BURNING ECONOMIC ISSUES









•CBN issues forward contracts of non-disclosed amounts



N150bn paid to downstream oil marketers as bridging payments



Counterpart funding of N72bn approved for Lagos-Ibadan rail line



Post- Christmas commodity prices decline after a delay in the seasonal trend

Diesel price down sharply to N230/ltr



ECONOMIC NEWS









The Good:



- CBN leaning towards an accommodative stance to promote growth
- Railway project likely to reduce transportation costs and improve efficiency



The Bad:



- President Trump's neo-nationalism might threaten trade relations and capital inflows into Nigeria
- 2017 economic recovery expected to be slow and painful



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



DOMESTIC COMMODITY PRICES

	Lagos Price			
Commodities	Post-Christmas Price	Christmas Price	1 year Low	1 year High
Palm Oil (25L)	1 N20,000	N16,500	N6,000	N17,000
Semolina(10kg)	N3,100	N3,100	N2,300	N3,100
Maize (50kg)	← N13,250	N13,250	N9,000	N13,250
Tomatoes (50kg)	♦ N8,000	N8,000	N8,000	N9,000
Garri (50kg)	N15,000	N15,000	N8,000	N15,000
Rice (50kg)	♣ N18,000	N24,000	N19,000	N23,500
Flour (50kg)	N11,000	N11,000	N8,500	N11,000
Sugar (50kg)	♦♦ N19,000	N19,000	N8,000	N19,000
Beans (50kg)	N 18,000	N22,500	N9,000	N22,500
Cement (50kg)	M2,300	N2,300	N1,400	N2,300



STOCK MARKET

- •NSE ASI **1** 0.09% (26,240.45pts)
- Driven by bargain hunting

	Share Prices (N)	W-O-W (23 Jan – 25 Jan)	YTD (%)
Nestle	750	1 0.67%	4 12.8%
Honeywell	1.15	- 7.62%	43.9%
Flourmill	18.59	1 0.81%	4 10.6%
Cadbury	9.00	- 1.42%	4 7.5%
NB	142.50	0.31%	4.8%
Dangote Sugar	6.42	4 0.47%	6.5%





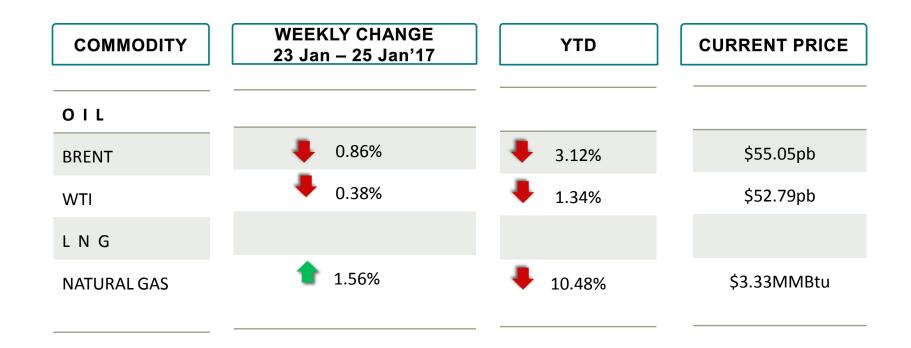
OIL PRICES



- Brent crude **4** by 0.86% to \$55.05pb
- In spite of OPEC compliance meeting this weekend
- U.S oil production has risen by more than 6% since mid-2016,
 offsetting bullish momentum
- President Trump's energy plan to boost US production



OIL MARKETS TODAY





AGRIC COMMODITIES

Wheat



Corn



Cocoa



Sugar



- •Wheat futures down 2.30% to \$4.24/bushel
- U.S' withdrawal from Trans-Pacific Partnership to affect export demand for U.S wheat
- •Corn futures down 1.15% to \$3.66/bushel
- Dragged down by ample world stocks and expectations of U.S trade policy under President Trump
- •Cocoa prices down 0.41% to \$2,192/mt
- •Piling of cocoa in Ivory Coast in response to unfavourable weather conditions and inadequate port equipments
- •Sugar prices down 0.68% to \$0.2034/pound
- •Technical buying and selling creating price volatility



OUTLOOK - OIL PRICES



 President Trump's protectionist stance is likely to create a stronger dollar

Global demand for oil is likely to fall as a result

 Potential resurgence of U.S shale production to dampen prices further

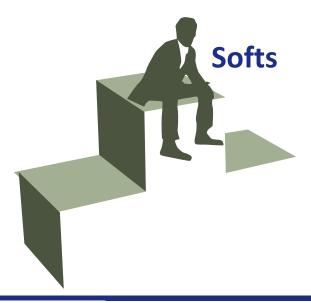


OUTLOOK - AGRIC PRICES

Grains

2016/17 Brazilian corn production estimated at 30% higher than in 2015/16

Higher temperatures may cut wheat harvest by 20%



SUGAR

Output expected at 8.1mt till September 2017

COCOA

Favourable growing conditions to boost mid-crop harvest season between April and September 2017

