

BURNING ECONOMIC ISSUES



- MPC concludes 2-day meeting, status quo maintained

- Gencos owe banks N356bn (\$988.8m)



- NAFEX window records \$1.3bn transactions in one week



- Oil price up 0.03% to \$59pb



- Diesel retail price sharply higher at 2.7% to N190/ltr

- Naira gains in the parallel market (N366/\$) and NAFEX window (N360.31/\$)

ECONOMIC NEWS



Good News



- Oil price is up to a 2-year high at \$59pb
- Increased investor confidence in NAFEX window is exchange rate positive
- No action on Nigeria's oil output cap till January 2018
- Palm Oil (25L) price down 11.1% to N12,000



Bad News

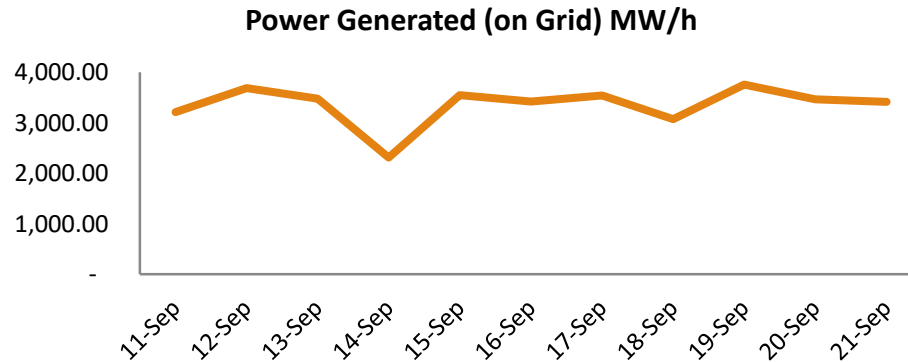
- Diesel price up again
- Power generation companies in debt



POWER GENERATION ANALYSIS & IMPACT










- September 21st : Average power output was 3417MWh/hour (down 50MWh/h)
- Gas constraint was 747.5MW; frequency management constraint due to loss of DisCo feeders was 2144MW
- Estimated loss: N1.39bn (annualised at N506.62bn /\$1.26bn)
- High frequency constraints impeding generation output
- Alaoji and Egbin ST 6 are now functional



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic



Commodities	CURRENT PRICES(LAGOS)			Lagos Price	
	CURRENT PRICES	PREVIOUS PRICES	DIRECTIONAL CHANGE	1 year Low	1 year High
Palm Oil (25L) 	N12,000	N13,500	↓	N6,000	N25,000
Semolina(10kg) 	N3,200	N3,200	↔	N2,300	N3,500
New Yam(small tuber) 	N800	N800	↔	N650	N900
Tomatoes (50kg) 	N12,000	N12,000	↔	N8,000	N28,000
Garri (50kg) 	N14,000	N14,000	↔	N8,000	N16,000
Rice (50kg) 	N15,000	N15,000	↔	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
Beans (Olotu) (100kg) 	N48,000	N48,000	↔	N24,000	48,000
Cement (50kg) 	N2,600	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 (big size)	N100	N100	0%

Domestic prices remain flat

STOCK MARKET

- NSE ASI  0.37% to 35,358.73pts
- Consumer goods sub index  0.81% to 931.76pts

	Share Prices (₹)	Daily % Change (Sept 21 –Sept 25)	YTD (%)
Nestle	1250	 1.63	 54.3
Honeywell	1.95	 2.63	 50
Flourmill	26.55	 -	 43.5
Cadbury	11.00	 -	 6.89
NB	166.56	 2.60	 12.5
Dangote Sugar	13.80	 0.73	 94.0
Unilever	44.10	 -	 26



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OIL PRICES



- Brent crude  0.03% to \$59pb
- No decision made at oil producers' meeting in Vienna
- Oil producers wait until January 2018
- US oil production expected to increase by 1mbpd next year- EIA

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 21 Sept – 25 Sept	YTD	CURRENT PRICE
O I L			
BRENT	 0.03%	 0.02%	\$59pb
WTI	 0.15%	 5.90%	\$52.14pb
NATURAL GAS	 1.60%	 17.20%	\$3.08MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 1.49% to \$4.45/bushel

•On ample global supplies

Corn



•Corn futures up 0.50% to \$3.52/bushel

•Increasing demand in the US coupled with lower supplies

Cocoa



•Cocoa prices down 1.88% to \$1,983/mt

•Prices down on expectations of cocoa harvest in early October to worsen the supply glut

Sugar



•Sugar prices down 0.61% to \$0.1464 pound

•Technical selling puts pressure on prices

OUTLOOK – OIL PRICES



- Market in wait and see mode
- Increasing US oil production will continue to remain a limiting factor to oil price gains

OUTLOOK – AGRIC PRICES

Grains

- Larger-than-expected global supplies to drag down prices



SUGAR

- Favourable weather conditions will push down prices

Softs

COCOA

- Prices to remain soft as harvest season begins early

October

