

BURNING ECONOMIC ISSUES



- Oil price up 1.47% to \$65.70pb



- BVN to be used to stop delinquent debtors -CBN

- CBN aims to reduce CRR (22.5%) for SME friendly banks



- Tiga dam to be shut down



- Parallel market flat at N363/\$

- Diesel price flat at N200 per litre



Good News



- Naira trades flat in the forex market (N363/\$)

Bad News



- Shut down of Tiga Dam poses threat to about 525,000 MT of tomatoes



- Tomato scarcity is imminent in the short-term



COMMODITY IN FOCUS - MAIZE



Total global production (2016/2017): 1.07bn tonnes

2017/2018 forecast: 1.02bn tonnes, growth rate of -4.3%

World's top producers: U.S, China, Brazil, Argentina

World's top consumers: U.S, China, EU

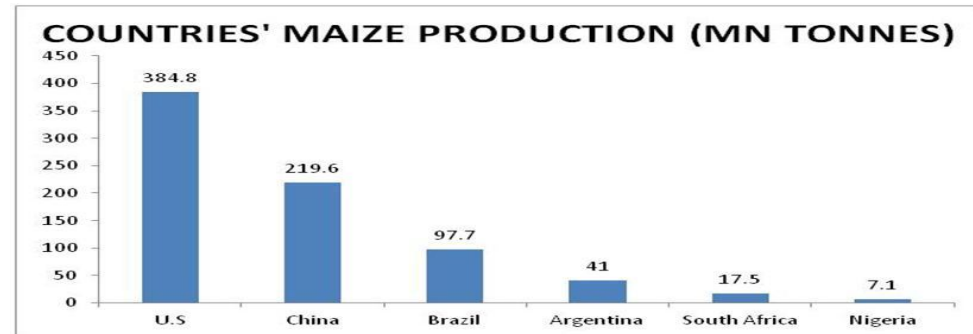
Major uses: Roasted and boiled, corn flakes, pop corn, starch, glucose, animal feed, ethanol, bio fuel, soft drinks





MAIZE PRODUCTION IN NIGERIA

- **Total output:** Approximately 7.1mn tonnes (0.66% of global production), valued at \$1.15bn
- **Potential Output:** 13.41mn tonnes
- **Domestic demand:** Approximately 8mn tonnes
- **Production Rank:** Global- 14th, Africa: 2nd (After South Africa)
- **Major producing states:** Niger, Kaduna, Taraba, Plateau and Adamawa
- **Listed users:** NESTLE, LIVESTOCK FEEDS, PREMIER FEEDS (FMN)



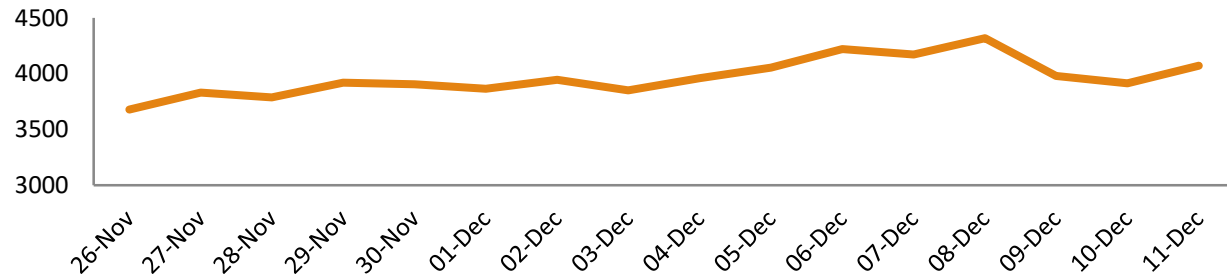
POWER GENERATION ANALYSIS & IMPACT



December 11th : Average power output sent was 4,070MWh/hour (up 158MWh/h)

- Gas constraint was 566MW; line constraint was 0MW; frequency management constraint due to loss of DisCo feeders was 1501MW, water management constraint was 150MW
- Estimated loss: N1.064mn (annualised at N388.36bn /\$0.97mn)
- Highest peak ever reported achieved at 2200hrs with 5156MW

Power Generated (on Grid) MW/h



- Power generation peaked at 4,318MW on Dec 8th before declining sharply

DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic

		CURRENT PRICES (LAGOS)			Lagos Price	
Commodities		CURRENT PRICES	PREVIOUS PRICES	DIRECTIONAL CHANGE	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	N13,000	N13,000	↔	N6,000	N25,000
	Semolina(10kg) 	N1,800	N1,800	↔	N1,800	N3,500
	New Yam(small tuber) 	N400	N400	↔	N400	N900
	Tomatoes (50kg) 	N8,000	N8,000	↔	N8,000	N28,000
Price Inelastic	Garri (50kg) 	N10,500	N10,500	↔	N8,000	N16,000
	Rice (50kg) 	N17,000	N15,000	↔	N13,500	N22,000
	Flour (50kg) 	N9,600	N9,600	↔	N8,500	N11,000
	Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
	Beans (Oloyin) (50kg) 	N27,500	N28,000	↔	N12,000	N34,000
	Cement (50kg) 	N2,500	N2,500	↔	N1,400	N2,700

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  0.88% to 38,913.99pts
- Consumer goods sub index  0.75% to 982.03pts







	Share Prices (₹)	Daily % Change (Dec 08 –Dec 11)	YTD (%)
Nestle	1460	 3.54	 80.2
Honeywell	2.20	 -	 69.2
Flourmill	34.19	 2.31	 84.9
Cadbury	16.35	 2.83	 0.58
NB	143	 1.38	 3.37
Dangote Sugar	20.69	 3.30	 190.9
Unilever	40.5	 2.67	 15.7

OIL PRICES

- Brent crude  1.47% to \$65.70pb
- Prices are up due to explosion in New York city
- Shut down of the Forties pipeline (550,000bpd) due to a widening crack
- Prices are capped due to increasing US oil rig count
- US oil rig count grew by 2 to 751 on week ending Dec 8th – Baker Hughes



OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 07 Dec – 11 Dec	YTD	CURRENT PRICE
O I L			
BRENT	 1.47%	 11.05%	\$65.70pb
WTI	 0.71%	 6.40%	\$58.40pb
NATURAL GAS	 2.82%	 24.19%	\$3.30MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 1.01% to \$4.17/bushel

•Actual shipments and contracted volume of US wheat increased by 9%

Corn



•Corn futures down 0.07% to \$3.51/bushel

•Prices down on technical buying and selling

Cocoa



•Cocoa prices up 2.29% to \$1,923/mt

•Prices up on increased demand due to cheaper cocoa prices

Sugar



•Sugar prices down 1.54% to \$0.1409 pound

•Prices down on increasing supply of sugar

OUTLOOK – OIL PRICES



- Expectations of increasing oil demand from China
- US output will threaten to undermine efforts by OPEC to bring output down

OUTLOOK – AGRIC PRICES

Grains

- Ample global supplies expected to weigh on prices



SUGAR

- Prices expected to fall on expectations of growing sugar cane output

COCOA

- Prices to trade bearish on global supply glut

Softs

