

•US interest rates up 25bps to a target range of 0.75% - 1% p.a



- •2 more increases expected in2017
- •Naira flat at N457/\$ in the parallel market



•CBN intervened with \$150mn in forwards and \$45mn spot



- •Nigeria's oil production up 3.7% to 1.608mbpd OPEC
- •Kano-Lagos rail transportation of tomatoes after 58 years

#### •FG lifts ban on helicopters into Abuja



# ECONOMIC NEWS



#### Good news



• Exchange rate convergence has commenced albeit marginally



Oil production levels moves closer to the 2.2mbpd target

#### Bad news



Higher US rates increases FG debt service burden



• Stronger US dollar implies lower oil price



### **POWER GENERATION ANALYSIS & IMPACT**





MARCH 14<sup>th</sup> : On grid power output was 3826MWh/hour (down by 168MWh/h)

• Total Power constraints: 2782MW

•Gas - 2594MW, & Water management – 150MW

•Power sector lost an estimated N1.34bn on March 14<sup>th</sup> (annualised at N480bn /\$1.2bn)

•Diesel price flat at N260/ltr



## **DOMESTIC COMMODITY PRICES**

		CURRENT PRICES			Lagos Price	
Price Inelastic Price Elastic	Commodities	LAGOS	KANO	ONITSHA	1 year Low	1 year High
	Palm Oil (25L)	<b>N24,500</b>	N27,800	N23,200	N6,000	N25,000
	Semolina(10kg)	<b>N3,100</b>	N3,150	N3,120	N2,300	N3,100
	Maize (50kg) 🛛 🍂	➡ N13,250	N13,350	N13,450	N9,000	N13,250
	Tomatoes (50kg)	<b>N11,000</b>	N9,800	N12,000	N8,000	N11,500
	Garri (50kg) 🛛 🏹	<b>N13,000</b>	N15,200	N15,500	N8,000	N15,000
	Rice (50kg)	<b>N18,000</b>	N18,000	N20,200	N16,000	N22,000
	Flour (50kg)	<b>N10,500</b>	N10,500	N11,000	N8,500	N11,000
	Sugar (50kg) 🛛 🥽	<b>N20,000</b>	N19,500	N19,800	N8,000	N20,000
	Beans (50kg)	₩ N17,000	N17,700	N18,300	N9,000	N22,500
	Cement (50kg)	<b>N2,300</b>	N2,300	N2,400	N1,400	N2,300



### **CONSUMER GOODS - CURRENT PRICE LAGOS**

GOODS	Lagos price	Jumia price	% difference
Coke (60cl)	N120	N120	0%
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%
Gala (75g)	N70	N70	0%

Average online prices is 4.67% higher than market stalls

\*Both value and mainstream brands of beer have increased in the past 3 months

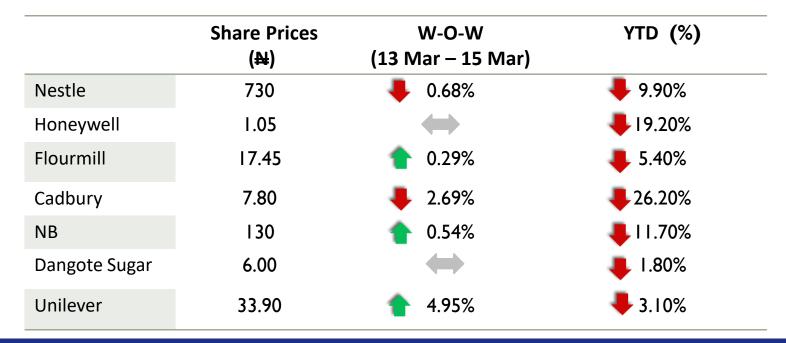
\*Expect to see additional price increase in the brewery space in response to losses



## STOCK MARKET- FLAT LINING

• NSE ASI 10.07% (25,301.23) pts - sentiments mixed as earnings awaited

•Consumer goods sub index was 10.13%







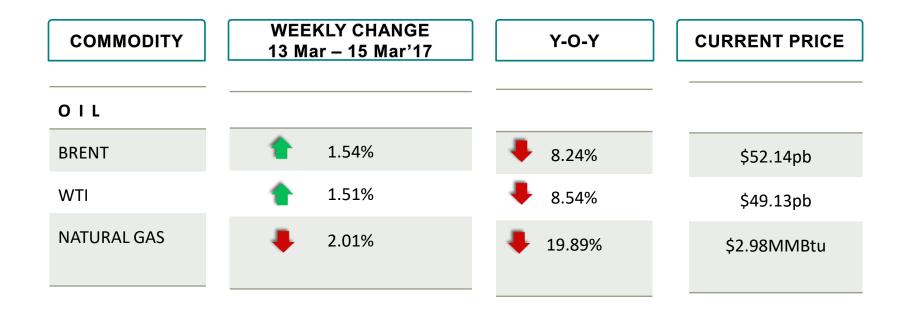


# **OIL PRICES**



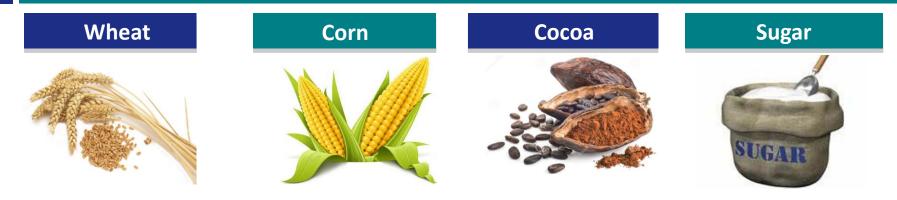
- US crude inventories fell by 230, 000 barrels
  - After maintaining an upward trend for 9 consecutive weeks
- Gains were capped as production data weighed on prices
- Global oil supplies rose by 260,000 barrels a day in February to
   96.52mbpd IEA







## **AGRIC COMMODITIES**



•Wheat futures up by 1.26% to \$4.36/bushel

Futures gained on rising demand
Chinese importers have booked 3 cargoes of U.S. corn, totalling about 195,000 tonnes

•Corn futures up by 0.69% to \$3.64/bushel

• FAPRI projects farmers will plant 92.1 million acres of corn this spring, down from 94 million acres last year •Cocoa prices up by 1.51% at \$2,048/mt

• Cocoa futures climbed to a 5-week high as sterling weakens •Sugar prices up 0.27% at \$0.1823/pound

•Sugar consumption expected to increase at a faster pace relative to production



## **OUTLOOK - OIL PRICES**



- Bearish outlook for oil due to expectations of a stronger dollar
- The decision to raise interest rates by 25bps will strengthen the dollar
- Making dollar denominated commodities more expensive



## **OUTLOOK - AGRIC PRICES**

Grains • Bullish outlook for grains due to growing demand and

lower production estimates

#### SUGAR

Softs • Anticipation of higher demand in summer will push up prices

### COCOA

• Demand remains strong but supplies and grinding data have been bearish

