

# BURNING ECONOMIC ISSUES



- BUA Group invests \$2bn to produce over 12mt of cement per annum
- Oil price up 0.86% to \$53.92pb



- US refineries begin operations as Harvey recovery commences



- On-grid power output up 169MW/h

- Parallel market rate flat at N365/\$



- Diesel price down 6% to N160/ltr



## Good News



- Oil prices at \$53pb is Naira positive
- 6% drop in diesel price is good for alternative energy & transportation costs



## Bad News



- Power output is limited due to increasing gas constraints

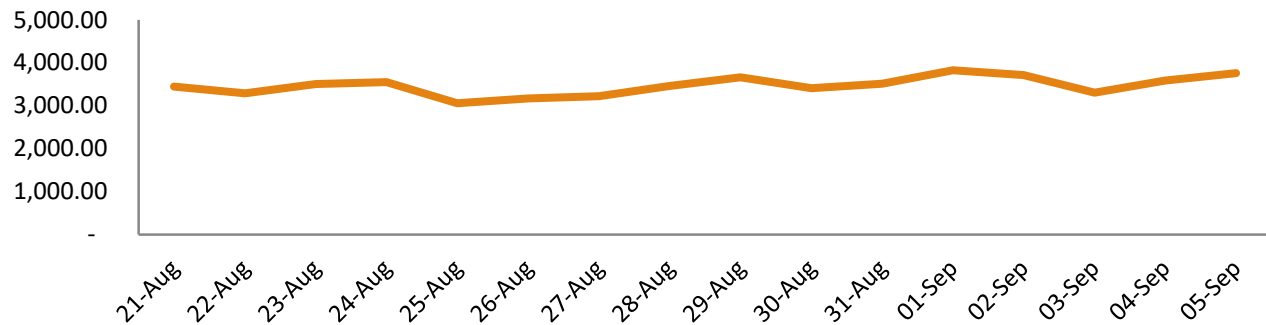


# POWER GENERATION ANALYSIS & IMPACT



- September 5<sup>th</sup> : Average power output was 3,759MWh/hour (up 169MWh/h)
- Gas constraint was 450MW; line constraint was 0MW, frequency management constraint due to loss of DisCo feeders was 2055MW
- Estimated loss: N1.202bn (annualised at N438.73bn /\$1.09bn)
- Increasing high frequency constraints leading to reduced generation
- Gbarain NIPP is restored








**Power Generated (on Grid) MW/h**



# 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) 	N15,000	N12,500	↔	N6,000	N25,000
Semolina (10kg) 	N3,200	N3,200	↔	N2,300	N3,500
Old Yam (large tuber) 	N1,300	N1,400	↔	N600	N1,500
Tomatoes (50kg) 	N12,000	N24,000	↔	N8,000	N28,000
Garri (50kg) 	N10,000	N13,500	↔	N8,000	N16,000
Rice (50kg) 	N16,500	N17,000	↔	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N19,500	N19,500	↔	N8,000	N20,000
Beans (Oloyin) (100kg) 	N29,000	N34,000	↔	N12,000	34,000
Cement (50kg) 	N2,700	N2,700	↔	N1,400	N2,700















# CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
Beer (60cl)	N250	N280	-10.71%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,250	-15.5%
Gala (75g)	N50	N50	0%

Domestic prices remain flat

# STOCK MARKET

- NSE ASI  0.57% to 35,605.30pts
- Consumer goods sub index  0.78% to 951.49pts

	Share Prices (₹)	Daily Change ( Sept 5 – Sep 6)	YTD (%)
Nestle	1210.0	 -	 50.6
Honeywell	2.01	 1.99%	 57.6
Flourmill	29.00	 -	 56.8
Cadbury	10.98	 0.73%	 6.70
NB	181.66	 1.96%	 22.7
Dangote Sugar	13.05	 1.06%	 83.5
Unilever	36.61	 3.02%	 4.6



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# OIL PRICES



- Brent crude  0.86% to \$53.92pb
- Oil prices rise as Hurricane Harvey recovery commences
- After 20-25% refining capacity was disrupted



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 04 September- 06 September	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	 0.86%	 4.70%	\$53.92pb
WTI	 2.82%	 9.18%	\$49.79pb
NATURAL GAS	 2.30%	 20.22%	\$2.968MMBtu

# AGRIC COMMODITIES

## Wheat



↑ •Wheat futures up by 0.63% to \$4.42/bushel

•Prices firm up on thinning supplies amid stronger Australian dollar

## Corn



↑ •Corn futures up 0.63% to \$3.58/bushel

•Driven by strong U.S corn exports

## Cocoa



↓ •Cocoa prices down by 0.05% to \$1,946/mt

•Due to high cocoa stocks

## Sugar



↑ •Sugar prices up 2.33% to \$0.1407pound

•Driven by expectations of increased demand as the festive period approaches

# OUTLOOK – OIL PRICES



- Risk of another storm in the US could reduce fuel demand
- Expected to weigh negatively on prices

# OUTLOOK – AGRIC PRICES

## Grains

- Price increase will be short-lived due to consistent bearish fundamentals



## SUGAR

- Prices expected to remain low on growing supplies

## COCOA

- Prices to remain soft as ample global supply continues to weigh on prices



## Softs