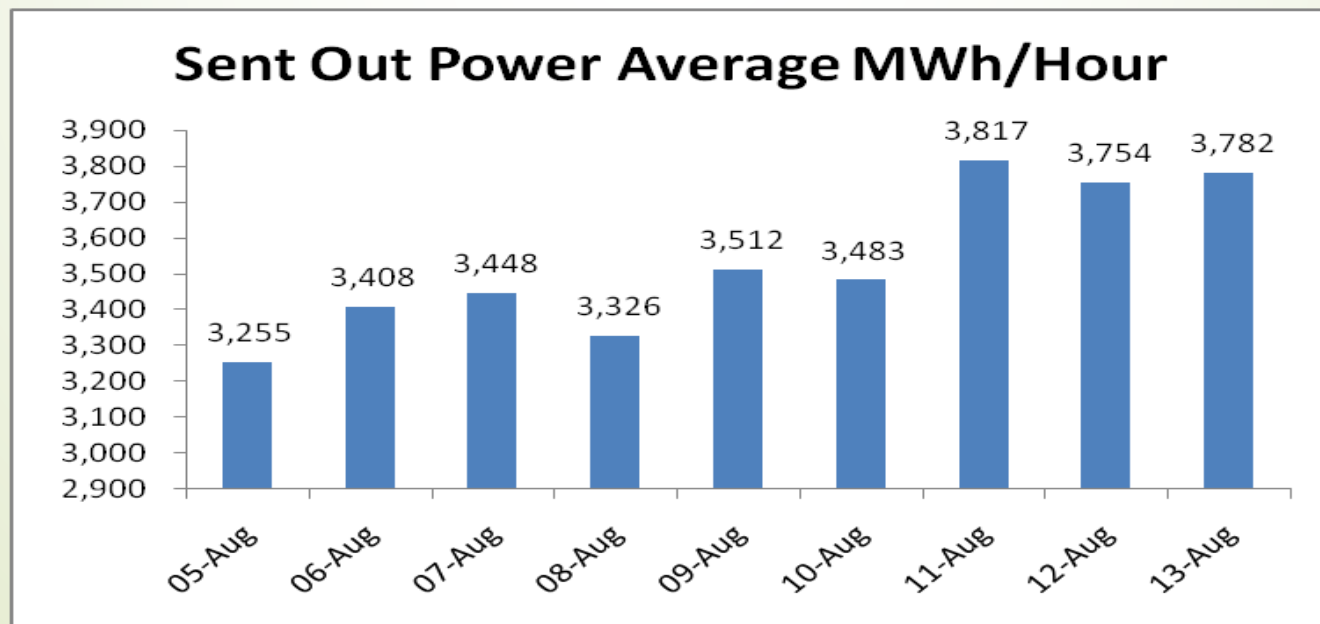
- Global stock markets in free fall (-3%)
- IE rate now more expensive than Parallel market
 - Sentiment of excess naira liquidity
- Food forex ban likely to
 - Increase smuggling
 - Amplify forex demand pressures in the parallel market

Power Sector

August 13th





| State | Temperature(noon-time) |
|-------|------------------------|
| Abuja | 24°C |
| Kano | 30°C |
| Lagos | 28°C |

- Average power output: 3,782 MWh/h (up by 28MWh/h)
- Stations with the highest output: Delta (404MWh/hr), Egbin ST2 – 5 (382.55MWh/hour), and Jebba (302.07MWh/hr).
- Gas constraints stood at 1,405MWh/h, Grid constraint was 2,572MWh/h
- Naira equivalent of power loss: N1.96billion (annualized at N715.40billion)










Domestic Commodities Price Movement

Relatively Elastic Products

| Commodities | | Current Prices | Previous Month Prices | Directional Change | 1-Year Low | 1-Year High |
|-----------------------|--|----------------|-----------------------|--------------------|------------|-------------|
| Palm Oil (25l) |  | 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 50kg 1kg

OVER
₦200M
CASH PRIZE

OVER
300,000
FOOD 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
Customer Care Helpline: 01-460643, 08152093122, 08152093152, 08152093153 and 08152093133
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build with peace of mind

