

# BURNING ECONOMIC ISSUES



- World bank revises Nigeria's 2018 growth higher to 2.5%
- Oil prices rise to \$69.17pb (38-month high)



- On grid power output up 3.2% to 3,725MWh/hr



- Parallel market rate flat at N363/\$



- Debt service up to 34% of revenue
- Diesel price at N200-205/liter



## Good News



- World Bank's revised forecast is investor positive

- \$70pb is excellent news for Nigeria



- On grid power is back above 3700MWh/h



- Garri & rice prices decline

## Bad News



- Diesel price jumps to N205/liter

- Stoking inflationary pressures

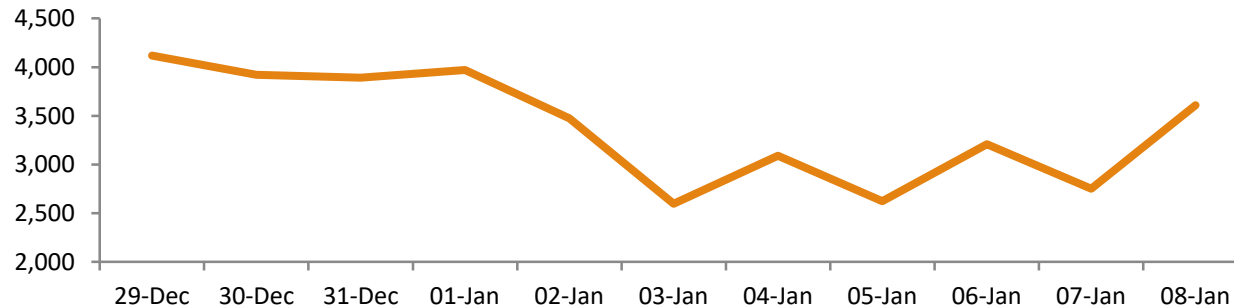
# POWER GENERATION ANALYSIS & IMPACT



January 9th : Average power output sent was 3,725MWh/hour (Up 120MWh/h)

- 10 out of 24 plants faced production constraints
- Total gas constraint was 1,016.7MWh/h; line constraint was 96MW, frequency management constraints was 922MW, water management constraint was 0MW
- Naira equivalent of power loss: N1.03bn (annualised at N354.04bn)




**Avg Power Output (MWh/h)**



# 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) (Yellow) 	N7,000	N10,500	↓	N7,000	N16,000
	Rice (50kg) 	N13,400	N16,000	↓	N13,400	N22,000
	Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
	Sugar (50kg) 	N16,000	N16,000	↔	N8,000	N20,000
	Beans (Oloyin) (50kg) 	N27,000	N27,000	↔	N12,000	N34,000
	Cement (50kg) 	N2,650	N2,650	↔	N1,400	N2,700

# CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Street price	Supermarket price	% difference
Pepsi (50cl)	N120	N100	-20%
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



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















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# STOCK MARKET

- NSE ASI  3.6% to 41,816.11pts
- Consumer goods sub index  2.43% to 1,022.05pts

	Share Prices (₹)	Daily % Change ( Jan 09 – Jan 10)	YTD (%)
Nestle	1450.46	 0.03	 6.78
Honeywell	2.91	 4.68	 38.57
Flourmill	33.4	 2.77	 15.17
Cadbury	17	 1.37	 8.49
NB	146	 4.28	 8.23
Dangote Sugar	21.8	 -	 9.00
Unilever	46.1	 4.77	 12.44







# OIL PRICES

- Brent crude  0.36% to \$69.17pb
- Decline in US oil inventories- for the sixth consecutive week
- Market awaits Trump's decision on possible Iran sanctions
- EIA projects an increase in world demand by 100,000bpd in 2018





# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 09 Jan – 10 Jan	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	 0.36%	 3.44%	\$69.17pb
WTI	 0.82%	 5.06%	\$63.48pb
NATURAL GAS	 0.68%	 0.3%	\$2.94MBtu

# AGRIC COMMODITIES

## Wheat



•Wheat futures up 0.2% to \$4.33/bushel

•Severe winter in the US Wheat Belt threatens harvest

## Corn



•Corn futures flat at \$3.49/bushel

•n/a

## Cocoa



•Cocoa prices up 1.47% to \$1,927/mt

•Due to market expectations of higher demand

## Sugar



•Sugar prices up 0.27% to \$0.1477/ pound

•Driven by marginal easing in India's supply

# OUTLOOK – OIL PRICES



- Oil price rally expected to persist
- US to make a decision regarding Iran nuclear deal on January 12<sup>th</sup>

# OUTLOOK – AGRIC PRICES

## Grains

- Extreme winter could damage crops
- US department of agriculture report to be released on Jan 12th

## SUGAR

- Higher oil prices could lead to more cane being diverted into ethanol production

## COCOA

- EIU projects a 2.2% fall in Ghana and Ivory Coast in 2018

## Softs

