



- Nigeria's headline inflation declines further to 12.48% in April

- Capital importation increased sharply by 594% y-o-y in Q1'18 to \$6.3bn



- Brent crude price down slightly by 0.04% to \$78.20pb



- Short term interest rates spike on CBN's forex sales



- Average price of diesel fell 1% m-o-m to N204.35/litre in April - NBS

- Power output sent up 4.2% to 3,930MWh/hour



Good News



- Sustained high oil price is supportive of fiscal and exchange rate stability
- Declining inflation rate increases possibility of a rate cut next week



Bad News



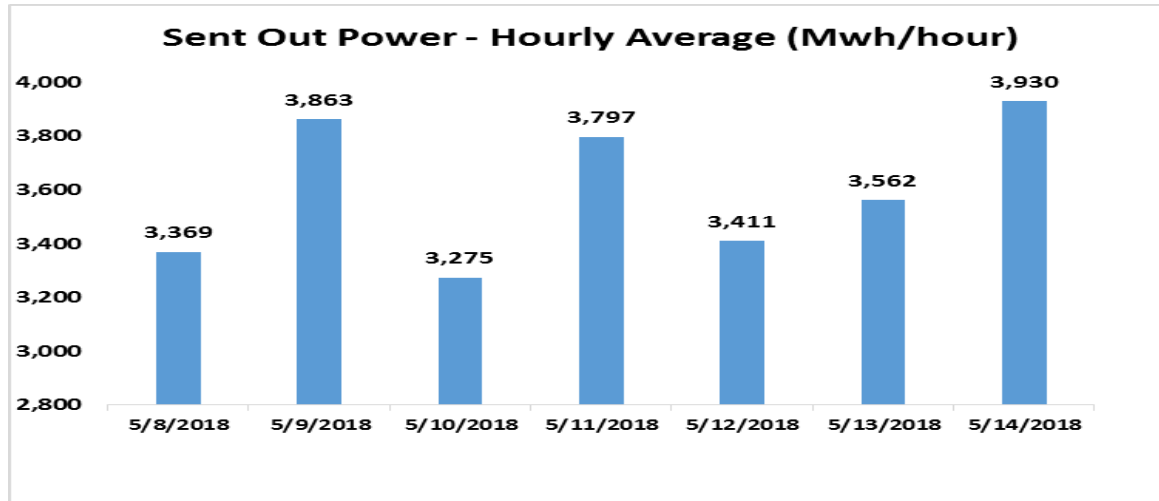
- Diesel retail price at N210-N220/liter is pushing up the PPI
- On-grid power output has been firmly below 4,000MWh/hour since May 3

POWER GENERATION ANALYSIS & IMPACT



May 14th: Average power output at 3,930MWh/hour (up 368.62MWh/h)

- Total gas constraint was 2,599MWh/h; Grid constraint was 1,121MWh/h; Water constraint was 95MW
- Naira equivalent of power loss: N1.83bn (annualised at N667.9bn)



State	Temperature
Kano	40°C (+1°C)
Lagos	31°C (-1°C)
Abuja	34°C (+1°C)

COMMODITY IN FOCUS - COTTON



Total global production (2016/2017): 23.07mn tonnes

2017/2018 growth forecasts: Production - 8.5%, Consumption- 2%

Uses: Cottonseed oil, livestock feeding, textiles, fishing nets, coffee filters, tents, bandages

