

Burning Economic Issues



- Nigerian Eurobond (\$2.8bn) road show kicks off
- External reserves slides further to \$41.74bn
- Brent price down 0.97% to \$69.44pb
- Diesel remains stubbornly high at N255/litre
- Cashew nut war between Tanzania and buyers



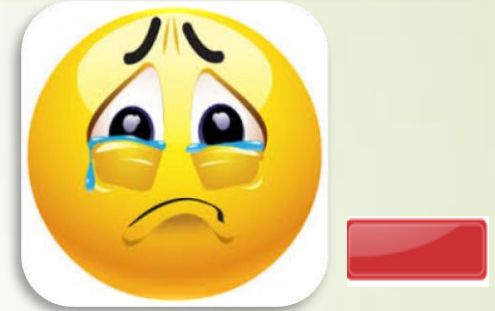
Impact

The Goodies



- Oil production increases to 1.8mbpd ahead of OPEC meeting

The Downers



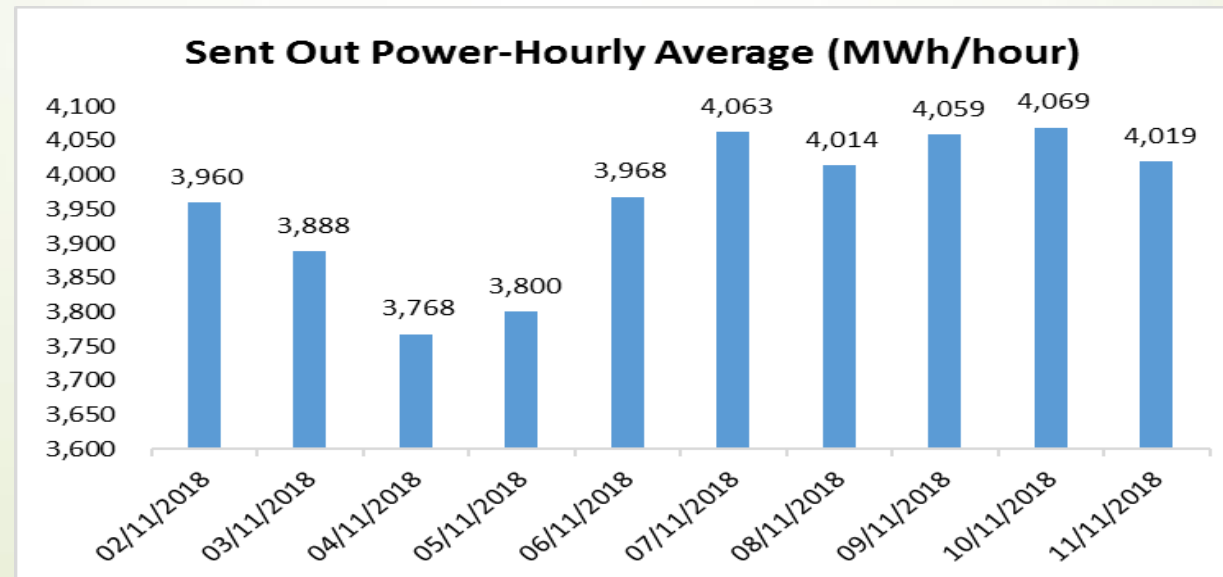
- Brent price under pressure, could remain below \$70pb
- Nigeria's external debt level to spike after Eurobond issue

Power Sector

November 11th





- Average power output: 4,019MW/h (down by 50.51MW/h)
- Gas constraint stood at 778.6MW while grid constraint was at 2,116.1MW. No water constraint
- Naira equivalent of power loss: N1.39billion (annualized at N507.35billion)

State	Temperature
Abuja	33°C
Kano	32°C
Lagos	29°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	N2,850	↔	N1,800	N3,500
New Yam (medium size)		N400	N400	↔	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)		N16,000	N15,500	↑	N13,000	N22,000
Flour (50kg)		N11,100	N11,100	↔	N8,500	N11,100
Beans (Oloyin)(50kg)		N26,000	N27,000	↓	N12,000	N34,000
Cement (50kg)		N2,550	N2,550	↔	N1,400	N2,700
Tomatoes (50kg)		N12,000	N10,000	↑	N8,000	N20,000

