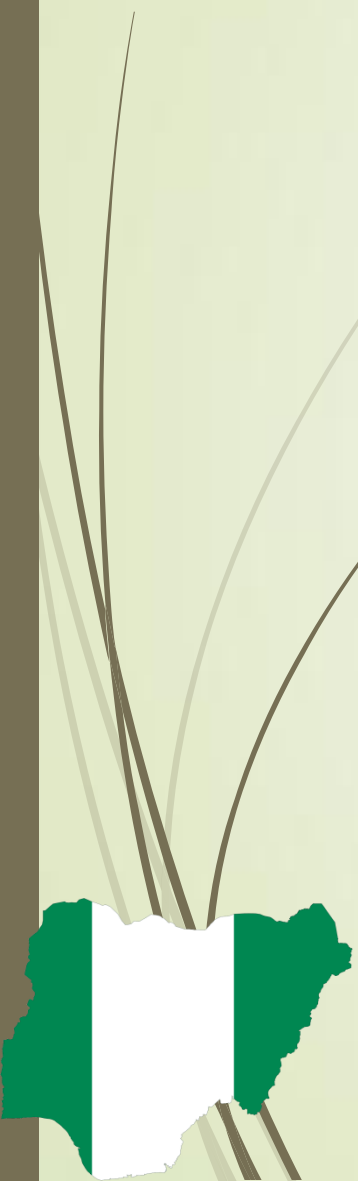




Burning Economic Issues



- Trade surplus in Q2 up 8.36% to \$6.56bn
- External reserves declines further (\$45.63bn)
- Naira depreciates at the IEFX window(N363.04/\$)
- On-grid power up 6.36% to 3,612MW/hour
- Brent down 0.09% to \$77.20pb
- Retail diesel price flat at N235/liter



Impact



- Increased power output is positive for economic activities



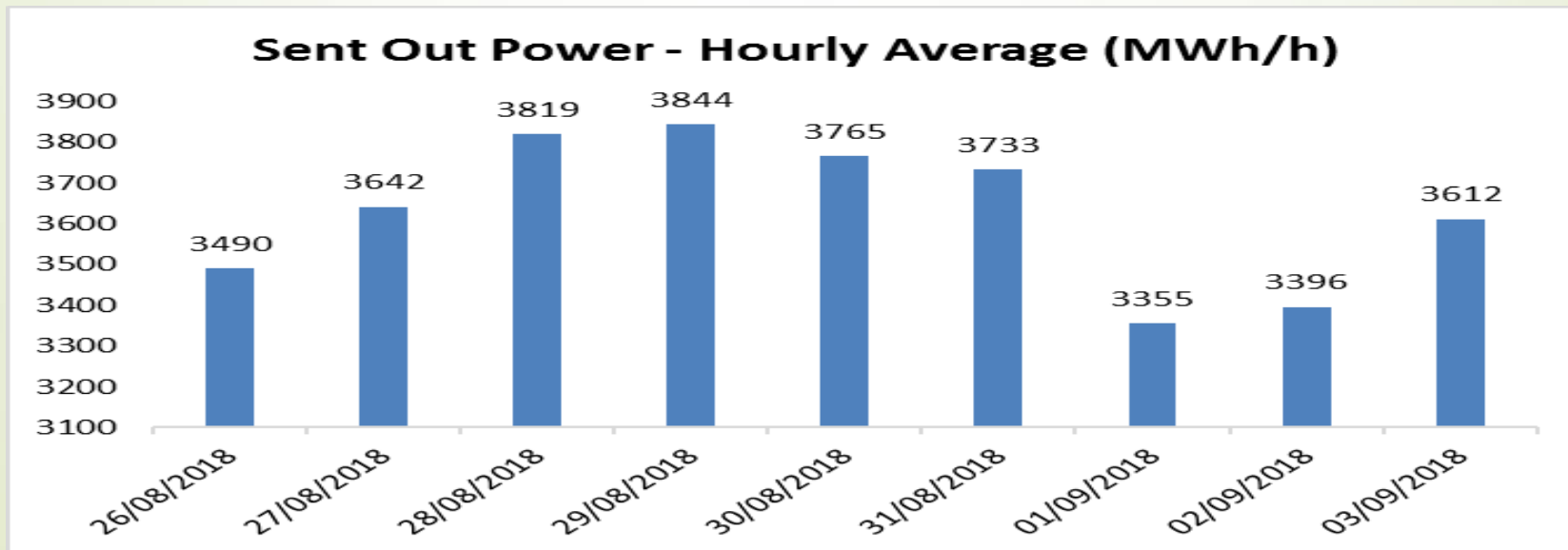
- Depleting external reserves reduces CBN's ability to defend the naira
- Decline in Brent price is negative for fiscal and dollar revenue

Power Sector

September 3rd





- Average power output: 3,612MW/h (up by 216.4MW/h)
- Gas constraint stood at 1,578.5MW while grid constraint was at 2,404MW. No water constraint
- Naira equivalent of power loss: N2.07 billion (annualized at N755.55billion)

State	Temperature
Abuja	25°C
Kano	29°C
Lagos	27°C









Domestic Commodities Price Movement

Relatively Elastic Goods

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N10, 000	N10,000	↔	N6,000	N25,000
Semovita (10kg)		N2,850	N2,900	↓	N1,800	N3,500
Old Yam (large tuber)		N1,900	N1,900	↔	N400	N1,900
Sugar (50kg)		N14,900	N14,900	↔	N8,000	N20,000

