

BURNING ECONOMIC ISSUES



- Brent crude continued its bullish trend, trading at \$63.72pb

- Internal squabbling in Saudi Arabia could destabilize OPEC (Sunni vs Shiite)



- Soybean price up 0.10% to \$365.8/tonne, down 1.62% YTD



- Soybean in Nigeria – great potential, low output



- Diesel price crashes 17.1 % to N175/ltr

- Naira flat at N363/\$ (parallel), IEFX: N360.46/\$



Good News



- Diesel price down to N175/ltr, expected to go lower
- Oil price now above \$63pb – revenue positive (\$3.2bn per month)
- Inflation to decline to 15.89% in October



Bad News



- Saudi squabble could affect OPEC meeting
- Food inflation still high at 20.10%



COMMODITY IN FOCUS - SOYBEANS



- **Planting-harvesting time lag** : 2 – 3 harvests a year
- **Total global output:** 347.1m tonnes (\$130.8bn)
- **Leading producers:** U.S, Brazil, Argentina & China (growth **-1.4%**)
- **Top consumers:** China (30%), U.S, Brazil, Argentina and EU (growth **4.3%**)
- **Used for:** protein for animal feed, vegetable oil, soy milk, soy flour, biodiesel



SOYBEAN IN NIGERIA - GREAT POTENTIAL, LOW OUTPUT

Produces 550,000 tonnes (0.16% of global output)

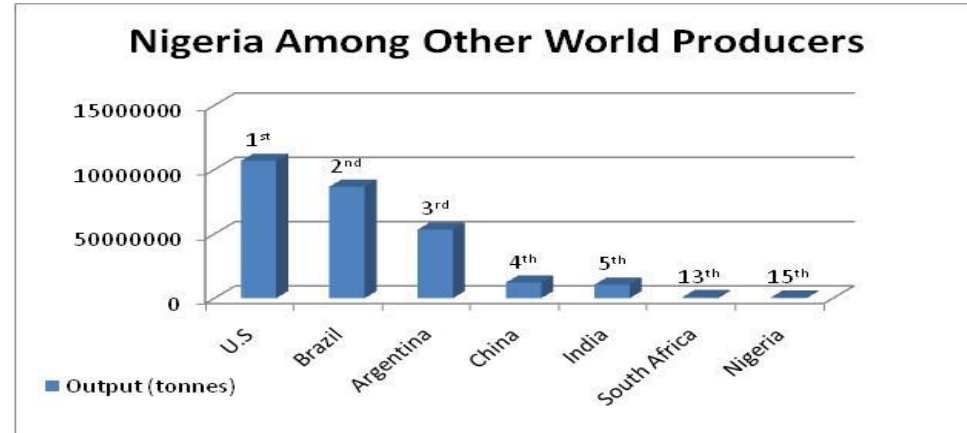
Revenue at \$201.2mn (0.05% of GDP)

Rank (in production): Global: 15th, SSA: 2nd (after South Africa)

Rank (in exports): Global: 33rd, SSA: 4th (after Ethiopia, South Africa and Malawi)

