

# BURNING ECONOMIC ISSUES



- Oil prices up to \$49.42pb on slow US drilling

- FBN PMI expands to 55.9 - CBN PMI also up 52.9



- Shell lifts force majeure on Bonny terminal (226,000bpd)

- Schlumberger signs \$700mn deal with NNPC



- Naira appreciates to N367/\$ (parallel), declines in NIFEX to N366.31/\$

- Diesel prices flat at N165/ltr

- Stock market reverses after gains





## Good News



- Oil price higher after stalling in June
- Nigeria's oil output is expected to rise by 226,000bpd
- CBN intervenes with \$100mn



## Bad News

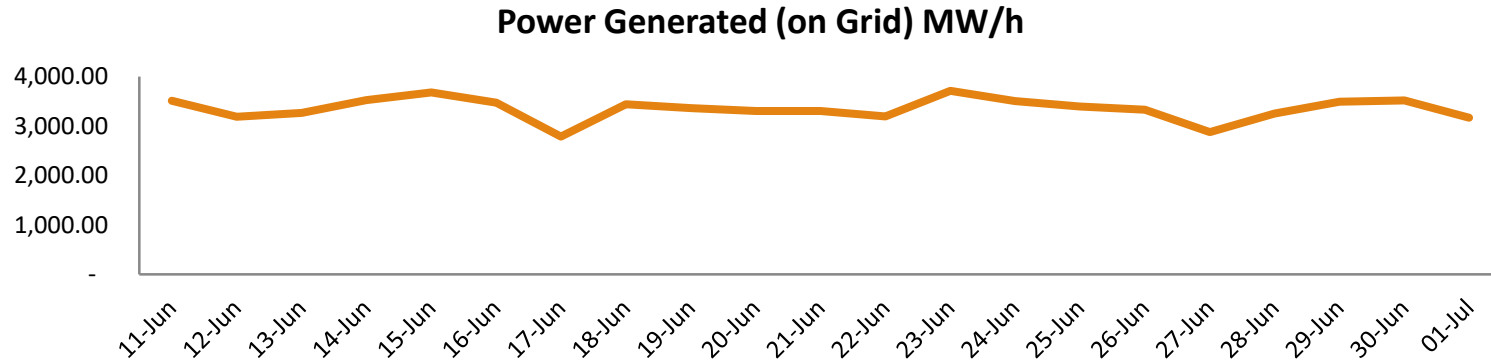
- Apapa congestion still choking imports
- Stock market in correction mode??



# POWER GENERATION ANALYSIS & IMPACT













- July 2<sup>nd</sup>: Average power output up 3,381MWh/hour (up 213MWh/h)
- Total generation of 2327.4MW was lost due to constraints in gas, line and high frequency
- Estimated loss: N1.12bn (annualised at N407.7bn /\$1.1m)
- High frequency due to loss of DisCo feeders remains a significant constraint to generation
- Transamadi is restored to the grid following outage since November 20, 2016



# DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic



Commodities	CURRENT PRICES (LAGOS)			Lagos Price	
	CURRENT PRICES	PREVIOUS PRICES	% CHANGE	1 year Low	1 year High
Palm Oil (25L) 	N12,500	N12,500	↔	N6,000	N25,000
Semolina (10kg) 	N3,500	N3,500	↔	N2,300	N3,500
Maize (50kg) 	N13,250	N13,250	↔	N9,000	N13,250
Tomatoes (50kg) 	N28,000	N28,000	↔	N8,000	N25,000
Garri (50kg) 	N32,000	N32,000	↔	N8,000	N32,000
Rice (50kg) 	N18,500	N16,000	↑ 15.6%	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N19,500	N18,500	↔	N8,000	N20,000
Beans (50kg) 	N24,000	N26,000	↔	N9,000	N26,000
Cement (50kg) 	N2,700	N2,700	↔	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)	N50	N50	0%

Prices remain sticky downwards

# STOCK MARKET

- NSE ASI  1.10% to 32,410.20 pts
- Choppy trading before a correction
- Consumer goods sub index  1.16% to 783.97 pts

	Share Prices (₹)	W-O-W ( June 28 – June 30)	YTD (%)
Nestle	910.00	 0.99%	 11.2%
Honeywell	1.76	 0.56%	 36.2%
Flourmill	27.00	 3.54%	 46.0%
Cadbury	14.78	 2.64%	 43.6%
NB	161.00	 4.19%	 8.80%
Dangote Sugar	9.00		 26.6%
Unilever	36.87	 9.47%	 5.3%



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# OIL PRICES



- Brent crude  3.13% to \$49.42pb
- US drilling activity slowed for the first time since January
- Libya's output hits a new high – in excess of 1mbpd
- Firm US gasoline consumption expected ahead of July 4<sup>th</sup> celebration



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 30 June – 3 July	YTD	CURRENT PRICE
O I L			
BRENT	 3.13%	 13.02%	\$49.42pb
WTI	 1.61%	 12.92%	\$46.78pb
NATURAL GAS	 2.64%	 20.70%	\$2.95MMBtu

# AGRIC COMMODITIES

## Wheat



•Wheat futures up 3.04% to \$5.42/bushel

• Data on wheat planted was 45.66m acres, 400,000 below trade expectations

## Corn



•Corn futures up 1.31% to \$3.86/bushel

•Riding on the uptick in wheat prices

## Cocoa



•Cocoa prices up 1.70% to \$1,973/mt

•Farmers concerned that black-pod disease caused by heavy rain will damage crops

## Sugar



•Sugar prices down 0.31% to \$0.1338/pound

•Sugarcane acreage in India higher at 47.5 lakh ha compared to 44.8 lakh ha last year

# OUTLOOK – OIL PRICES



- Despite marginal drop in US drilling, rigs remain at a 1-year high
- Surge in Libyan output will limit gains
- Concerns about OPEC compliance on cut deal lingers

# OUTLOOK – AGRIC PRICES

**Grains** • Supply-demand dynamics will determine prices

• —————→  
SUGAR

**Softs**

• Increased sowing acreage in India indicates higher output

COCOA

• Weather concerns in Ivory Coast will weigh on prices

