

BURNING ECONOMIC ISSUES



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

- Headline inflation expected to slide marginally to 18.5%



- OPEC secretary general and team visits Nigeria



- 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

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) 	↔ N8,000	N7,800	N8,000	N8,000	N9,000
Price Inelastic	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
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		 29.6%
Honeywell	1.00	 4.76%	 19.2%
Flourmill	17.60	 1.12%	 4.8%
Cadbury	7.80	 8.77%	 24.2%
NB	126.82	 3.92%	 14.3%
Dangote Sugar	6.01	 2.91%	 1.6%



Every meal starts with us



• Salt (Refined and Iodized) • Seasoning (Cubes and Tablets) • Tomato Paste • Vegetable Oil


www.nasconplc.com









Available nationwide.

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

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

AGRIC COMMODITIES

Wheat



•Wheat futures up by 1.9% to \$4.47/bushel

•Expectations for High US wheat demand following lower prices the week before

Corn



•Corn futures down by 1.17% to \$3.64/bushel

• Prices failed to mimic movements in wheat market
• Despite US biofuel policy rumours

Cocoa



•Cocoa prices down by 3.99% at \$1,906/mt

• Cocoa prices fall on high carry-over cost

Sugar



•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

