



# Burning Economic Issues



- Brent at 56-month high \$85pb
- FGN to use proprietary land for Ranching
- Power output up marginally to 3,710MW/h
- Brent up 0.12% to \$85.08pb
- Gross external reserves falls below \$44.4bn
- Diesel price flat at N235 per liter



# Impact



- Oil price at 5-year high \$85pb
- Power output up marginally

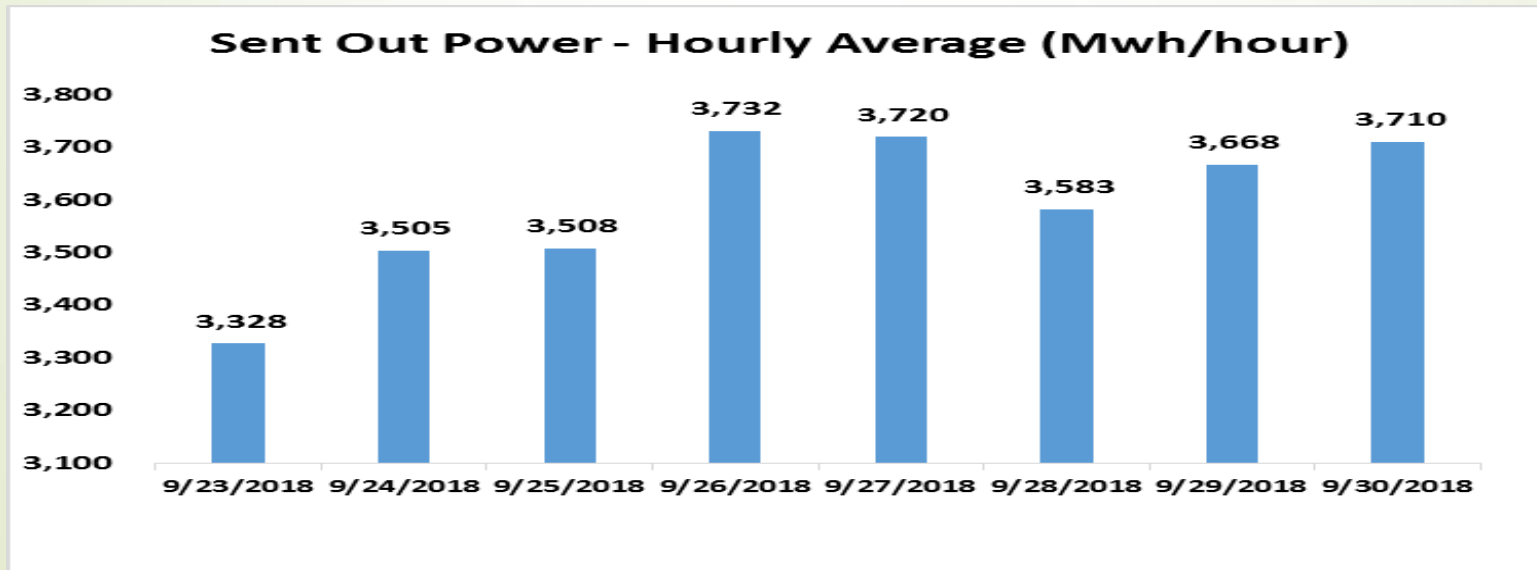
- External reserves below \$44.4bn

# Power Sector

September 30<sup>th</sup>





State	Temperature
Abuja	29°C
Kano	33°C
Lagos	27°C

- Average power output: 3,710MW/h (up by 42.14MW/h)
- Gas constraint stood at 747.5MW while grid constraint was at 3,247.4MW. No water constraint
- Naira equivalent of power loss: N1.92billion (annualized at N700.8billion)









# 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	N2,850	↔	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	N6,500	↔	N7,000	N16,000
Rice (50kg)		N15,500	N15,500	↔	N13,000	N22,000
Flour (50kg)		N11,100	N11,100	↔	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)		N12,000	N12,000	↔	N8,000	N20,000

- Prices of domestic commodities have been flat in the start of Q4'18
- Domestic price of flour is expected to increase by N250 to N11,350

