

# BURNING ECONOMIC ISSUES



- Oil price up 0.79% to \$55.83pb
- Nigeria to resist inclusion in OPEC output deal



- Nigerian exports rose 37.3% to \$8.3bn in Q2 (annualised \$33.3bn)



- August inflation numbers to be released tomorrow

- On-grid power output up 476MW/h to 3,688MWh/hr



- Retail diesel price up to N180-N182/ltr

- Parallel market rate flat at N367/\$, N476/£



## Good News



- 37.3% export increase is naira and external reserves positive
- Oil price now \$10pb above budget benchmark of \$44.5pb



## Bad News



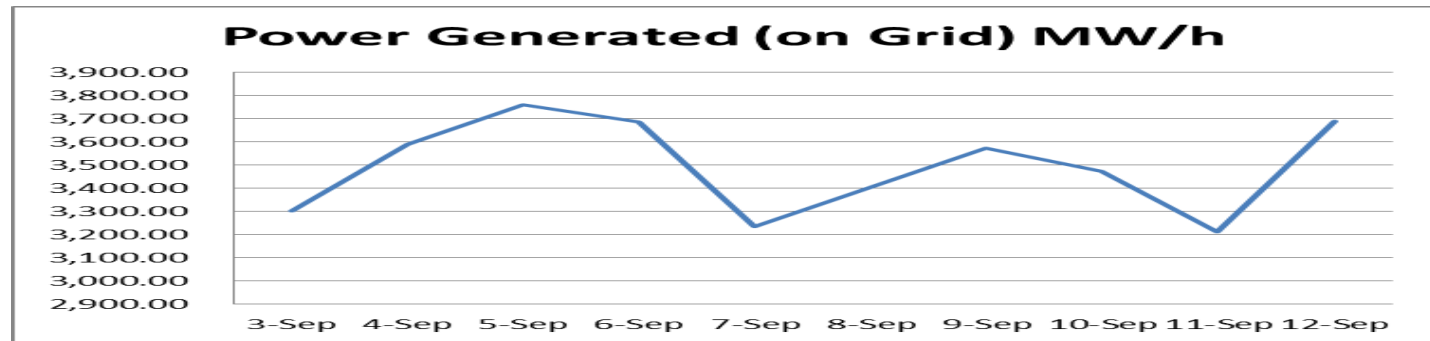
- High frequency constraints continue to limit power output



# POWER GENERATION ANALYSIS & IMPACT













- September 12<sup>th</sup> : Average power output was 3,688MWh/hour (up 476MWh/h)
- Gas constraint was 410MW; line constraint was 0MW, frequency management constraint due to loss of DisCo feeders was 1,606MW
- Estimated loss: N0.97bn (annualised at N354.05bn /\$1.10bn)
- Increasing frequency constraints leading to reduced generation
- Gbarain, Alaoji NIPP, and Egbin ST6 are out of service
- Sapele I is restored to functionality



# 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
New Yam(small tuber) 	N800	N1,000	↓	N800	N1,000
Tomatoes (50kg) 	N12,000	N24,000	↔	N8,000	N28,000
Garri (50kg) 	N10,000	N13,500	↔	N8,000	N16,000
Rice (50kg) 	N15,000	N16,500	↓	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N17,000	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%

# STOCK MARKET

- NSE ASI  0.19% to 35,464.34pts
- Consumer goods sub index  1.14% to 952.07pts
- Mixed performance after 6 consecutive days of negative trading

	Share Prices (₹)	Daily Change ( Sept 12 – Sep 13)	YTD (%)
Nestle	1210.0	 -	 50.6
Honeywell	2.01	 0.19%	 57.6
Flourmill	29.00	 -	 56.8
Cadbury	10.98	 0.23%	 6.70
NB	181.66	 0.16%	 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  0.79% to \$55.83pb
- Due to expectations of increasing oil demand in 2018
- October futures higher on lower temperature forecasts



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 08 Sept.- 11 Sept.	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	 0.79%	 4.68%	\$55.83pb
WTI	 0.83%	 9.18%	\$48.63pb
NATURAL GAS	 2.30%	 20.22%	\$2.968MMBtu

# AGRIC COMMODITIES

## Wheat



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

•Driven by strong Chinese demand

## Corn



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

•Due to concerns of low Russian output

## Cocoa



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

•Due to expectations of a bumper harvest in Ghana

## Sugar



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

•Driven by increased demand as the festive period approaches

# OUTLOOK – OIL PRICES



- Talks of a potential extension of OPEC output deal will continue to support prices in the near term

# OUTLOOK – AGRIC PRICES

## Grains

- Increasing global stockpiles likely to put pressure on prices



## SUGAR

- Prices expected to trend higher as demand continues to increase

## COCOA

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



## Softs