



# Burning Economic Issues



- Oil price slips as COVID infections are resurging (\$39.53pb)
- Global stocks tumble as cases rise in the US and China
- UK economy contracts by 20.4% in April – hurting Nigerian remittances
- Nigeria's inflation in the month of May to increase (12.50%)
- Banks discouraging opening of new L/Cs
- Developing economies borrow more despite debt relief initiative - FT



## The Downers



- Brent down 0.48% to \$39.53pb
- Nigerian remittances to dip as UK economy shrinks
- Nigerian total external debt now above \$31bn
- COVID-19 infection cases rise to 16,085
  - Lagos - 7,103 cases
- Nigeria's testing capacity still sub-optimal

## Impact

## The Goodies



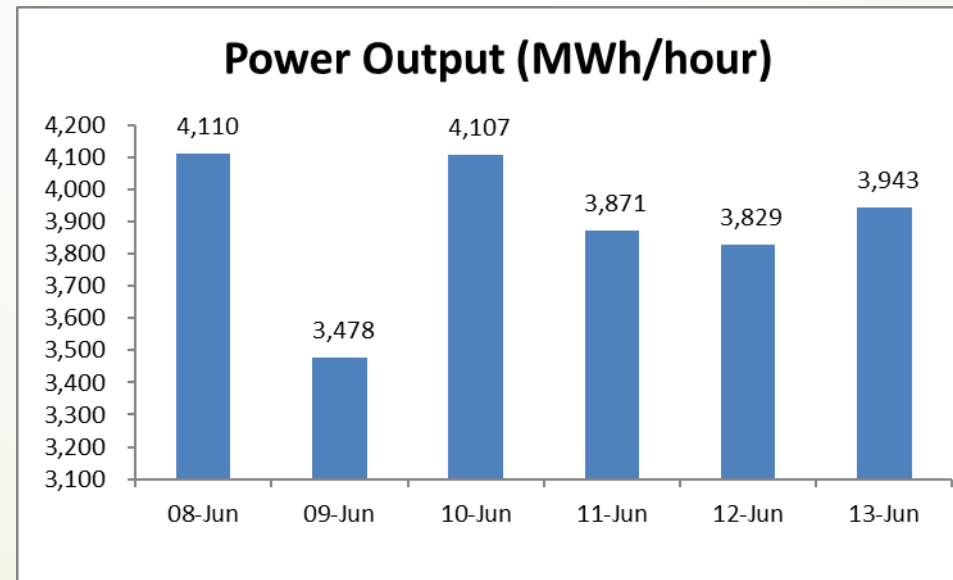
- Naira steady at parallel market (N455/\$)
- Power supply climbs marginally by 114MWH/hr (3,943MWH/hr)

# Power Sector

June 13<sup>th</sup>





- Average power output: 3,943 MWh/hr (up by 114 MWh/hr)
- Gas constraints stood at 2,328.5 MWh/hr, Grid constraint was 1,623.6 MWh/hr and water constraint was 281 MWh/hr
- Naira equivalent of power loss: N2.12 billion (annualized at N773.8 billion)

State	Temperature (noon-time)
Abuja	29°C
Kano	34°C
Lagos	27°C



# Domestic Commodities Price Movement










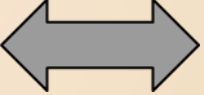




## Relatively Elastic Products

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) 	N3,400	N3,400	↔	N2,800	N3,400
New Yam (medium size) 	N1,500	N1,200	↑	N400	N1,900
Sugar (50kg) 	N21,000	N23,000	↓	N13,000	N23,000

- Forex rationing taking a toll on commodity prices
- Reduction in petrol price has no impact on transport fares and logistics cost

# Domestic Commodities Price Movement

## Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N13,000	N14,500		N6,150	N14,500
Rice (50kg) 	N28,000	N27,000		N14,000	N27,500
Flour (50kg) 	N12,700	N11,000		N10,000	N12,700
Beans (Oloyin)(50kg) 	N17,000	N17,000		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



