

BURNING ECONOMIC ISSUES



- Oil price up to \$56.75pb

- Palm oil production up 990,000 tonnes (955,000 tonnes in 2016)

- Treasury bill rates slide to 15.49 % (182 day) & 15.72% (364 day)

- Naira trades flat at N363/\$ and 478/£

- Diesel retail price unchanged at N195/ltr



ECONOMIC NEWS



Good News



- Palm oil production slightly higher
- Producer stock prices up 4.99% to N66.37 (*Okomu*), 15.25% to N68 (*Presco*)
- Oil prices gain grounds on OPEC's bullish stance



Bad News



- Exports suffer from Apapa traffic and port congestion

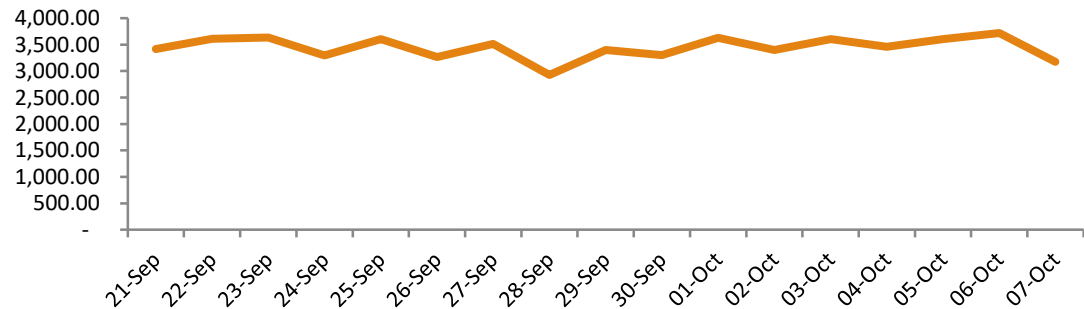


POWER GENERATION ANALYSIS & IMPACT



- October 8th: Average power output sent was 3486MWh/hour (up 312MWh/h)
- Gas constraint was 302.4MW; frequency management constraint due to loss of DisCo feeders was 2169.6MW
- Estimated loss: N1.187bn (annualised at N433.25bn /\$1.21bn)
- DisCo inability to pick load is the largest constraint to improved service delivery at this time

Power Generated (on grid) MW/hr





DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic

CURRENT PRICES (LAGOS)

Lagos Price

| Commodities | CURRENT PRICES (LAGOS) | | | Lagos Price | |
|--|------------------------|-----------------|--------------------|-------------|-------------|
| | CURRENT PRICES | PREVIOUS PRICES | DIRECTIONAL CHANGE | 1 year Low | 1 year High |
| Palm Oil (25L)  | N12,000 | N12,000 | ↔ | N6,000 | N25,000 |
| Semolina(10kg)  | N3,200 | N3,200 | ↔ | N2,300 | N3,500 |
| New Yam(small tuber)  | N650 | N650 | ↔ | N650 | N900 |
| Tomatoes (50kg)  | N8,000 | N12,000 | ↓ | N8,000 | N28,000 |
| Garri (50kg)  | N10,500 | N11,000 | ↓ | 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 (Oloyin) (100kg)  | N32,000 | N32,000 | ↔ | N12,000 | 34,000 |
| Cement (50kg)  | N2,500 | N2,500 | ↔ | N1,400 | N2,700 |



Relatively Static















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  0.15% to 36,776.60 pts
- Consumer goods sub index  0.09% to 937.74pts
- Commodity users stock price fall

| | Share Prices (₹) | Daily % Change (Oct 6 – Oct 9) | YTD (%) |
|---------------|---------------------|--|--|
| Nestle | 1230.06 |  0.58 |  48.8 |
| Honeywell | 2.01 |  0.04 |  46.2 |
| Flourmill | 27.87 |  4.79 |  48.2 |
| Cadbury | 10.00 |  3.19 |  17.3 |
| NB | 170.00 |  0.59 |  14.9 |
| Dangote Sugar | 13.80 |  1.29 |  92.3 |
| Unilever | 43.50 |  0.07 |  18.0 |



Every meal starts with us



• Salt (Refined and Iodized) • Seasoning (Cubes and Tablets) • Tomato Paste • Vegetable Oil


www.nasconplc.com









Available nationwide.

OIL PRICES



- Brent crude  1.72% to \$56.75pb
- OPEC's secretary general hints possibility of cartel taking additional measures to rebalance oil market
- Saudi Arabia determined to be swing producer
- US drilling rigs down 2 to 748
- Refining in the Gulf of Mexico resumes after Hurricane Nate scare
- Shutting down more than 90% of crude output

OIL MARKETS TODAY

| COMMODITY | WEEKLY CHANGE 09 Oct – 10 Oct | YTD | CURRENT PRICE |
|--------------|---|--|---------------|
| O I L | | | |
| BRENT |  1.72% |  0.12% | \$56.75pb |
| WTI |  2.76% |  5.16% | \$50.95pb |
| NATURAL GAS |  2.12% |  22.31% | \$2.89MBtu |

AGRIC COMMODITIES

Wheat



- Wheat futures down 0.06% to \$4.43/bushel
- Down on estimates of larger than expected US spring wheat production

Corn



- Corn futures up 0.29% to \$3.51/bushel
- Recent rains in Ukraine damaged some crops

Cocoa



- Cocoa prices down 2.78% to \$2,027/mt
- Retreats from 2-month high
- A rebound in sterling softened demand

Sugar



- Sugar prices down 0.79% to \$0.1387/pound
- Due to expectations of higher global surplus

OUTLOOK – OIL PRICES



- Prices expected to trade sideways
- Market awaits US inventory data
- Impact of OPEC's supply curb will be minimal in the short term

OUTLOOK – AGRIC PRICES

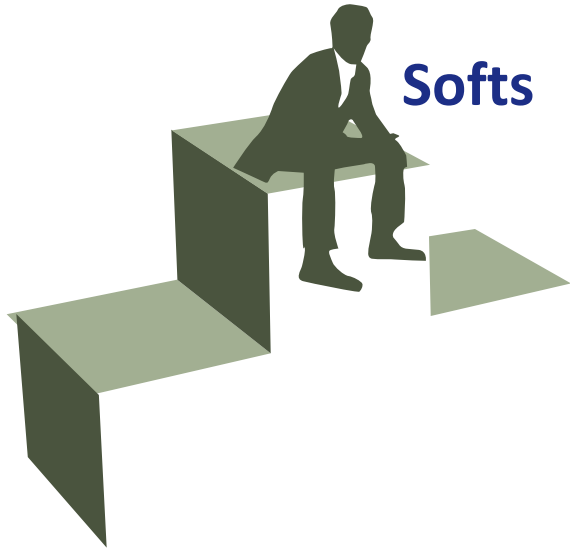
Grains • Global weather concerns will determine price movement

—→
SUGAR

• Prices will remain soft on expectation of favourable weather in major growing region

COCOA

• Supply demand fundamentals will drive price movement



Softs