



Burning Economic Issues



- FAAC falls by 9.6% to N647.3bn
- UK inflation at six-month high (now at 1.8%)
- Bankers Committee to partner with FGN on infrastructure deficit financing
- External reserves falls below \$37bn (\$36.85bn)
- Brent up 0.32% to \$59.31pb
- Stock market maintains its 5-day losing streak (52-week return negative at 15.07%)
- Bond auction of N140bn oversubscribed by 284% (yields declined across board)



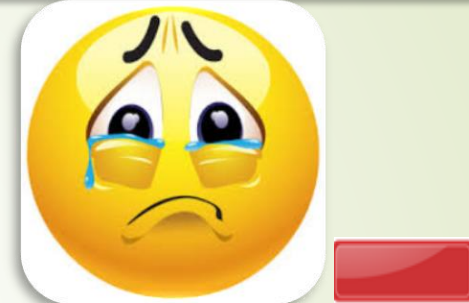
Impact

The Goodies



- FGN committed to bridging infrastructure gap
- Power output still above 4,000MWh/hour

The Downers



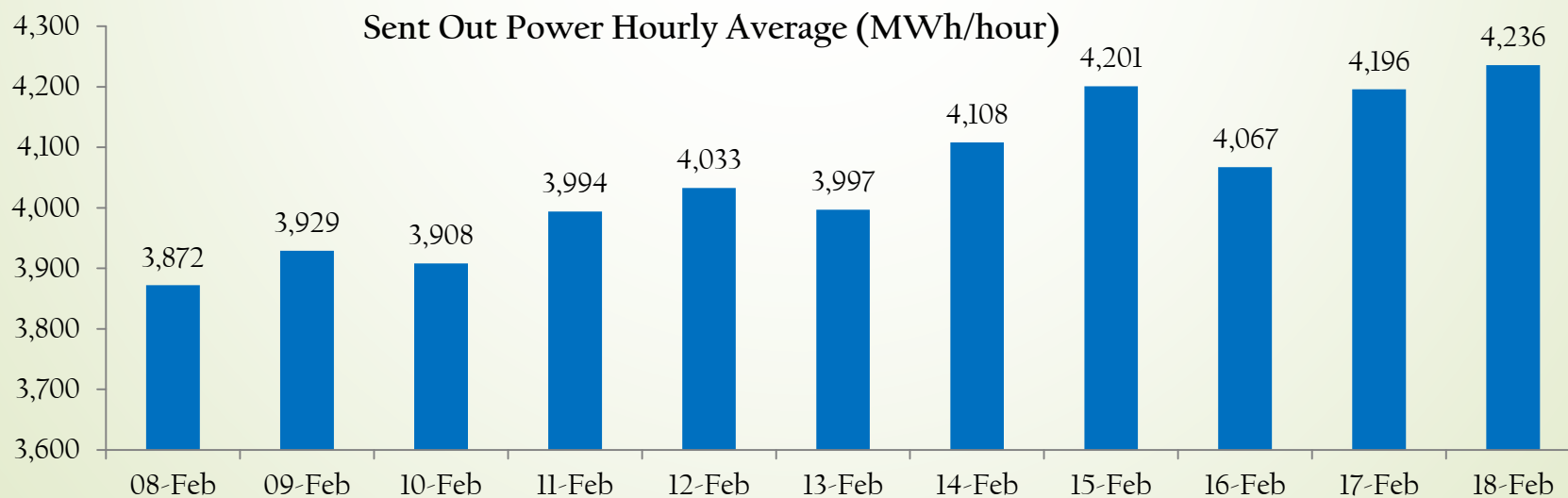
- Falling external reserves + Brent below \$60pb points to pressure in the external sector
- Higher inflation when M2 is expanding at 4.99% is a monetary policy red flag

