

BURNING ECONOMIC ISSUES



- Oil prices declined approximately 4% to \$53.30pb

- CBN offers \$100mn of 7- 45days forward contracts



- CBN intervenes with \$280mn for invisibles

- External reserves up to \$30.56bn, accretion rate slowing



- CWAY bottled water up 10% to N550



- Power supply down to 3712MW on April 18th, 5% lower than March's peak of 3990MW

- Wholesale price of diesel flat at N200 per litre

ECONOMIC NEWS



Good news



- Forex market converging below N400/\$
- Okomu and Presco outperform with profits up 85% and 773% respectively



Bad news

- Manufacturers and retailers still refusing to reduce prices
- Interest rates in the money market at unsustainable levels of 127% p.a.
- Oil price of \$53pb is 2.33% below Q1 levels



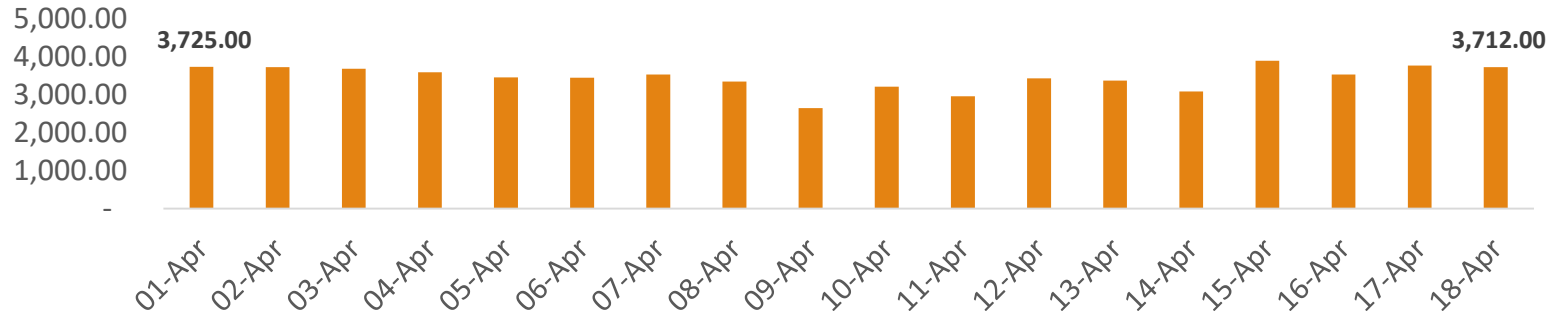
POWER GENERATION ANALYSIS & IMPACT



April 18th: On grid power output was 3712MWh/hour (down 41MWh/h)

- Total Power constraints: 2,239MW, attributed to gas
- Estimated loss: N1.074bn (annualised at N386.64bn /\$0.96bn)
- Sapele I and Odukpani have restored turbines to functionality
- Nationwide average diesel price declined from 249/l in Feb to N235/l in Mar

Average Power Sent Out (MW/h)



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic



		CURRENT PRICES			Lagos Price	
Commodities		LAGOS	KANO	ONITSHA	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	↔ N13, 000	N15,000	N10,000	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) 	↔ N16,600	N16,000	N18,200	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) 	↔ N16,000	N16,700	N17,300	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 (50cl)	N150	N150	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
- Expect prices of some consumables to slide slightly
- Due to stronger naira from CBN FX policy

STOCK MARKET

- NSE ASI  0.49% (25,331.77) pts
- Consumer goods sub index  0.84% (623.26)

	Share Prices (₹)	W-O-W (13 Apr - 18 Apr)	YTD (%)
Nestle	750		 7.40%
Honeywell	0.98	 9.26%	 16.9%
Flourmill	17.99	 0.06%	 2.70%
Cadbury	9.30	 1.69%	 9.60%
NB	123		 16.90%
Dangote Sugar	6.01	 0.17%	 1.60%
Unilever	33.15	 0.30%	 5.30%



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OIL PRICES



- Brent crude  by 3.72% to \$53.30pb
- Crude supplies declined by 1mb higher than API's projected drawdown of 840,000 barrels
- Gasoline stockpiles edged up by 1.5mb, defying expectations for a 2 million decline
- The drawdown in crude inventory was ultimately suppressed by an unexpected buildup in gasoline

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 17 Apr – 19 Apr	Y-O-Y	CURRENT PRICE
O I L			
BRENT	 3.72%	 6.20%	\$53.30pb
WTI	 3.61%	 5.53%	\$50.75pb
NATURAL GAS	 1.25%	 13.98%	\$3.20MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down by 0.23% to \$4.37/bushel

• Reduced offtake and ample stocks

Corn



•Corn futures down by 1.08% to \$3.69/bushel

•Expectations of dry weather which will allow farmers speed up seeding

Cocoa



•Cocoa prices down by 2.88% to \$1,873/mt

•Stronger sterling weighed on cocoa futures

Sugar



•Sugar prices traded flat at \$0.1652/pound

• A bout of fresh buying overshadowed worries about ample supply

OUTLOOK – OIL PRICES



- Oil prices may extend drop with US trends in focus
- The EIA's drilling productivity report projects an increase of 124,000bpd in May
 - The largest monthly increase since February 2015
- OPEC extension of output curb still in view
- Saudi Arabia's energy minister reckons its too early to decide on extension of output curb

OUTLOOK – AGRIC PRICES

Grains

- Losses will be limited by delays in planting in the United States



SUGAR



Softs

- Weather conditions in South America to support price

COCOA

- Supply-demand dynamics to weigh on prices