



Burning Economic Issues



- FAAC for February 2020 down 10.15% to N581.6bn
- Brent slips 0.58% to \$27.23pb – down 46% in March
- CBN PMI falls 51.1pts in March from 58.3 in February
- Airlines suspend domestic flight operations
- Panic buying continues across Lagos as non-food markets are shut
- Global wheat prices rise amid pasta & flour stockpiling



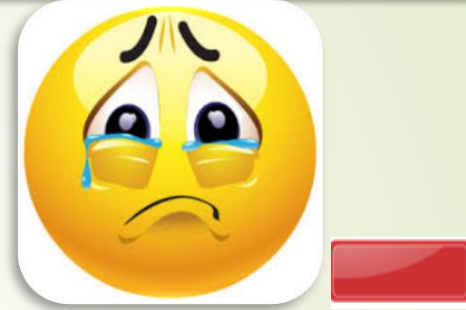
Impact

The Goodies



- Naira stable at N400/\$ in parallel market
- Domestic commodity prices flattening out









The Downers



- IOCs cut capex by \$35bn over low oil prices
- FAAC down to lowest level since Nov'17 – in spite of exchange rate gain
- Plunge in PMI means a recession is now inevitable
- Airlines suspend flight operations

Domestic Commodities Price Movement








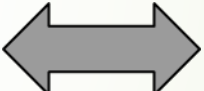

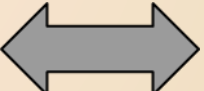




Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N9,000	N9,000		N9,000	N10,000
Semovita (10kg)		N2850	N2850		N2,800	N3,000
New Yam (medium size)		N900	N700		N400	N1,900
Sugar (50kg)		N15,200	N14,800		N13,000	N15,200

- Palm oil and Semovita prices remain flat
- Price of yam up by 28.5% – seasonality and panic buying
- Sugar prices up slightly by 3% to N15,200 – panic buying

Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N9,200	N8,900		N6,150	N8,900
Rice (50kg) 	N27,500	N27,500		N14,000	N27,500
Flour (50kg) 	N11,000	N11,000		N10,000	N11,500
Beans (Oloyin)(50kg) 	N14,000	N14,000		N14,000	N25,500
Cement (50kg) 	N2,600	N2,600		N1,600	N2,700
Tomatoes (50kg) 	N9,000	N6,000		N6,000	N20,000
Pepper (bag) 	N10,000	N8,000		N5,000	N15,000

- Garri, Tomato and Pepper prices on the rise
- Triggered by panic buying on scarcity fears

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%



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.



AFEX
AFEX COMMODITIES EXCHANGE LTD

Stock Market

- NSE ASI  0.05% to 21,729.48pts on March 25th
- Consumer goods sub index:  0.17% at 342.57pts

	Share Prices (₦)	Daily % Change (March 24 th – 25 th)		YTD (% Change)
Nestle	850			 42.17
Honeywell	0.83		-	 16.16
Flour Mills	20.8		-	 5.58
Cadbury	5.65		9.7	 46.44
Dangote Sugar	9.00		9.05	 33.45
Unilever	10.50		-	 52.27
Ikeja Hotels	0.99		-	 11.61

Oil Markets Today

COMMODITY	DAILY CHANGE March 25 th – March 26 th	YTD	CURRENT PRICE
BRENT	↓ 0.58%	↓ 58.74%	\$27.23pb
WTI	↓ 1.55%	↓ 60.51%	\$24.11pb
NATURAL GAS	↓ 1.21%	↓ 25.57%	\$1.63MMBtu

Oil Prices

- Brent down 0.58% to \$27.23pb
 - On shrinking demand and rising oil output
 - \$2trn US stimulus package & weaker US dollar lending some support



Agricultural Commodities

Wheat



- Wheat prices up 0.4% to \$536.75/tonne
- As lockdowns support demand for grain

Corn



- Corn rose 1.22% to \$351.5/tonne
- Driven by a rise in the demand for ethanol

Cocoa



- Cocoa prices inched up 0.80% to \$2,275/mt
- As COVID-19 spreads across key import and export countries.

Sugar



- Sugar prices Gained 2.08% to \$11.27/pound
- Supported by a need for hand sanitizers in pandemic hit countries including India

OUTLOOK – Oil Prices



- Brent could trade below \$26pb in the coming days
 - As Saudi Arabia, Russia and the UAE ramp up output
 - Oil demand to fall further as more countries go into lockdown
 - Global storage capacity will be tested – prices could fall below cash costs

Every Taste Maker's Delight



OUTLOOK – Agricultural Prices

GRAINS

- Prices likely to increase in the near term on the back of rising demand as the planting season commences

SOFTS

Sugar

- Prices to rise in the coming weeks as ethanol refiners switch to sanitizers

Cocoa

- Increased rainfall to boost mid-crop in Ivory Coast – to push prices down in coming weeks