# 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

# Commodity in Focus - Sweet Potatoes

- Planting-harvesting lag: 3-4months

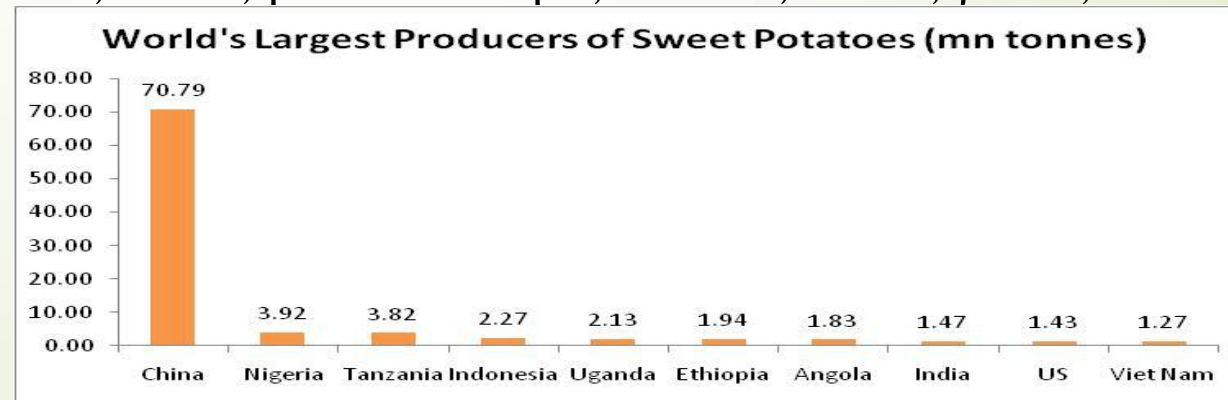
- Total global production (2016): 105.2mn tonnes (\$32bn)

- 1.3% increase over 2015

- World's top producers: China , Nigeria, Tanzania

- World's top consumers: China, Nigeria, Tanzania

- Uses: boiled, fried, potato chips, salads, flour, juice, animal feed



Source: FAOSTAT, FDC Think Tank

**Introducing...**



**BEST VALUE  
FOR MONEY  
BY FAR**

**UP TO 50%  
STRONGER  
AFTER 1 DAY**

**THE KING  
OF CEMENT**  
IDEAL FOR ALL  
**BLOCK & CONCRETE**  
APPLICATIONS



[www.dangote.com](http://www.dangote.com) [facebook.com/dangoteindustries](https://facebook.com/dangoteindustries) [@dangotegroup](https://twitter.com/dangotegroup)





# Sweet Potatoes Production in Nigeria

- Total output (2016): 3.92mn tonnes (\$1.2bn), 3.75% of global
- Increased by 2.35% increase over 2015
- Production rank: Global – 2<sup>nd</sup>, SSA- 1<sup>st</sup>
- Potential output: Estimated at 7mn tonnes
- Major producing states: Kaduna, Kano, Zamfara, Plateau
- Pastoral conflicts in Plateau and other Northern states could reduce domestic supply of sweet potatoes

# Users of Sweet Potatoes Production in Nigeria



Cadbury

- Revenue: (H1'18): N17.55bn
- Increased by 7.9% y/y
- LAT: (N423.77mn)
- Narrowed by 44.7%
- Share Price: N9.1

















Tantalizers  
...every bite, a promise kept

- Revenue: (H1'18): N810.39mn
- Down 12.5% y/y
- LAT: (N222.11mn)
- Narrowed by 30.8%
- Share Price: N0.21

Non listed users: Tastee Fried Chicken, Chicken Republic

# Stock Market

- NSE ASI  0.01% to 32,766.37 on September 28<sup>th</sup>
- Consumer goods sub index  1.35% to 758.36pts







	Share Prices (₹)	Daily % Change (Sept 27 <sup>th</sup> -28 <sup>th</sup> )	YTD (% Change)
Nestle	1,400	 2.27	 9.98
Honeywell	1.45	 3.57	 30.95
Flour Mills	20.00	 1.78	 31.03
Cadbury	9.10	 1.09%	 41.93
NB	91.50	 -	 32.17
Dangote Sugar	14.20	 -	 29.0
Unilever	45.00	 -	 9.72

# Oil Prices

- Brent crude up 0.12% to \$85.08pb
- Supported by supply concerns in anticipation of US' sanctions on Iran
- Saudi Arabia unlikely to fully offset global supply disruptions over the coming months



# Oil Markets Today

COMMODITY	DAILY CHANGE September 28 <sup>th</sup> – October 2 <sup>nd</sup>	YTD	CURRENT PRICE
BRENT	 0.12%	 27.23%	\$85.08pb
WTI	 0.40%	 25.12%	\$75.60pb
NATURAL GAS	 0.84%	 3.73%	\$3.12MBtu

# Agricultural Commodities

## Wheat



•Wheat prices up by 0.02% to \$5.09/bushel

•Despite the outlook of bumper crop harvest in the U.S

## Corn



•Corn prices up by 0.70% to \$3.59/bushel

•Owing to robust global demand

## Cocoa



• Cocoa prices declined by 0.29% to \$2,051/MT

•Driven by the forecast of higher West African output

## Sugar



• Sugar prices fell by 1.16% to 0.1107/pound

• Ensuing from ample global supply

# OUTLOOK – Oil Prices



- Brent to trade between \$85-87pb this week
- Rising concerns over OPEC's capacity to cover the shortfall from Iran's sanctions

# OUTLOOK – Agricultural Prices

## GRAINS

- Bumper crop harvest in the US may likely depress prices

## SOFTS

### Sugar

- India's sugar subsidies to provide avenue to boost export and push down prices

### Cocoa

- Imminent increase in West African main crop harvest is negative for global prices