BURNING ECONOMIC ISSUES









PMI falls back to negative territory

Dangote to reopen tomato factory this month



•CBN sold \$660mn of forwards Fx contracts to clear backlog



•\$300m Diaspora bond issue now postponed till June



•Allowing the \$1bn Eurobond issue to close

•Naira traded flat at the parallel market - N498/\$

•IFEM depreciated by 3.19% to N315/\$, steepest decline in 2 months



ECONOMIC NEWS









The Good:



- Oil price remains above \$56b, great for revenue
- Forcados pipeline to reopen in Q2'17









The Bad:



PMI in negative territory and suboptimal capacity utilization means retrenchment in labour



DOMESTIC COMMODITY PRICES

	CURRENT PRI		CURRENT PRICES Lagos Price		
Commodities	LAGOS	KANO	ONITSHA	1 year Low	1 year High
Palm Oil (25L)	1 N18,500	N16,800	N16,200	N6,000	N17,000
Semolina(10kg)	★ N3,100	N3,150	N3,120	N2,300	N3,100
Maize (50kg)	₩ N13,250	N13,350	N13,450	N9,000	N13,250
Tomatoes (50kg)	⇔ N8,000	N7,800	N8,000	N8,000	N9,000
Garri (50kg)	▼ N14,000	N15,200	N15,500	N8,000	N15,000
Rice (50kg)	₹ N16,000	N17,400	N20,200	N12,000	N25,000
Flour (50kg)	₩ N11,000	N11,000	N11,000	N8,500	N11,000
Sugar (50kg)	1 N20,000	N19,500	N19,800	N8,000	N19,000
Beans (50kg)	₩ N18,000	N17,700	N18,300	N9,000	N22,500
Cement (50kg)	⇔ N2,300	N2,300	N2,400	N1,400	N2,300



CONSUMER GOODS - CURRENT PRICE LAGOS

GOODS	Lagos prices	Ecommerce prices	% difference
Coke (60 cl)	N100	N115	13%
Beer (60cl)	N250	N235	6%
Bread Loaf	N350	N400	12.5%
Semovita (10kg)	N3,700	N3,650	1.35%
Indomie (1 carton)	N2,350	N2,400	2.08%

Ecommerce rates are 5.9% higher than market rates on average



STOCK MARKET

- •NSE ASI **4** 0.51% (25, 903.55)
- Flour Mills 9-month PBT down 48% to N10.29bn
- •Revenue up by 47.88% to N389.94bn, FX loss up 122% to N13.26bn

	Share Prices (₦)	W-O-W (30 Jan – 01 Feb)	YTD (%)
Nestle	699.99	4 6.67%	4 13.60%
Honeywell	1.10	-	4 15.4%
Flourmill	18.00	2.70%	4 2.70%
Cadbury	9.44	←→ -	4 8.30%
NB	134.85	J 5.04%	4 8.90%
Dangote Sugar	6.30	4 0.79%	1 3.10%





OIL PRICES



- Brent crude by 2.84% to \$56.80pb
- Gains were supported by supply reductions in Russia and OPEC producers
- Russia cut production by 100, 000 bpd
- Gains were curbed by news of a build up in US crude inventories
 - Stockpiles increased by 6.5 million barrels to 494.76mb



OIL MARKETS TODAY

WEEKLY CHANGE COMMODITY YTD CURRENT PRICE 30 Jan - 01 Feb'17 OIL 2.84% 0.04% \$56.80pb **BRENT** 2.38% 0.30% \$53.88pb WTI 1.89% 14.98% \$3.17MMBtu **NATURAL GAS**



AGRIC COMMODITIES

Wheat



Corn



Cocoa



Sugar



- •Wheat futures up 4.55% to \$4.34/bushel
- Wheat futures gained on brisk export demand from the EU
- •Concerns over weather damage in the Black Sea region propped up prices

- •Corn futures up 2.85% to \$3.68/bushel
- Futures boosted by gains in wheat

- •Cocoa prices up 1.47% to \$2,109/mt
- •Concerns over political upheaval in Ivory Coast pushed up prices
- •Sugar prices up 2.54% to \$0.2084/pound
- •Futures edged higher on lower production numbers from Brazil



OUTLOOK - OIL PRICES



Bullish outlook for oil

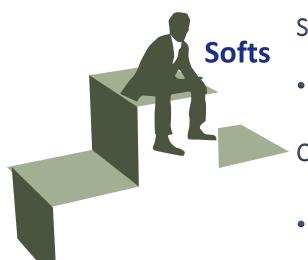
- OPEC members in January delivered 82% of its pledged reduction- Reuters
- Russian cut of 100,000 bpd is a third of Moscow's proposed full year output reduction of 300,000 bpd
- Efforts by Russia and OPEC producers will be hindered by signs of a persistent supply glut in the US



OUTLOOK - AGRIC PRICES

Grains

Temperatures in the Black Sea region to moderate,
reducing winter kill threats on grains



SUGAR

Unfavourable weather in Brazil will support prices

COCOA

 Risk of political instability in the short to mid-term in Ivory Coast is bullish for cocoa