World's top producers: India, China, U.S and Brazil – 76% of global output

World's top consumers: China, India, Turkey and Bangladesh



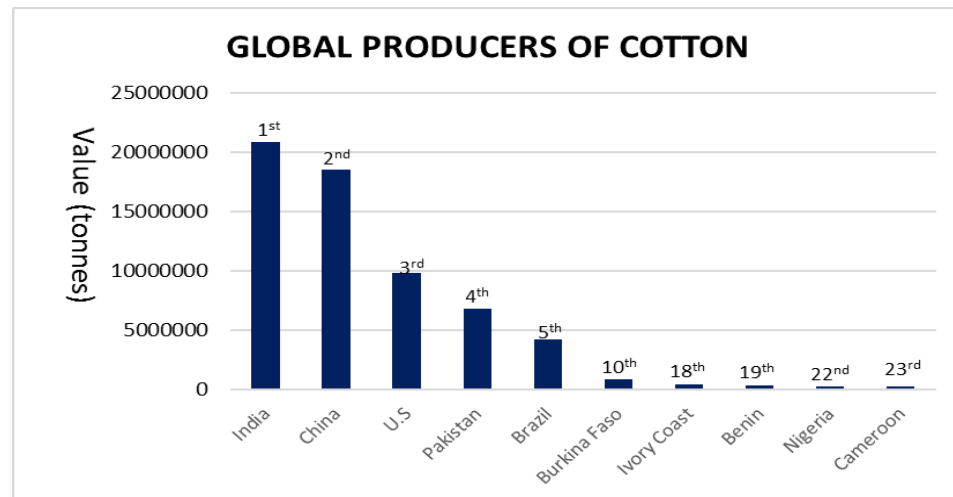
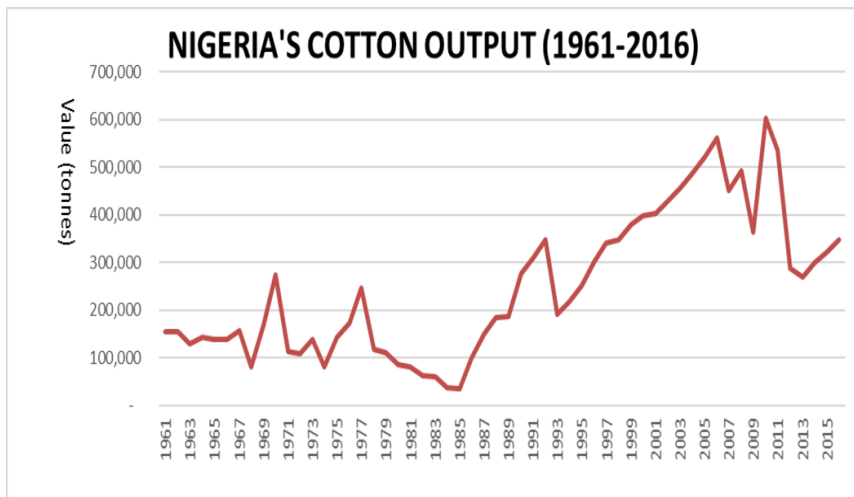


COTTON PRODUCTION IN NIGERIA

Rank (in production): Global - 22nd, Africa- 6th

Producing states: Kaduna, Ondo, Oyo etc. **Average output growth rate (annual):** 7.71%











Nigeria produces 348,000 tonnes (1.5% of global output). Potential – 600,000 tonnes



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) 	N10,000	N10,000	↔	N6,000	N25,000
	Semolina (10kg) 	N3,000	N3,000	↔	N1,800	N3,500
	Old Yam (large tuber) 	N1,700	N1,700	↔	N400	N1,700
	Tomatoes (50kg) 	N8,500	N8,000	↑	N8,000	N28,000
Price Inelastic	Garri (50kg) (Yellow) 	N7,000	N7,000	↔	N7,000	N16,000
	Rice (50kg) 	N15,500	N15,500	↔	N13,000	N22,000
	Flour (50kg) 	N10,000	N10,000	↔	N8,500	N11,000
	Sugar (50kg) 	N14,900	N14,900	↔	N8,000	N20,000
	Beans (Oloyin) (50kg) 	N30,000	N28,000	↑	N12,000	N34,000
	Cement (50kg) 	N2,550	N2,550	↔	N1,400	N2,700



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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

STOCK MARKET

- NSE ASI  0.15% to 40,615.41pts on May 15
- Consumer goods sub index  1.42% to 973.26pts







	Share Prices (₹)	Daily % Change (May 14 – May 15)		YTD (%)
Nestle	1,573.00		1.42	 0.73
Honeywell	2.70		-	 23.8
Flourmill	34.70		0.43	 22.41
Cadbury	13.00		0.76	 16.08
NB	124.80		2.30	 5.32
Dangote Sugar	18.55		-	 5.00
Unilever	52.5		-	 28.05

OIL PRICES

- Brent crude  0.04% to \$78.20pb
- Driven by investor profit-taking
- There was also a surge in US drilling activity
 - Number of active oil rigs up 10 to 844 last week
- Prospects of lower Iranian production remains supportive of the market



OIL MARKETS TODAY

COMMODITY	DAILY CHANGE 14 May – 15 May	YTD	CURRENT PRICE
O I L			
BRENT	 0.04%	 13.22%	\$78.20pb
WTI	 0.76%	 16.19%	\$70.20pb
NATURAL GAS	 0.36	 6.77%	\$2.82MBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 1.81% to \$5.17/bushel

•On forecast of lower US crop output

Corn



•Corn futures dipped 0.60% to \$4.04/bushel

•Increased rain in the US Southern Plains is damaging output.

Cocoa



•Cocoa prices gained 2.44% to \$2,842/mt

•On expectations of a further decline in global supply

Sugar



•Sugar dipped 0.17% to \$0.1149/pound

• Driven by weakening demand and increasing global supply

OUTLOOK – OIL PRICES



- Prices to remain above \$70pb
- Prospects of lower production from Iran amid new sanctions would provide support
- Upcoming Federal Reserve and OPEC bi-annual meetings likely to influence direction of prices

OUTLOOK – AGRIC PRICES

Grains

- Forecast for good weather likely to boost output and push down prices



SUGAR

- Weakening fundamentals underpins bearish outlook

COCOA

- Declining production in major producing countries will continue to support prices

Softs

