

BURNING ECONOMIC ISSUES



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

- 2 more increases expected in 2017



- 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 14th : 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 14th (annualised at N480bn /\$1.2bn)
- Diesel price flat at N260/ltr

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) 	↔ N24,500	N27,800	N23,200	N6,000	N25,000
	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) 	↔ N11,000	N9,800	N12,000	N8,000	N11,500
Price Inelastic	Garri (50kg) 	↔ N13,000	N15,200	N15,500	N8,000	N15,000
	Rice (50kg) 	↔ N18,000	N18,000	N20,200	N16,000	N22,000
	Flour (50kg) 	↔ N10,500	N10,500	N11,000	N8,500	N11,000
	Sugar (50kg) 	↔ N20,000	N19,500	N19,800	N8,000	N20,000
	Beans (50kg) 	↔ N17,000	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 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  0.07% (25,301.23) pts - sentiments mixed as earnings awaited
- Consumer goods sub index was  0.13%

	Share Prices (₹)	W-O-W (13 Mar – 15 Mar)	YTD (%)
Nestle	730	 0.68%	 9.90%
Honeywell	1.05		 19.20%
Flourmill	17.45	 0.29%	 5.40%
Cadbury	7.80	 2.69%	 26.20%
NB	130	 0.54%	 11.70%
Dangote Sugar	6.00		 1.80%
Unilever	33.90	 4.95%	 3.10%



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OIL PRICES



- Brent crude  by 1.54% to \$52.14pb
- 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*

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 13 Mar – 15 Mar'17	Y-O-Y	CURRENT PRICE
O I L			
BRENT	 1.54%	 8.24%	\$52.14pb
WTI	 1.51%	 8.54%	\$49.13pb
NATURAL GAS	 2.01%	 19.89%	\$2.98MMBtu

AGRIC COMMODITIES

Wheat



↑ •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



↑ •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



↑ •Cocoa prices up by 1.51% at \$2,048/mt

- Cocoa futures climbed to a 5-week high as sterling weakens

Sugar



↑ •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

