

BURNING ECONOMIC ISSUES



- NASS increases 2017 budget by N143bn

- Tomato prices surge by 27% to N14,000

- Rice up 17.14% to N17, 500

- CBN intervenes in wholesale SMIS window (\$100m)

- Naira appreciates to N390/\$

- Oil prices in slight rally to \$50.41

- Diesel creeps to N200/ltr



ECONOMIC NEWS



Good news

- Budget approval and increased expenditure
- Cocoa price creeps above \$1,900/mt



Bad news

- In spite of rally, oil markets are soft

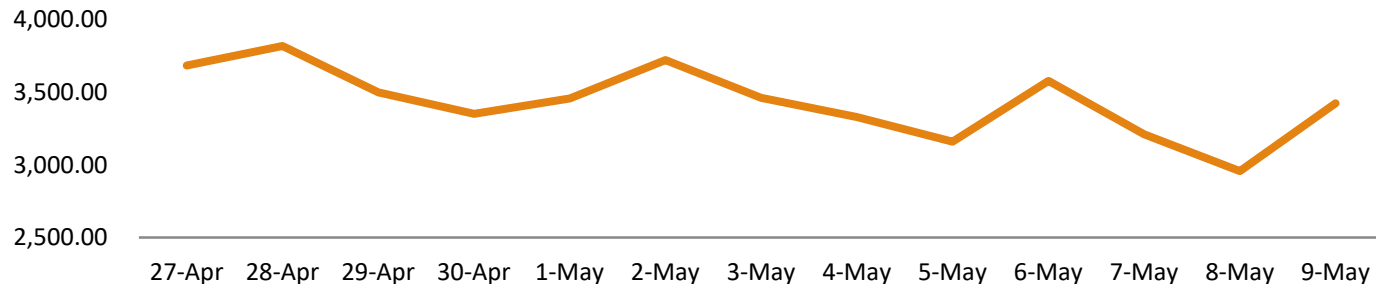


POWER GENERATION ANALYSIS & IMPACT



- May 9th: On grid power output was 3425MWh/hour (up 468MWh/h)
- Total Power constraints: 2325MW due to gas, line and water constraints
- Estimated loss: N1.144bn (annualised at N417.56bn /\$1.04bn)
- System collapse due to sharp and sudden drop in frequency (51.06Hz to 43.37Hz)
- Benin/Egbin was out due to cut sky wire prior to system collapse











Average Power Sent Out (MW/h)



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic


		CURRENT PRICES (LAGOS)			Lagos Price	
Commodities		CURRENT PRICES	PREVIOUS PRICES	% CHANGE	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	N12,500	N13,000	↓ 3.8%	N6,000	N25,000
	Semolina(10kg) 	N3,500	N3,100	↑ 12.9%	N2,300	N3,500
	Maize (50kg) 	N13,250	N13,350	↔	N9,000	N13,250
	Tomatoes (50kg) 	N14,000	N11,000	↑ 27.3%	N8,000	N14,000
Price Inelastic	Garri (50kg) 	N26,000	N19,000	↑ 36.8%	N8,000	N26,000
	Rice (50kg) 	N17,500	N14,600	↑ 17.14%	N13,500	N22,000
	Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
	Sugar (50kg) 	N18,500	N20,000	↓ 8.1%	N8,000	N20,000
	Beans (50kg) 	N22,000	N16,000	↑ 37.5%	N9,000	N22,500
	Cement (50kg) 	N2,700	N2,300	↑ 17.3%	N1,400	N2,700















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)	N1,900	N2,500	-24%
Gala (75g)	N70	N70	0%

- Average online prices is 4.67% higher than market stalls
- Prices remain sticky downwards

STOCK MARKET

- NSE ASI  2.95% to 27,546.68 pts
- Positive market sentiment still supporting bullish trend

	Share Prices (₹)	W-O-W (May 09 – May 10)	YTD (%)
Nestle	760		 6.2%
Honeywell	1.22	 8.93%	 13.8%
Flourmill	18.51	 5.77%	 0.1%
Cadbury	9.75	 4.84%	 5.2%
NB	136.01	 6.84%	 8.1%
Dangote Sugar	6.78	 2.73%	 11.0%
Unilever	35.76	 8.36%	 2.2%



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OIL PRICES



- Brent crude  3.45% to \$50.41pb
- Positive market sentiment due to potential supply cuts
- Saudi Aramaco to cut supply by about 7m barrels to Asia
- API reports a stock draw of 5.789m barrels
- Defies analysts expectation of 1.8m barrels

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 09 May – 11 May	YTD	CURRENT PRICE
O I L			
BRENT	 3.45%	 11.28%	\$50.41pb
WTI	 3.57%	 11.54%	\$47.52pb
NATURAL GAS	 1.92%	 11.59%	\$3.289MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.76% to \$4.33/bushel

• Price rally despite accelerated sowings in the northern areas of the US

Corn



•Corn futures up 1.91% to \$3.74/bushel

•Corn also trading bullish despite rapid sowings

Cocoa



•Cocoa prices down 0.05% to \$1,954/mt

• Cocoa producers in Cameroon dissuaded from increasing production

Sugar



•Sugar prices up 2.59% to \$0.1584/pound

• Sugar hit price floor
• More lucrative for ethanol production

OUTLOOK – OIL PRICES



- Rising inventories continue to weigh on prices
- Production ramp up in Libya negates OPEC agenda
- Expectations of smooth upward trend in prices are thwarted
- Expect oil prices to close within \$49 - \$50 range this week

OUTLOOK – AGRIC PRICES

Grains

- Persistent wet conditions favourable for grains
- Expect bearish trend in market



Softs

SUGAR

- Global sugar exports to exceed demand and thus weigh on prices

COCOA

- Cocoa prices to trade above \$1,900/mt this week