Domestic Commodities Price Movement

Relatively Inelastic Goods

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow		N6,500	N7,500	↓	N7,000	N16,000
Rice (50kg)		N14,500	N15,500	↓	N13,000	N22,000
Flour (50kg)		N11,100	N11,000	↑	N8,500	N11,000
Beans (Oloyin)(50kg)		N27,000	N27,000	↔	N12,000	N34,000
Cement (50kg)		N2,550	N2,550	↔	N1,400	N2,700
Tomatoes (50kg)		N10,000	N20,000	↓	N8,000	N20,000

Most domestic commodities have declined relative to the previous month

Consumer Goods – Current price

Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N120	N100	20%
Beer (60cl)	N260	N300	-15.30%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,100	-15.5%
Gala (big size)	N100	N100	0%


Domestic food prices remain flat

















Tasteful delight



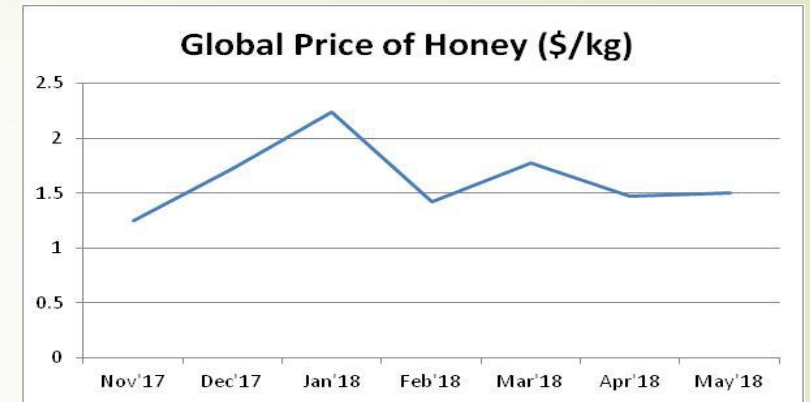
Stock Market

- NSE ASI  1.49% to 34,414.37 on September 5th
- Consumer goods sub index  0.25% to 803.89pts

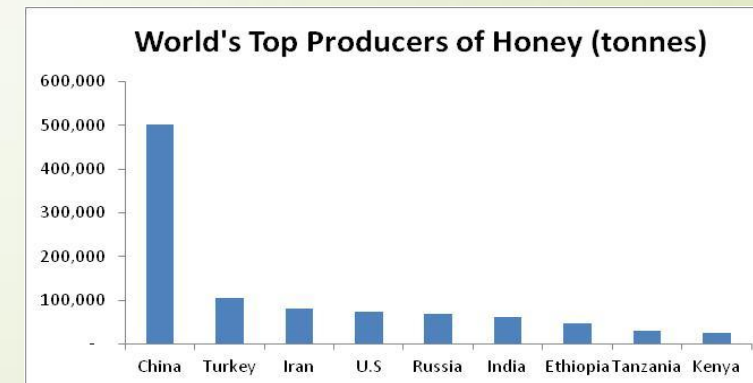
	Share Prices (₦)	Daily % Change (Sept 4 th -5 th)		YTD (% Change)	
Nestle	1,500.00		-		3.60
Honeywell	1.59		-		24.29
Flour Mills	21.20		3.64		26.90
Cadbury	10.05		-		35.86
NB	93.50		0.54		30.69
Dangote Sugar	15.10		-		24.50
Unilever	50.00		-		21.95

Commodity in Focus - Natural Honey

- Total global production: 1.79mn tonnes (approx. \$3.1bn)
- Mainly produced by bees
- World's top producers: China, Turkey, Iran
- World's top consumers: China, U.S, Turkey
- Uses: Baking, substitute for sugar, skin care
- Other products from bees: wax (for cosmetics, pharmaceuticals)



Source: US Dept of Commerce, FDC Think Tank



Source: FAOSTAT, FDC Think Tank

Natural Honey Production in Nigeria

- Nigeria's honey production negligible (app. 40,000 tonnes)
- Demand: estimated at 400,000tonnes
- Demand gap: 360,000tonnes
- Potential output: 200,000tonnes
- Major producing states: Adamawa, Nasarawa, Kaduna
- Listed Users: Cadbury, Nestle



Oil Prices

- Brent crude down 0.09% to \$77.20pb
- As US Gulf tropical storm was averted from oil-producing areas
- Slide in Turkey's currency is also raising demand concerns
- OPEC is projecting global demand to reach 100mbpd by 2018-end



Oil Markets Today

COMMODITY	DAILY CHANGE September 4 th – September 5 th	YTD	CURRENT PRICE
BRENT	↓ 0.09%	↑ 15.45%	\$77.20pb
WTI	↓ 0.19%	↑ 13.52%	\$68.59pb
NATURAL GAS	↓ 0.32%	↓ 5.42%	\$2.79MBtu

Agricultural Commodities

Wheat



•Wheat prices down by 1.03% to \$5.26/bushel

•As fears of tighter global supplies ease

Corn



•Corn prices down by 0.54% to \$3.66/bushel

•Despite Argentina's proposed export tax

Cocoa



•Cocoa prices down 0.94% to \$2,310/MT

• Driven by expectations of robust Ghana and Ivory Coast harvest

Sugar



•Sugar prices increased by 2.26% to 0.1088/pound

Despite an increase in India's sugar quota in September

OUTLOOK – Oil Prices



- Decline in global demand expected to push prices to between \$72-75pb
- New clashes in Libya threaten oil infrastructure and supply

OUTLOOK – Agricultural Prices

GRAINS

- Weather conditions in top producers continue to influence prices

SOFTS

Sugar

- Decline in India's exports likely to push prices further down

Cocoa

- Higher production from Ivory Coast & Ghana likely to reverse upward trend in prices