# Driving World-Class Enterprise...

**DANGOTE**

**MOST ADMIRABLE AFRICAN BRAND**  
2018 - 2020

**#1**

**BRAND AFRICA: 100**  
BRAND LEADERSHIP SA

This award plaque features the Dangote logo at the top. Below it, a circular badge contains the text 'MOST ADMIRABLE AFRICAN BRAND' and '2018 - 2020'. To the right of the badge is a large '#1'. At the bottom, a row of various Dangote products is shown, including cement bags, sugar, and rice. Below the products, the text 'BRAND AFRICA: 100' and 'BRAND LEADERSHIP SA' is displayed.

**TOP 50 BRANDS NIGERIA**

**DANGOTE GROUP**

**MOST VALUABLE BRAND IN NIGERIA**

**#1**

**2018 - 2019**

This award plaque features a 'Top 50 BRANDS NIGERIA' logo at the top. Below it, the text 'DANGOTE GROUP' is displayed. A central badge contains 'MOST VALUABLE BRAND IN NIGERIA' and a large '#1'. At the bottom, a row of various Dangote products is shown, including cement bags, sugar, and rice. Below the products, the text '2018 - 2019' is displayed.

2018 ✓  
2019 ✓  
2020 ✓

  
**DANGOTE**

*Touching the Lives of the People, Empowering Africa.*

 @DangoteGroup [www.dangote.com](http://www.dangote.com)

Cement | Sugar | Salt | Rice | Oil & Gas | Fertilizer | Petrochemicals | Automotive | Polysacks | Logistics | Real Estate | Maritime | Mining | Energy | Infrastructure















 **FDC** FINANCIAL DERIVATIVES COMPANY

# 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  0.91% to 24,954.32pts on June 15<sup>th</sup>
- Consumer goods sub index:  0.03% at 425.07pts

	Share Prices (₦)		Daily % Change (June 11 <sup>th</sup> – June 15 <sup>th</sup> )		YTD (% Change)
Nestle	995		-		32.31
Honeywell	1.01		9.78		2.02
Flour Mills	20.95		-		6.35
Cadbury	7.50		-		28.91
Dangote Sugar	14.80		-		8.82
Unilever	17.00		-		22.73
Ikeja Hotels	1.15		-		2.68



# Oil Markets Today

COMMODITY	DAILY CHANGE June 15 <sup>th</sup> – June 16 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↓ 0.48%	↓ 40.11%	\$39.53pb
WTI	↓ 0.08%	↓ 39.26%	\$37.09pb
NATURAL GAS	↑ 0.48%	↓ 23.29%	\$1.68MMBtu

# Oil Prices



Brent down 0.48% to \$39.53pb

- WTI down 0.08% to \$37.09pb
- As heightened concerns on the second wave of COVID infections pervade the oil markets
- Could halt oil demand recovery especially from China and cap gains from OPEC+ supply cuts
- International Brent crude futures to average \$55pb from 2021-2050 - BP
- Brent futures \$39.18pb
  - WTI futures \$37.00pb



**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

# Agricultural Commodities

## Wheat



- Wheat prices down 0.25% to \$506.50/bushel
- As US forecasts record high global wheat inventories

## Corn



- Corn declined by 0.37% to \$333.25/bushel
- On expectations of strong supply from the US

## Cocoa



- Cocoa prices fell by 2.46% to \$2,262/mt
- Despite lower output from producing countries

## Sugar



- Sugar prices dropped by 0.75% to \$11.95/pound
- Following the decline in oil prices



# OUTLOOK – Oil Prices



- Brent expected to trade within \$36-\$40pb
- As oil demand could slow on rising coronavirus cases
- Limiting gains from supply cuts

# OUTLOOK – Agricultural Prices

## GRAINS

- Higher US grain output to keep prices low



## SOFTS

### Sugar

- Increased supply from Brazil to push prices down

### Cocoa

- Low supply from producing countries to support cocoa prices