Power Sector

February 18th





State	Temperature(noon-time)
Abuja	37°C
Kano	31°C
Lagos	33°C

- Average power output: 4,236MWh/hr (up 40MWh/hr)
- Gas constraints stood at 3,221MWh/hr, Grid constraint was 632.3MWh/hr and there was no water constraint (compared to the 17th when water constraint stood at 150MWh/hr)
- Naira equivalent of power loss: N1.90billion (annualized at N693.5billion)



Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N10,000	N10,000	↔	N9,000	N10,000
Semovita (10kg)		N3,000	N2,950	↑	N2,800	N3,000
New Yam (medium size)		N700	N600	↑	N400	N1,900
Sugar (50kg)		N13,500	N13,500	↔	N13,000	N15,000



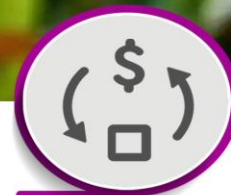
4 Years
45 Warehouses
13 States



100,000 Farmers
40,000 Youth &
Women



100,000 MT
Grains &
Seeds



\$30M Traded
\$5M Input
Loans

...building an alternative asset class.








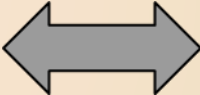








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Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N8,900	N7,200		N6,150	N8,900
Rice (50kg) 	N25,000	N27,500		N14,000	N27,500
Flour (50kg) 	N11,500	N11,500		N10,000	N11,500
Beans (Oloyin)(50kg) 	N14,000	N15,000		N14,000	N25,500
Cement (50kg) 	N2,600	N2,550		N1,600	N2,700
Tomatoes (50kg) 	N7,000	N8,000		N6,000	N20,000
Pepper (bag) 	N7,000	N6,000		N5,000	N15,000















- Food inflation at a 22-month high of 14.85%
- Global palm oil production receiving backlash over environmental concerns

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%

Stock Market

- NSE ASI  0.09% to 27,523.08pts on February 19th
- Consumer goods sub index:  0.15% at 503.62pts

	Share Prices (₦)	Daily % Change (February 18 th –19 th)		YTD (% Change)
Nestle	1,242		-	 15.50
Honeywell	1.03		-	 4.04
Flour Mills	23.00		-	 16.75
Cadbury	9.1		-	 13.74
Dangote Sugar	12.1		2.02	 11.03
Unilever	15.00		-	 31.82
Ikeja Hotels	1.1		-	 -

Oil Markets Today

COMMODITY	DAILY CHANGE February 19 th – 20 th	YTD	CURRENT PRICE
BRENT	↑ 0.32%	↓ 10.14%	\$59.31pb
WTI	↑ 0.47%	↓ 12.32%	\$53.54pb
NATURAL GAS	↓ 0.51%	↓ 10.50%	\$1.96MMBtu

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Oil Prices

- Brent up 0.32% to \$59.31pb
- Supply concerns:
 - Shortage from Libya amid domestic insurgencies
 - Sanctions by the U.S on Russian oil firm, Rosneft
- Demand concerns:
 - Lingering Coronavirus concerns



Agricultural Commodities

Wheat



- Wheat prices 0.27% lower at \$563.50/bushel
- Due to reduced Chinese demand

Corn



- Corn prices decreased by 0.26% to \$386.50/bushel
- Owing to increased global supply

Cocoa



- Cocoa prices down by 1.39% to \$2,846/mt
- Despite supply shortage from Ivory Coast and Ghana

Sugar



- Sugar prices rose by 0.61% to \$14.96/pound
- Driven by tight global supply from India and export ban of sugar in Pakistan

OUTLOOK – Oil Prices



- Brent likely to trade around \$59-\$61pb in the coming days
- Reduced supply from Libya and Russia could support prices

OUTLOOK – Agricultural Prices

GRAINS

Weak demand for grains from China to taper prices in the coming days

SOFTS

Sugar

- Persistent global supply shortage to keep sugar prices high

Cocoa

- Reduced supply from Ivory coast and Ghana amidst poor weather conditions to push up prices in the near term