

# Burning Economic Issues



- Saudi Arabia to cut oil output to 7.5mbpd in June
- Brent up 1.62% to \$30.11pb
- Household consumption on food accounts for 56.65% (N22.78trn) of total household expenditure (2019)
- Power sector loses N57bn to gas and grid constraints
- Nigerian stock exchange falls 1.66% in 2 days, YTD – 10.77%



## The Downers



- Lockdown could be reintroduced if violations continue
- NSE sheds 1.66%, casualties
- CAP (-9.83%), WAPIC (-9.09%), UAC-PROP (-8.70%), UBN (-8.57%), HONYFLOUR (-8.41%)

## Impact

## The Goodies



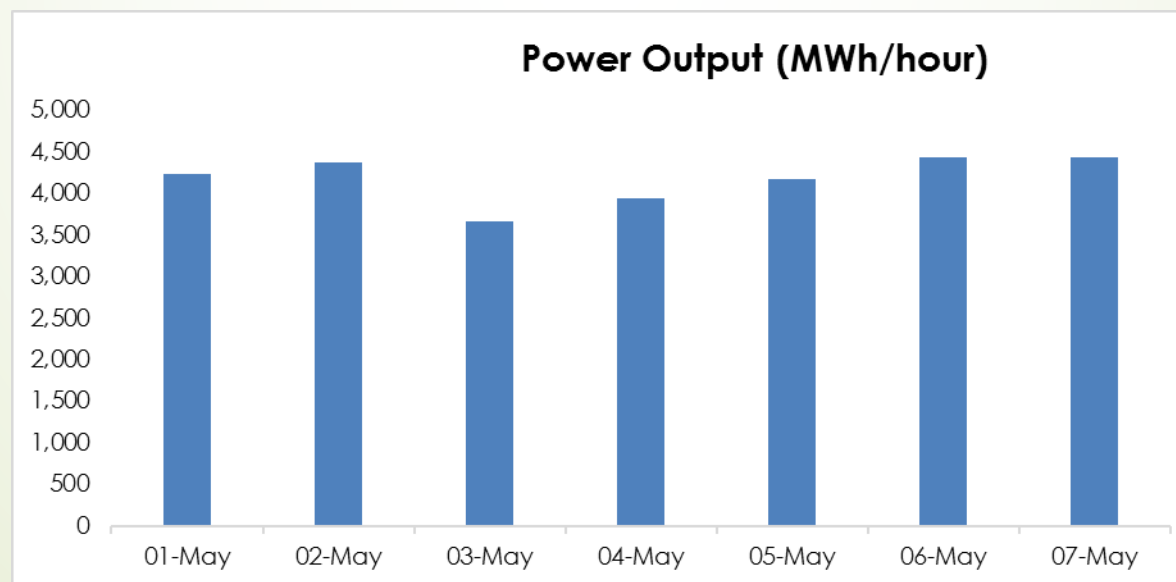
- External reserves up 1.97% to \$34.09bn
- Pump price of PMS could fall to N118/litre from N123.50/litre

# Power Sector

May 7<sup>th</sup>





- Average power output: 4,441MWh/hr (up 11WH/hr)
- Gas constraints stood at 2,993MWh/hr, Grid constraint was 1,021.1MWh/hr and there was no water constraint
- Naira equivalent of power loss: N1.93billion (annualized at N704.45billion)

State	Temperature(noon-time)
Abuja	28°C
Kano	32°C
Lagos	28°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	N9,000	↑	N9,000	N10,000
Semovita (10kg)		N3,400	N2,850	↑	N2,800	N3,400
New Yam (medium size)		N1,200	N800	↑	N400	N1,900
Sugar (50kg)		N23,000	N18,500	↑	N13,000	N23,000

- Planting season to raise domestic commodities prices

# Domestic Commodities Price Movement

## Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N14,500	N8,900	↑	N6,150	N14,500
Rice (50kg) 	N27,000	N26,000	↑	N14,000	N27,500
Flour (50kg) 	N12,700	N11,000	↑	N10,000	N12,700
Beans (Oloyin)(50kg) 	N18,000	N14,000	↑	N14,000	N25,500
Cement (50kg) 	N2,600	N2,600	↔	N1,600	N2,700
Tomatoes (50kg) 	N12,000	N9,000	↑	N6,000	N20,000
Pepper (bag) 	N13,000	N10,000	↑	N5,000	N15,000



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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%

# Stock Market

- NSE ASI  0.39% to 23,950.83pts on May 11<sup>th</sup>
- Consumer goods sub index:  0.33% at 403.83pts

	Share Prices (₦)	Daily % Change (May 8 <sup>th</sup> – May 11 <sup>th</sup> )		YTD (% Change)
Nestle	1,000		-	 31.97
Honeywell	0.98		-	 1.01
Flour Mills	21.00		-	 6.60
Cadbury	7.50		-	 28.91
Dangote Sugar	12.80		-	 5.88
Unilever	11.55		-	 47.5
Ikeja Hotels	1.05		-	 6.25



# Oil Markets Today

COMMODITY	DAILY CHANGE May 11 <sup>th</sup> – May 12 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↑ 1.62%	↓ 54.38%	\$30.11pb
WTI	↑ 2.57%	↓ 59.45%	\$24.76pb
NATURAL GAS	↑ 0.93%	↓ 15.98%	\$1.84MMBtu

# Oil Prices

- Brent up 1.62% to \$30.11pb
  - WTI up 2.57% to \$24.76pb
- As Saudi pledges further cuts of 1mbpd
- Uncertainty still weighs on the oil markets
- Despite signs of global demand recovery
- US shale is shutting oil wells in response to the “Great Glut of 2020”
- Saudi Arabia to cut oil production by 1mbpd



# Agricultural Commodities

## Wheat



- Wheat prices down 0.05% to \$521.75/bushel
- On increased wheat output projections from Australia

## Corn



- Corn rose by 0.70% to \$321.50/bushel
- Due to high demand expectations from China

## Cocoa



- Cocoa prices declined by 0.33% to \$2,392/mt
- Amid favourable weather conditions in West Africa

## Sugar



- Sugar prices up 1.17% to \$10.41/pound
- On supply shortages from Asia

# Every Taste Maker's Delight



# OUTLOOK – Oil Prices



- Brent likely to trade around \$30-32pb in the coming days
- As supply cuts continue to support prices
- Global demand recovers on relaxed lockdowns

# OUTLOOK – Agricultural Prices

## GRAINS

- Increased demand from China to support grain prices



## SOFTS

### Sugar

- Supply shortages from Asia to keep prices up

### Cocoa

- Output increase on favorable weather conditions in exporting countries to depress cocoa prices