

- Senate retains N305/\$ exchange rate for the MTEF/FSP
- Oil benchmark is raised by 4.7% to \$44.5/barrel



• N2.321 trillion borrowing plan was approved



- National blackout still widespread
- •Diesel price drops slightly to N255/ltr



- External reserves rise above \$27bn
- Abuja airport closure still a hot potato





The Good:



- Borrowing plan approval to help fiscal plans to boost the economy
- External reserves boost could ease pressure on naira





• Abuja closure comes with financial and economic disruptive costs



- Financial costs in excess of N7bn(\$14m)
 - Economic disruptive costs likely to exceed \$3.6bn



DOMESTIC COMMODITY PRICES





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 **•** 0.13% (26, 245.34 pts)

• Market dips slightly as it awaits earnings and MPC meeting

	Share Prices (₦)	W-O-W (16 Jan – 18 Jan)	YTD (%)
Nestle	755	4.43% 🖊	12.2% 🦊
Honeywell	1.20		41.5% 🖊
Flourmill	18.20	$ \Longleftrightarrow $	12.5% 🖊
Cadbury	9.00	1.96% 🖊	47.5% 🖊
NB	142.60	0.42% 🔷	4.9% 懀
Dangote Sugar	6.08	0.33% 🖊	0.8% 懀





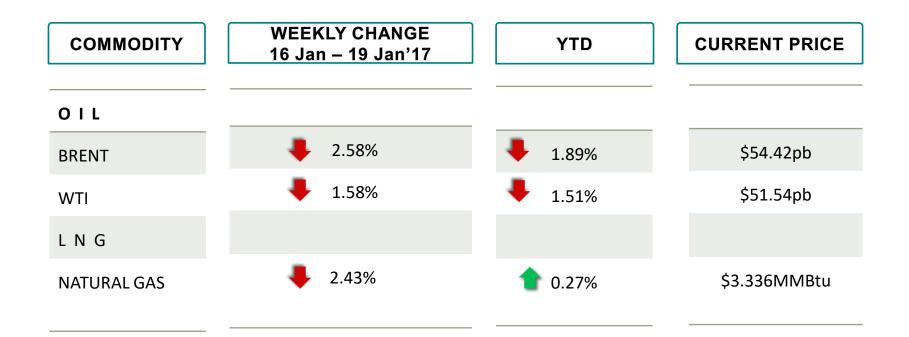
OIL PRICES



- Brent crude 🜉 by 2.58% to \$54.42pb
- Shale production costs have declined 39% in 2 years
- Encouraging more oil production from the US
- Comments on output cut deal triggered a dip in oil prices
- Saudi Arabia hinted that cut deal is unlikely to go beyond June
- "We don't think it's necessary given the level of compliance...and

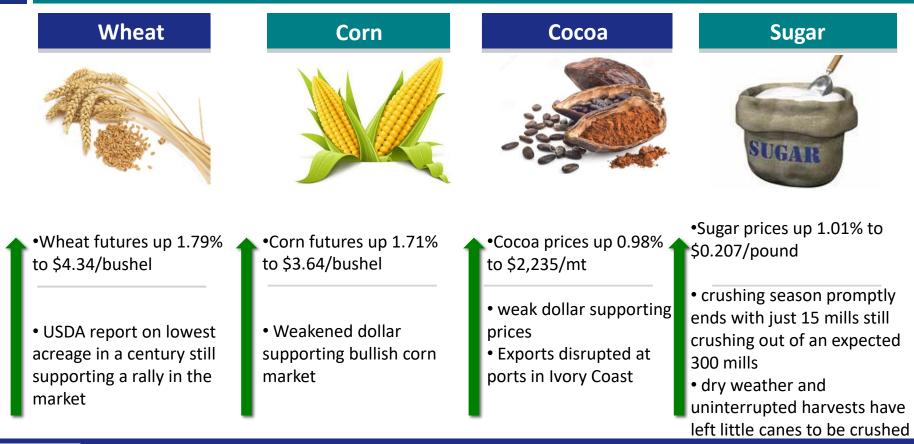
given the expectations of demand." - Saudi Arabia Energy minister







AGRIC COMMODITIES





OUTLOOK - OIL PRICES



- An early end to the OPEC quota deals might make current efforts futile
- This happens on the backdrop of threats from increased shale production
- However, IMF predicts that oil prices will rally 20% in 2017



OUTLOOK - AGRIC PRICES

- Strong Brazilian corn production to weigh on prices **Grains**
 - Increased Indian demand to support bullish wheat

market

Softs SUGAR

• Abrupt end of crushing season to support a rally in prices

COCOA

US cocoa to be mainly driven by dollar movements this week

