

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


Price Elastic













Price Inelastic

Lagos Price

Commodities	Post-Christmas Price	Christmas Price	1 year Low	1 year High
Palm Oil (25L) 	↑ 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) 	↓ N18,000	N22,500	N9,000	N22,500
Cement (50kg) 	↔ N2,300	N2,300	N1,400	N2,300

STOCK MARKET

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

	Share Prices (₹)	W-O-W (23 Jan – 25 Jan)	YTD (%)
Nestle	750	 0.67%	 12.8%
Honeywell	1.15	 7.62%	 43.9%
Flourmill	18.59	 0.81%	 10.6%
Cadbury	9.00	 1.42%	 47.5%
NB	142.50	 0.31%	 4.8%
Dangote Sugar	6.42	 0.47%	 6.5%



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OIL PRICES



- Brent crude  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

COMMODITY	WEEKLY CHANGE 23 Jan – 25 Jan'17	YTD	CURRENT PRICE
O I L			
BRENT	 0.86%	 3.12%	\$55.05pb
WTI	 0.38%	 1.34%	\$52.79pb
L N G			
NATURAL GAS	 1.56%	 10.48%	\$3.33MMBtu

AGRIC COMMODITIES

Wheat



•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



•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



•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



•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

Softs

