

BURNING ECONOMIC ISSUES



- Economic Recovery and Growth Plan (ERGP) unveiled

- FG targets growth of 7% by 2020



- Committed to sustainable and market determined exchange rate

- Naira at N462/\$, as CBN further intervenes with \$100m



- Aggregate intervention of \$1.3bn in 2 weeks



- Shell shuts down 225,000bpd Bonga oil field for 30 days maintenance

- Banks hover as Etisalat defaults on **N541.8bn** (total outstanding debt \$1.5bn)

- External trade in 2016 grew by 6.5% y-o-y to N17.35bn

ECONOMIC NEWS



Good news:



- ERGP will enhance credit worthiness of Nigeria – Rated B+ (S&P)
- 2017 budget, GDP growth target of 2.5%



Bad news:




- Power from the grid at 4484MW
- Diesel price flat at N265/liter



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%





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  0.57% (24,986.02 pts), after record jump yesterday of 2.2%
- Profit taking in the oil & gas, banking and industrial goods sector
- GTB results underperformed expectations

	Share Prices (₹)		W-O-W (06 Feb – 08 Mar)
Nestle	691		-
Honeywell	0.92		3.16%
Flourmill	17.20		0.06%
Cadbury	7.80		-
NB	139.80		7.13%
Dangote Sugar	6.00		4.71%



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OIL PRICES



- Brent crude  by 5.20% to \$52.71pb
- Oil prices slide to a 4 month low
- U.S crude inventories expand by 8.2mb – EIA
- Build up higher than analysts expectations
- Fund managers dump energy stocks, S&P energy sector down 2.5%
- Oil fields operated by Arabian Gulf oil co., back in operation
- Libya's oil production up by 1.53% to 673,000bpd

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 07 Mar – 09 Mar'17	Y-O-Y	CURRENT PRICE
O I L			
BRENT	 5.20%	 43.70%	\$52.71pb
WTI	 4.65%	 36.80%	\$50.67pb
NATURAL GAS	 2.13%	 23.23%	\$2.88MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down by 0.60% to \$4.53/bushel

•Lull in dry weather outlook in the U.S plains trimmed prices

Corn



•Corn futures down by 0.07% to \$3.75/bushel

• Concerns of an outbreak of bird flu in the U.S dampened sentiment

Cocoa



•Cocoa prices down by 0.78% at \$1,902/mt

• Global cocoa output is rising by approx. 15% to 4.55m tons this season
•Due to production gains in Ivory Coast, Ghana, Indonesia & Ecuador

Sugar



•Sugar prices down by 0.27% at \$0.1835/pound

• Indian sugar mills keep supplies adequate to discourage imports

OUTLOOK – OIL PRICES



- Oil price to settle at \$55pb – \$60pb - *Goldman Sachs*
- Rising U.S supply concerns weighing on bullish OPEC sentiment

OUTLOOK – AGRIC PRICES

Grains • FC stone lifts corn crop forecast by 1.8m tons to 933m tons

SUGAR

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

COCOA

- Global production will surpass demand by approx. 260,000 metric tons in 2016/17

