

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

Price Elastic

Price Inelastic


		CURRENT PRICES			Lagos Price	
Commodities		LAGOS	KANO	ONITSHA	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	↑ 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
Price Inelastic	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) 	↑ 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  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	 6.67%	 13.60%
Honeywell	1.10	 -	 15.4%
Flourmill	18.00	 2.70%	 2.70%
Cadbury	9.44	 -	 8.30%
NB	134.85	 5.04%	 8.90%
Dangote Sugar	6.30	 0.79%	 3.10%



Every meal starts with us



• Salt (Refined and Iodized) • Seasoning (Cubes and Tablets) • Tomato Paste • Vegetable Oil


www.nasconplc.com









Available nationwide.

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

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

AGRIC COMMODITIES

Wheat



•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



•Corn futures up 2.85% to \$3.68/bushel

- Futures boosted by gains in wheat

Cocoa



•Cocoa prices up 1.47% to \$2,109/mt

- Concerns over political upheaval in Ivory Coast pushed up prices

Sugar



•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

Softs

- 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