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

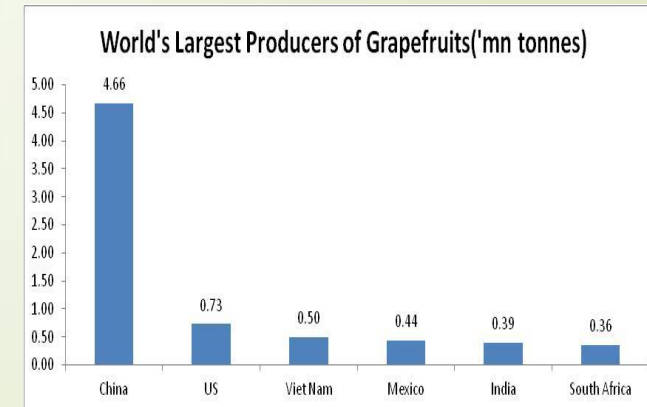
Commodity in Focus - Grapefruit



- Citrus plant with lower fructose content
- High vitamin C level; used mainly for weight loss and by diabetics
- Global output-6 million tonnes (2017), price in global market-\$2,931 per tonne



- Mainly cultivated in Asia and the US- Florida, California, Texas
- World's top consumers: China, US, Vietnam
- Uses: eaten raw, wine, fruit salad, grapefruit oil



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Grapefruit Production in Nigeria

- Nigeria is a marginal player in grapefruit
- Output estimated at 5,000-10,000 tonnes
- Can be grown across most states of the Federation
- Mostly grown in the North Central– Plateau, Taraba, Nassarawa,
- Prone to flooding and herdsmen conflict
- Demand mostly met through imports
- Users: Coca-Cola (5 alive), Chivita and restaurants

Stock Market

- NSE ASI  0.18% to 32,143.41 on November 12th
- Consumer goods sub index  0.17% to 727.61pts

	Share Prices (₹)	Daily % Change (November 9 th - 12 th)	YTD (% Change)
Nestle	1,460	 -	 6.17
Honeywell	1.08	 2.86	 48.57
Flour Mills	16.5	 7.14	 43.10
Cadbury	9.35	 -	 40.33
NB	82.10	 0.12	 39.14
Dangote Sugar	12.90	 0.77	 35.50
Unilever	39.25	 -	 4.27

Oil Prices

- Brent crude down 0.97% to \$69.44pb
- OPEC+ meeting in Abu Dhabi highlights likely production cut in 2019
- Saudi minister to cut December shipments by 500,000 barrels per day
- Compliance level by producers now at 111%



Oil Markets Today

COMMODITY	DAILY CHANGE November 12 th – 13 th	YTD	CURRENT PRICE
BRENT	↓ 0.97%	↑ 3.84%	\$69.44pb
WTI	↓ 1.35%	↓ 2.15%	\$59.12pb
NATURAL GAS	↑ 4.12%	↑ 33.56%	\$3.94MBtu

Agricultural Commodities

Wheat



- Wheat prices up 0.40% to \$5.04/bushel
- On expectation of higher demand for US wheat in 2019

Corn



- Corn prices increased by 0.27% to \$3.71/bushel
- As inventories decline due to typhoons

Cocoa



- Cocoa prices down 0.96% to \$2,265/MT
- Due to a surge in Ivory Coast's cocoa supplies

Sugar



- Sugar prices up 1.18% to 0.1288/pound
- Despite reports of weak Indian sugar output

OUTLOOK – Oil Prices



- Oil prices would trade within the range of \$70-72pb
- Saudi's plan to cut output could push prices higher ahead of the December meeting

OUTLOOK – Agricultural Prices

- 
- GRAINS** • Lower USDA corn forecast could push prices up further in the short term

SOFTS Sugar

- Transport subsidy to Indian sugar mills could boost supply which is negative for prices

Cocoa

- Increased Ivory Coast output would depress prices further