BURNING ECONOMIC ISSUES









• Nigeria now self sufficient in cement – total output at 22mmt



Headline inflation expected to slide marginally to 18.5%





• Output cut exemptions for Nigeria extended



Parallel market trading at N445/\$, IFEM at N305/\$

- CBN intervention mainly addresses invisibles
- Diesel still trading at N270/ltr



ECONOMIC NEWS









The Good:



- More reforms expected as fundamental improve
- Short term naira outlook positive
- Power at the grid now 4000MW up 166% from measly 1500MW
- Oil prices still above \$56/b
- Gross external reserves heading towards \$30 billion









DOMESTIC COMMODITY PRICES

	CURR	CURRENT PRICES Lagos Price		Price	
Commodities	LAGOS	KANO	ONITSHA	1 year Low	1 year High
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)	⇔ N8,000	N7,800	N8,000	N8,000	N9,000
Garri (50kg)	★ N15,000	N15,200	N15,500	N8,000	N15,000
Rice (50kg)	⋘ N17,500	N16,000	N21,200	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)	★ N18,000	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
GOOD3		-	
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%

Average online prices is 4.39% 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

- NSE ASI 0.58% (25,183.10pts)
- Mixed sentiment of reforms and weak earnings

	Share Prices (₦)	W-O-W (27 Feb – 1 Mar)	YTD (%)
Nestle	570	\longleftrightarrow	4 29.6%
Honeywell	1.00	4 .76%	- 19.2%
Flourmill	17.60	🦊 I.12%	4.8 %
Cadbury	7.80	- 8.77%	4 24.2%
NB	126.82	- 3.92%	- 14.3%
Dangote Sugar	6.01	- 2.91%	- 1.6%







OIL PRICES



- Brent crude by 0.36% to \$56.13pb
- Trump's congressional speech was uncharacteristically conciliatory
- Giving jittery crude investors respite in the markets
- However gains were capped on anticipated US crude stock build
- API reports 2.5million inventory stock build



OIL MARKETS TODAY

WEEKLY CHANGE COMMODITY YTD CURRENT PRICE 27 Feb - 2 Mar'17 OIL 0.36% 1.21% **BRENT** \$56.13pb 0.28% 0.89% WTI \$53.57pb **NATURAL GAS** 3.61% 24.89% \$2.794MMBtu



AGRIC COMMODITIES

Wheat



Corn



Cocoa



Sugar



- •Wheat futures up by 1.9% to \$4.47/bushel
- •Expectations for High US wheat demand following lower prices the week before
- •Corn futures down by 1.17% to \$3.64/bushel
- Prices failed to mimic movements in wheat market
- Despite US biofuel policy rumours

- •Cocoa prices down by 3.99% at \$1,906/mt
- Cocoa prices fall on high carry-over cost
- •Sugar prices up by 1.24% at \$0.194/pound
- Price rally on strong demand



OUTLOOK - OIL PRICES

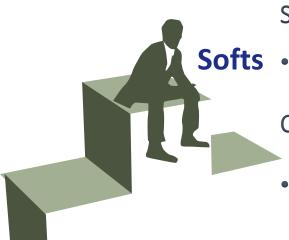


- Oil prices threatened by US stock pile up
- OPEC reports semi-compliance to output cut deal by non-members
- Posing a leakage to OPEC agenda to rebalance market
- Iran has expressed its hesitation to take part in further OPEC deals beyond FH'17
- These factors pushing resistance level of oil prices down



OUTLOOK - AGRIC PRICES

Grains • US wheat harvest to fall at its fastest in 26 years, supporting possible price rally



SUGAR

Softs • Anticipated strong supply threatening price rally

COCOA

- Idle cocoa stock wasted due to lack of demand
- Likely to taper price decline in the short-run