Approved by National Lottery Regulatory Commission (NLRC) Approved by the Consumer Protection Council

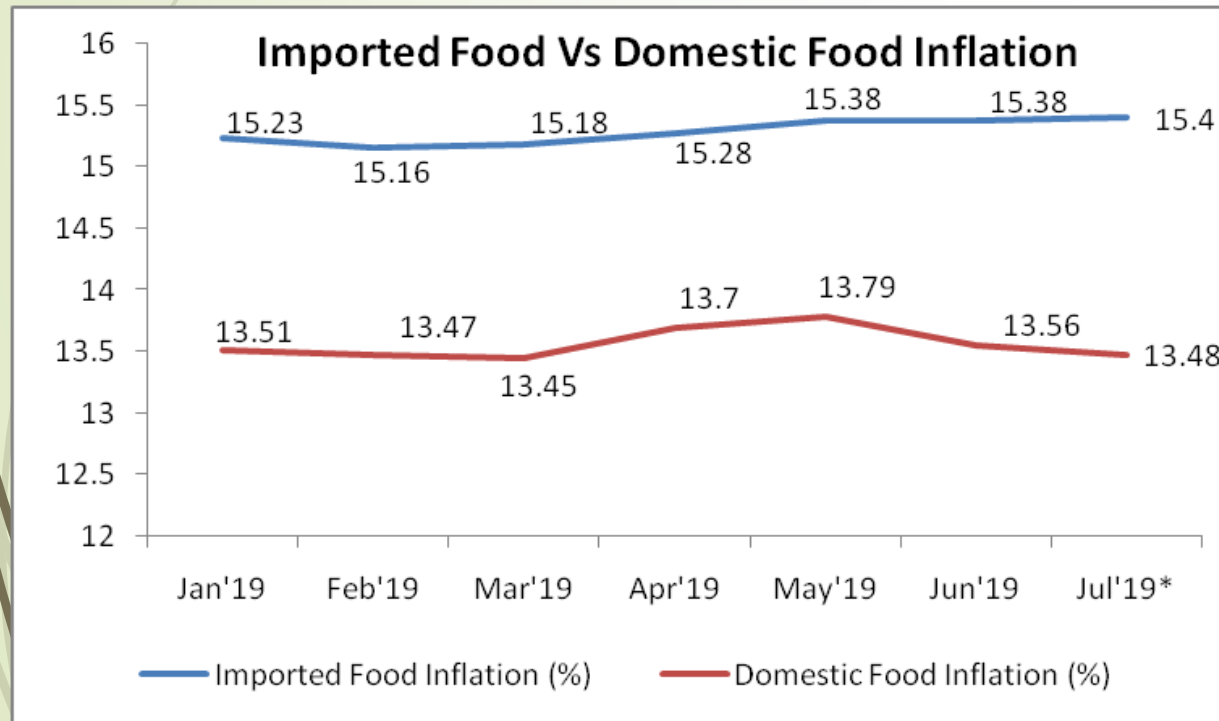


Consumer Goods – Current price

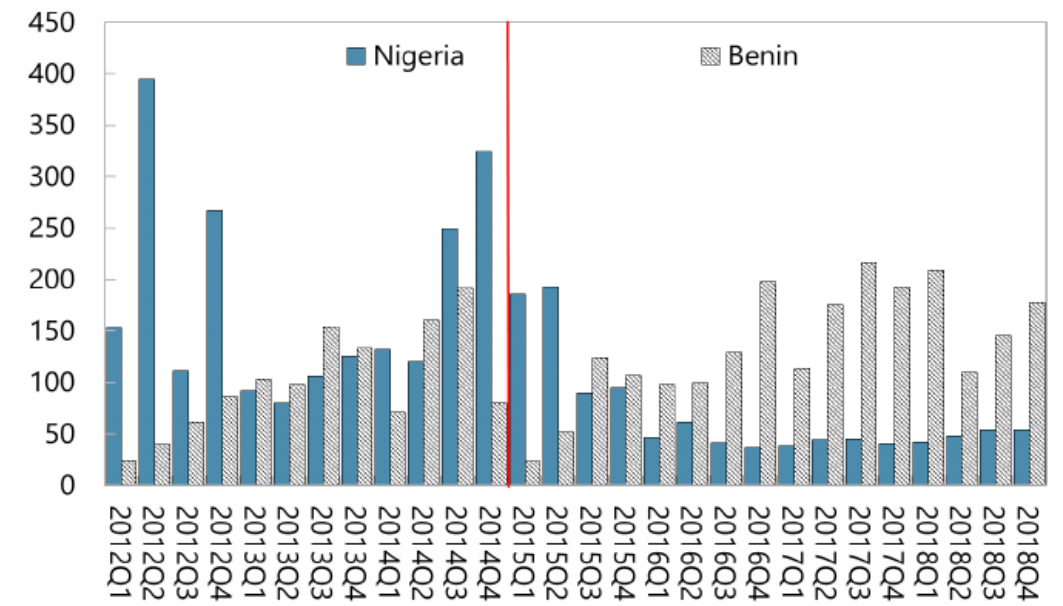
| Goods | Street price | Supermarket price | % difference |
|----------------------|--------------|-------------------|--------------|
| Pepsi (50cl) | N100 | N100 | 0% |
| Heineken beer (60cl) | N300 | N330 | -10.00% |
| Bread Loaf | N350 | N400 | -12.5% |
| Indomie (1 carton) | N2,000 | N2,300 | -15.0%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

Imported Food Inflation Vs. Domestic Food Inflation

- FDC projects a further decline in headline inflation to 10.98% in July
- Lowest level since January 2016
- Food inflation to fall to 13.48%





Imports from Thailand (proxy for Rice)
(FOB, millions of US\$)

















Sources: IMF DOTS







Source: NBS, FDC Think Tank; *July forecast

Stock Market

- NSE ASI  0.82% to 27,083.11pts on August 14th
- Consumer goods sub index:  0.46% at 542.97pts

| | Share Prices (₦) | Daily % Change (August 9 th -14 th) | YTD (% Change) |
|---------------|---------------------|--|---|
| Nestle | 1,270 |  - |  14.48 |
| Honeywell | 0.95 |  - |  25.78 |
| Flour Mills | 14.00 |  8.5 |  39.39 |
| Cadbury | 10.30 |  - |  3 |
| Dangote Sugar | 9.55 |  3.54 |  37.38 |
| Unilever | 32.00 |  - |  13.51 |
| Ikeja Hotels | 1.46 |  - |  4.58 |