Production Belt: Benue (44%), Kaduna (27%),

Plateau and Niger



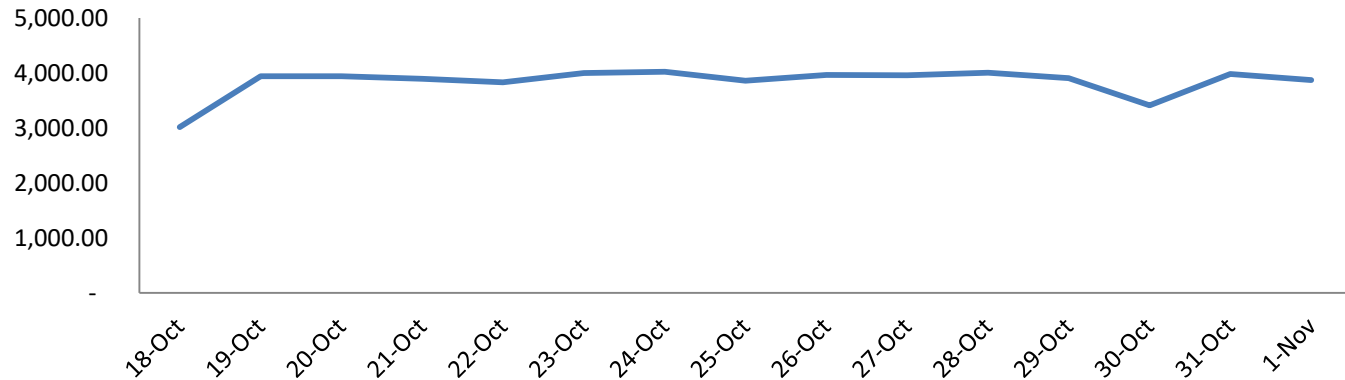
Source: FAOSTAT, FDC

POWER GENERATION ANALYSIS & IMPACT



- November 01st : Average power output sent was 3,871.92MWh/hour (down 107MWh/h)
- Gas constraint was 1,305.5MW; frequency management constraint due to loss of DisCo feeders was 1,220.50MW
- Estimated loss: N1.21bn (annualised at N441.65bn /\$1.22bn)

Power Generated (on Grid) MW/h









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) 	N13,000	N14,000	↓	N6,000	N25,000
Semolina(10kg) 	N1,800	N3,200	↓	N2,300	N3,500
New Yam(small tuber) 	N650	N650	↔	N650	N900
Tomatoes (50kg) 	N8,000	N8,000	↔	N8,000	N28,000
Garri (50kg) 	N10,500	N10,500	↔	N8,000	N16,000
Rice (50kg) 	N15,000	N15,000	↔	N13,500	N22,000
Flour (50kg) 	N10,000	N11,000	↔	N8,500	N11,000
Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
Beans (Oloyin) (100kg) 	N28,000	N32,000	↓	N12,000	34,000
Cement (50kg) 	N2,700	N2,700	↔	N1,400	N2,700

Relatively Static

CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N90	-10%
Beer (60cl)	N250	N280	-10.71%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,100	-15.5%
Gala (big size)	N100	N100	0%

Domestic prices remain flat



Every meal starts with us




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















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STOCK MARKET

- NSE ASI  0.22% to 37,013.75pts
- Consumer goods sub index  0.66% to 909.03pts







	Share Prices (₹)	Daily % Change 06 Nov – 07 Nov	YTD (%)
Nestle	1,290		 48.1
Honeywell	2.09	 0.01	 52.3
Flourmill	35.47		 62.2
Cadbury	10.35	 0.07	 0.01
NB	144.1	 0.89	 8.70
Dangote Sugar	15.50	 0.15	 104.7
Unilever	40.00		 25.7

OIL PRICES



- Brent crude  2.36% to \$63.72pb
- OPEC determined to deepen and extend output cuts
- Saudi Arabia driven to keep oil prices high ahead of the Aramco sale
- Political uncertainty in Saudi Arabia contributing to the uptick in prices

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 06 Nov – 07 Nov	YTD	CURRENT PRICE
O I L			
BRENT	 2.36%	 12.14%	\$63.72pb
WTI	 2.44%	 6.63%	\$57.12pb
NATURAL GAS	 2.61%	 15.59%	\$3.14MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.70% to \$4.28/bushel

•Expectations of rising demand for US cargoes

Corn



•Corn futures up 0.57% to \$3.50/bushel

•Driven by strong demand from Mexico and South Korea

Cocoa



•Cocoa prices down 0.10% to \$2,054/mt

•Partly due to the rebound in the Sterling current

Sugar



•Sugar prices down 0.35% to \$0.1433/pound

•Brazil's production forecast expected to increase owing to recent rainfall in the region

OUTLOOK – OIL PRICES



- Slightly higher price levels will likely be sustained in the near term
- On rising global demand amid tighter supply
- Strong macro-economic backdrop and inventory drawdown in the
US

OUTLOOK – AGRIC PRICES

Grains

- Prices to remain elevated on increased global demand



SUGAR

- Expectation of substantial global surplus will keep a lid on prices

COCOA

- Concerns of crop diseases (brown rot & black pod) in Ivory Coast could curb production



Softs