



Burning Economic Issues



- Brent at \$59.18pb in choppy trading
- FGN budget deficit climbs to N4.62trn – 3% of GDP
- Fed leaves rate unchanged with a window for further cuts
- External reserves down to 38.14bn – import cover now 9.5 months
- Stock Market slumps 1.76% in 3 days



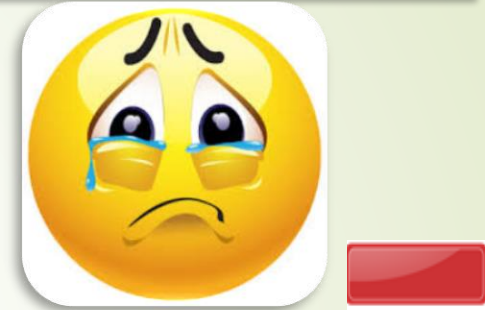
Impact

The Goodies



- Tax collection to increase sharply by 40% with digital electronic compliance efforts

The Downers



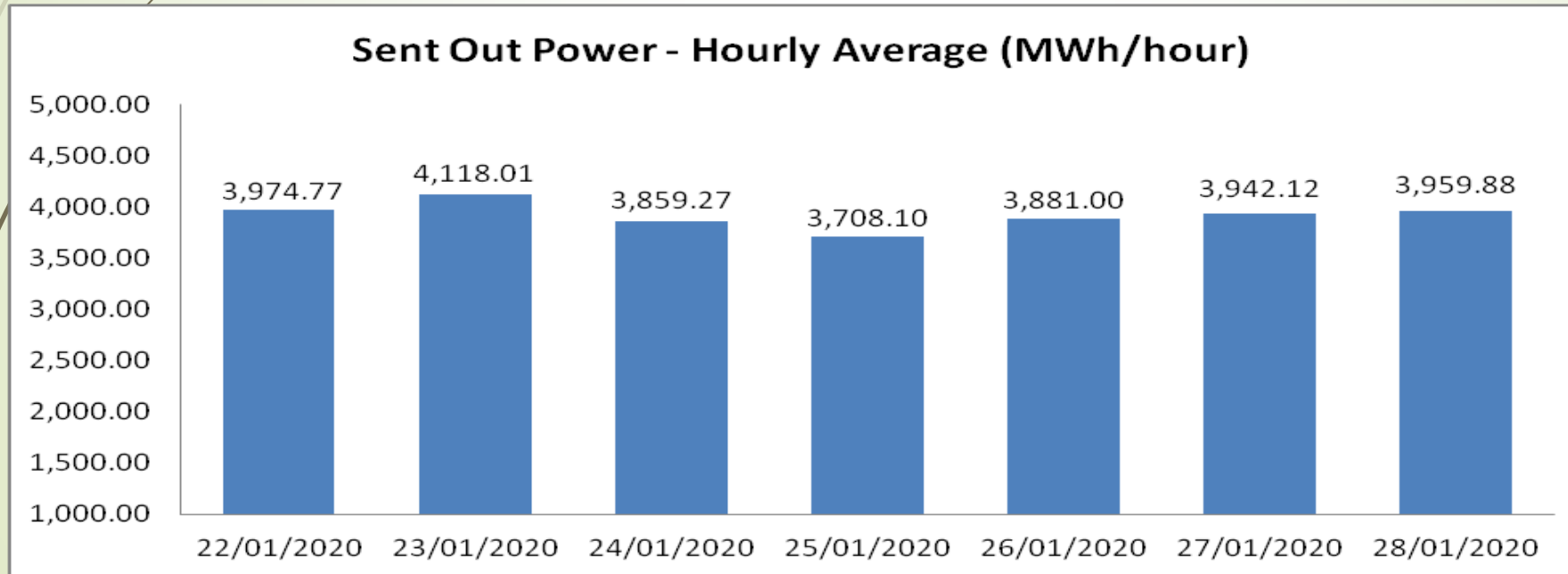
- Naira falls in IEFX window to N363.51/\$
- External reserves lower at \$38.14bn
- Stock market falls 1.76% - after faded rally (dead cat bounce)

Power Sector

January 28th









State	Temperature(noon-time)
Abuja	33 ⁰ C
Kano	35 ⁰ C
Lagos	30 ⁰ C

- Average power output: 3,959.88MWH/hr (up 17.76MWH/hr)
- Gas constraints stood at 3,224MWh/hr, There was no Grid constraint.
Water constraint was 150MWh/hr
- Naira equivalent of power loss: N1.71billion (annualized at N625.86billion)






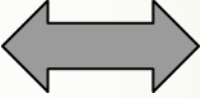



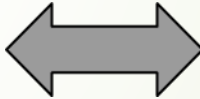



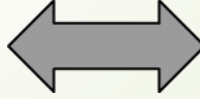


Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N10,000	N9,000		N9,000	N10,000
Semovita (10kg)		N2,900	N2,900		N2,800	N3,000
New Yam (medium size)		N600	N500		N400	N1,900
Sugar (50kg)		N13,500	N13,500		N13,000	N15,000

Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N7,200	N6,900		N6,150	N7,200
Rice (50kg) 	N27,500	N27,500		N14,000	N27,500
Flour (50kg) 	N11,500	N11,500		N10,000	N11,500
Beans (Oloyin)(50kg) 	N15,000	N15,000		N14,000	N25,500
Cement (50kg) 	N2,600	N2,550		N1,600	N2,700
Tomatoes (50kg) 	N10,000	N10,000		N6,000	N20,000
Pepper (bag) 	N6,000	N9,000		N5,000	N15,000



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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Consumer Goods – Current price

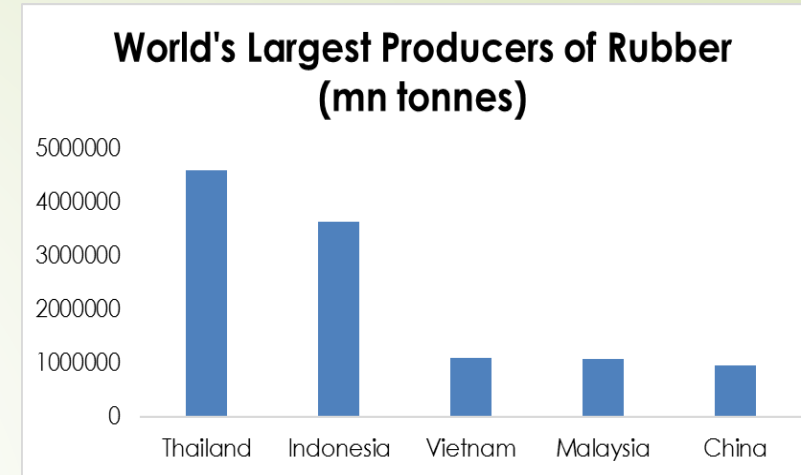
Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
Heineken beer (60cl)	N300	N330	-10.00%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N2,000	N2,300	-15.0%
Gala (big size)	N100	N100	0%

Commodity in Focus - Rubber

- Seedling/maturity lag: 5years
- Life Span: 25 years
- Total annual global production: Estimated at 13.72 million tonnes (\$20.07 billion)
- Global prices down by 14.4% since June 2019 to \$1,463/tonne
- World's top producers: Thailand, Indonesia, Vietnam
- World's top consumers: China (39%), India, European Union, Japan
- Uses: Uncured natural rubber - footwear, cement, insulating blankets, adhesive, and friction tapes
Vulcanized rubber: rubber hoses, shoe soles, tyres, bowling balls, bouncing balls, hockey pucks, toys, erasers, and instrument mouthpieces, foot mats

Rubber Production in Nigeria

- **Total output (2017):** Estimated at 159,264 tonnes (\$234mn)
- 1.12% of global production
- **Potential production:** approximately 300,000 tonnes (\$442mn)
- **Rank in production:** Global- 12th, SSA- 2nd (after Ivory Coast)
- **Major producing regions:** South/South & South/West
- **Listed producers:** DN Tyre & Rubber PLC (formerly Dunlop), Integrated Rubber Products PLC
- **Popular brands:** Bridge, Road Star
- **Tyre brands in Nigeria:** Dunlop, Michelin, Infinity

















Source: FAOSTAT, FDC Think Tank



Stock Market

- NSE ASI  0.91% to 29,110.90pts on January 29th
- Consumer goods sub index:  0.39% at 559.86pts

	Share Prices (₦)		Daily % Change (January 28 th – January 29 th)		YTD (% Change)
Nestle	1,380		-		6.12
Honeywell	1.08		1.82		9.09
Flour Mills	22.35		5.67		13.45
Cadbury	10.75		0.92		1.90
Dangote Sugar	13.80		-		1.47
Unilever	15.00		5.06		31.82
Ikeja Hotels	1.12		-		-

Oil Markets Today

COMMODITY	DAILY CHANGE January 29 th – 30 th	YTD	CURRENT PRICE
BRENT	↓ 1.05%	↓ 10.33%	\$59.18pb
WTI	↓ 1.01%	↓ 13.54%	\$52.79pb
NATURAL GAS	↓ 2.95%	↓ 14.16%	\$1.88Btu

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Oil Prices

- Brent down 1.05% to \$59.18pb
- Driven by:
 - Higher than expected increase in US crude inventories by 3.5 million barrels
 - Rising concerns on the spread of China's coronavirus which threatens demand for oil



Agricultural Commodities

Wheat



- Wheat prices 0.13% lower at \$210.74/tonne
- Driven by the impact of coronavirus outbreak in China

Corn



- Corn prices increased by 0.32% to \$155.1/tonne
- Driven by increased demand for US corn in Mexico and Japan

Cocoa



- Cocoa prices decreased by 1.13% to \$2,703.00/mt
- Supported by increased supply from Ghana

Sugar



- Sugar prices increased by 2.32% to \$14.54/Pound
- Supported by lower than expected export from India

OUTLOOK – Oil Prices



- Brent likely to trade around \$60-\$65pb in the coming days
- Supported by:
 - Impact of coronavirus pandemic on oil demand and global economic activities
 - Expectations of deeper oil supply cut by OPEC to boost prices

OUTLOOK – Agricultural Prices

GRAINS

- Increased export prospects of the US grains to drive prices up in near term

Sugar

SOFTS

- Adverse weather conditions in the US to drive prices in coming weeks

Cocoa

- Concerns over weather conditions in West Africa and increased Asian demand to support prices in the near term