



Burning Economic Issues



- Transport fares spike on okada ban
- Inflation within the Lagos metropolitan likely to spike
- External reserves slides further to \$37.88bn
- OPEC Technical Committee meets
- Brent trading 9.6% below Q4 average (\$56.42pb)



Impact

The Goodies



- Power output above 4,000MWh/hour

The Downers



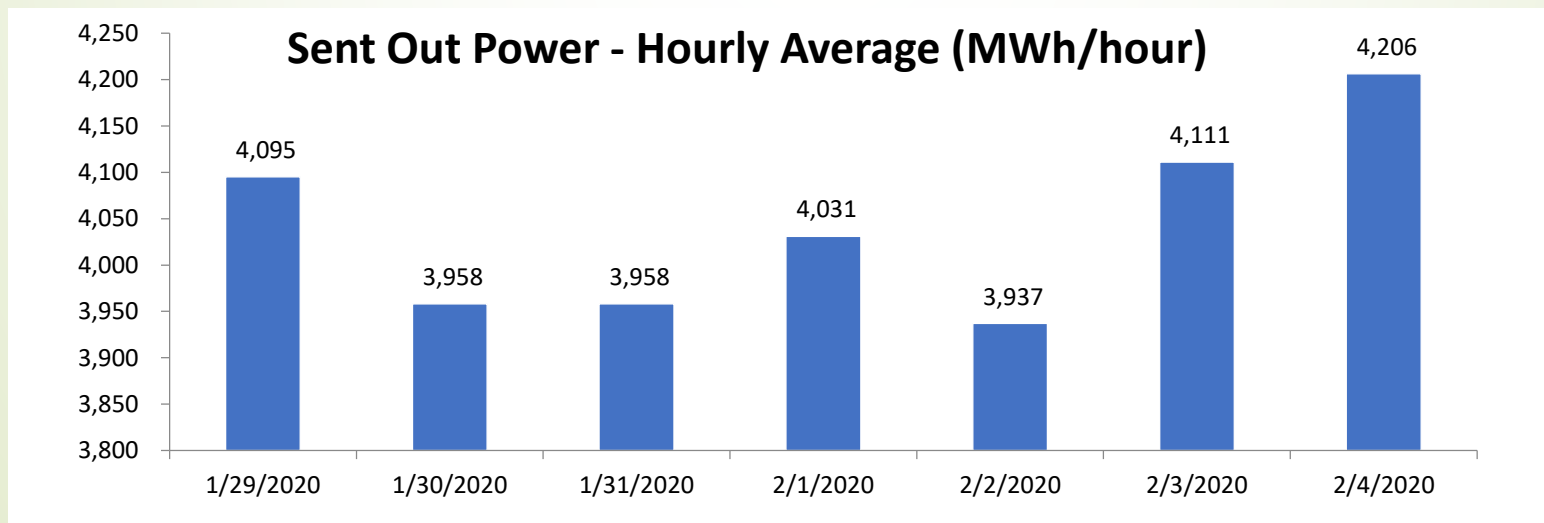
- Oil production cut and lower oil prices negative for government revenue
- External reserves below \$38bn threatens naira stability

Power Sector

February 4th





- Average power output: 4,206.13MWh/hr (up 181.93MWh/hr)
- Gas constraints stood at 2,712.50MWh/hr, while Water constraint was at 150MWh/hr. There was no Grid constraint
- Naira equivalent of power loss: N1.47billion (annualized at N538.02billion)

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



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.








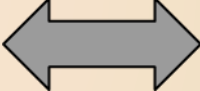








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Domestic Commodities Price Movement

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

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  1.19% to 28,093.76pts on February 5th
- Consumer goods sub index:  1.37% at 546.01pts

	Share Prices (₦)	Daily % Change (February 4 th –5 th)		YTD (% Change)
Nestle	1,380		-	 6.12
Honeywell	1.00		-	 1.01
Flour Mills	22.00		-	 11.68
Cadbury	9.70		-	 8.06
Dangote Sugar	12.95		4.02	 4.78
Unilever	15.00		-	 31.82
Ikeja Hotels	1.12		-	 -

Oil Markets Today

COMMODITY	DAILY CHANGE February 5 th – 6 th	YTD	CURRENT PRICE
BRENT	↑ 2.06%	↓ 14.52%	\$56.42pb
WTI	↑ 2.48%	↓ 14.82%	\$52.01pb
NATURAL GAS	↑ 1.61%	↓ 13.70%	\$1.89MMBtu

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Oil Prices

- Brent up 2.06% to \$56.42pb
- Driven by news that OPEC and its allies are considering further output cuts
- In response to China's Coronavirus epidemic and its impact on global oil demand
- Higher than expected oil inventories last week (4.18mbpd) also propping prices



Agricultural Commodities

Wheat



- Wheat prices 0.40% higher at \$559.50/bushel
- As poor weather condition takes a toll on global supply

Corn



- Corn prices down by 0.20% to \$381.50/bushel
- Amid virus outbreak curbing demand

Cocoa



- Cocoa prices increased by 0.84% to \$2,757.00/mt
- Despite ample supplies from Ivory Coast

Sugar



- Sugar prices decreased by 1.21% to \$14.71/pound
- Despite lower global sugar production, especially from India

OUTLOOK – Oil Prices



- Brent likely to trade around \$55-\$58pb in the coming days
- On hopes that deeper production cuts will offset falling Chinese demand

OUTLOOK – Agricultural Prices

GRAINS

Declining demand for grains to depress prices in the near term

SOFTS

Sugar

- Prices expected to increase in the near term following global supply shortage

Cocoa

- Supply glut could lead to marginal decline in global price