Oil Markets Today

| COMMODITY | DAILY CHANGE August 14 th – August 15 th | YTD | CURRENT PRICE |
|-------------|--|--|---------------|
| BRENT |  -1.32% |  9.93% | \$59.14pb |
| WTI |  0.11% |  21.45% | \$55.15pb |
| NATURAL GAS |  0.93% |  26.53% | \$2.16MBtu |



4 Years
45 Warehouses
13 States



100,000 Farmers
40,000 Youth & Women



100,000 MT
Grains & Seeds



\$30M Traded
\$5M Input Loans

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Oil Prices

- Brent down 1.32% to \$59.14pb
- Driven by:
 - Build-up in US crude inventories
 - Weak global economic data



Agricultural Commodities

Wheat



- Wheat prices up 1.52% to \$483.00/bushel
- Driven by forecasts of lower Ukrainian exports

Corn



- Corn prices rose by 1.13% to \$380.75/bushel
- Despite expectations of a larger US harvest

Cocoa



- Cocoa prices slipped by 0.23% to \$2,201.00/mt
- On expectations of a large harvest from Ivory Coast

Sugar



- Sugar prices increased by 0.26% to \$11.75/pound
- Supported by weaker Indian exports

OUTLOOK – Oil Prices



- Brent likely to trade between \$60pb-\$61pb in the coming days
- On further de-escalation of trade tensions

OUTLOOK – Agricultural Prices

GRAINS

- Prices to increase in the coming weeks due to lower exports from Ukraine.

SOFTS

Sugar

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

Cocoa

- Expectations of a good harvest in Ivory Coast will likely depress prices further