

# Burning Economic Issues



- Average PMS price up 0.8% (y-o-y) to N147.20/litre in October-NBS
- Brent down 0.53% to \$60.16pb
- External reserves increases for the first time in 3 months (\$41. 60bn)
- Retail diesel price stubbornly high at N250-N260/litre



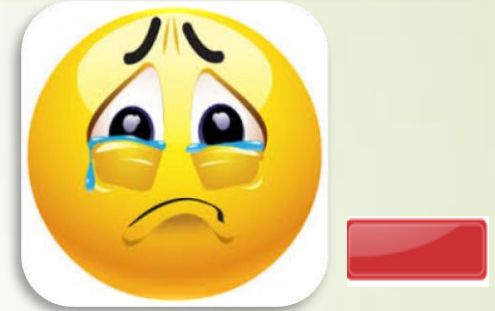
# Impact

## The Goodies



- Average power in November above 4,000MWh/hour
- 6.85% higher than October

## The Downers



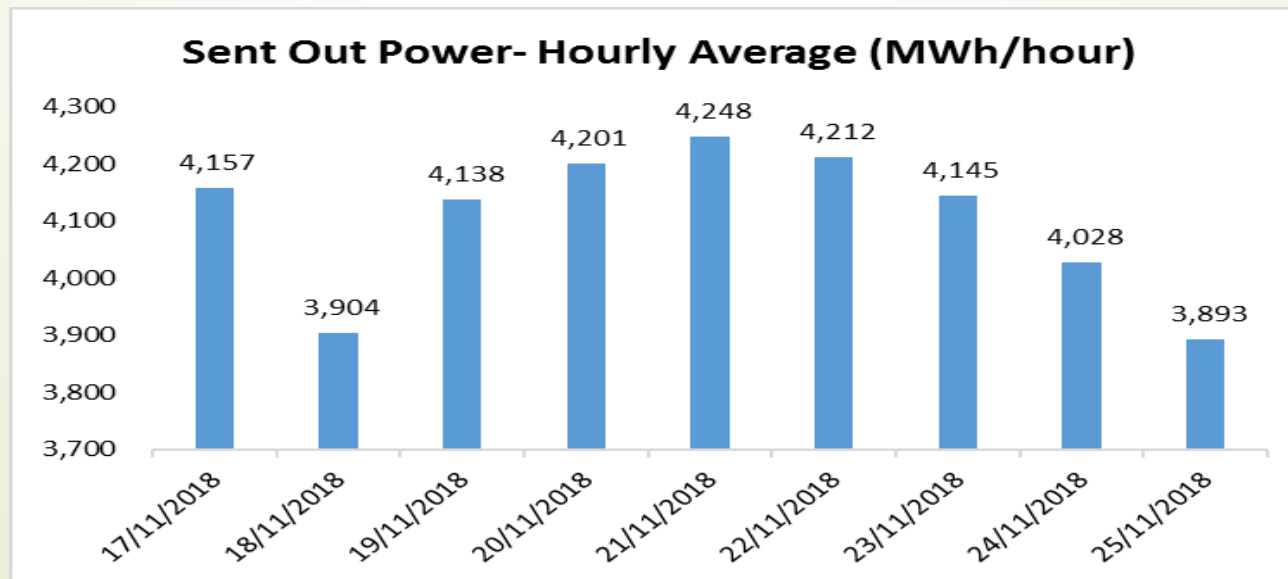
- Quarterly oil revenue expected to fall to \$9bn
- But could be supported by soaring LNG price (38.98% YTD gain)

# Power Sector

November 25<sup>th</sup>





State	Temperature
Abuja	33°C
Kano	29°C
Lagos	32°C

- Average power output: 3,893MW/h (down by 134.33MW/h)
- Gas constraint stood at 2,144.2MW while grid constraint was at 182.5MW. No water constraint
- Naira equivalent of power loss: N1.12billion (annualized at N408.8billion)









# 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
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

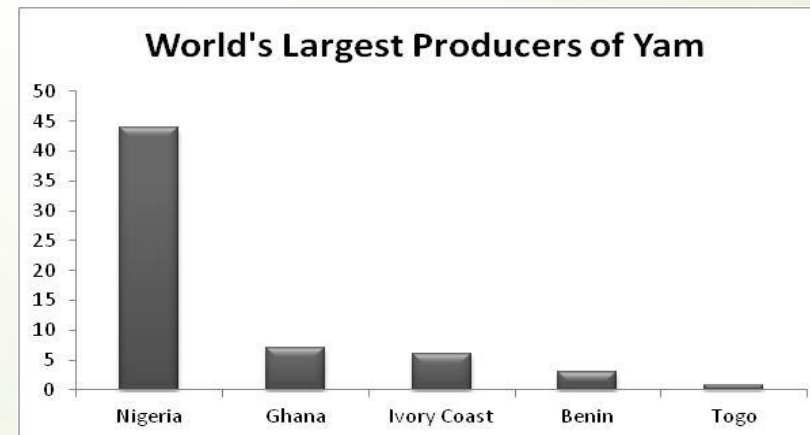
Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N120	N100	20%
Beer (60cl)	N260	N300	-15.30%
Bread Loaf	N350	N400	-12.5%
Indomie (1 carton)	N1,900	N2,100	-15.5%
Gala (big size)	N100	N100	0%

Domestic food prices remain flat

# Commodity in Focus - Yams



- Planting to harvesting lag: 3 to 4 months
- Total global production : Estimated at 66mn tonnes (\$46.2bn)
- Mostly produced in West Africa
- World's top producers: Nigeria, Ghana, Ivory Coast
- World's top consumers: Nigeria, Ghana
- Uses: ceremonies, boiled, yam porridge, fried, roasted, pounded, yam flour (*elubo*), pondo yam



Source: FAOSTAT, FDC Think Tank



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



# Yam Production in Nigeria

- Total production : 44mn tonnes (\$30.8bn)
- 66.7% of global output
- Rank: Global-1<sup>st</sup>
- Potential output: 80mn – 100mn tonnes
- Large scale production is feasible in almost all states of the federation
- Top producing states: Benue, Cross River, Delta, Taraba, Nassarawa, Ebonyi, Anambra
- Threats to local production: pastoral conflicts, terrorism
- A medium sized yam tuber currently costs N400 in Nigeria (1 year high = N1,900)

# Stock Market

- NSE ASI  0.46% to 31,533.50 on November 26th
- Consumer goods sub index  0.86% to 728.16pts

	Share Prices (₹)	Daily % Change (November 23 <sup>rd</sup> -26 <sup>th</sup> )	YTD (% Change)
Nestle	1,480	 -	 4.88
Honeywell	1.11	 -	 47.14
Flour Mills	20.50	 3.54	 29.31
Cadbury	9.20	 -	 41.29
NB	79.40	 2.58	 41.14
Dangote Sugar	13.10	 0.38	 34.50
Unilever	39.50	 -	 3.66

# Oil Prices

- Brent crude down 0.53% to \$60.16pb
- After 8% drop in price on Friday
- Following slow down in demand growth and struggling financial markets
- Oil prices have also been weighed down by a strong US dollar



# Oil Markets Today

COMMODITY	DAILY CHANGE November 26 <sup>th</sup> – 27 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↓ 0.53%	↓ 10.03%	\$60.16pb
WTI	↓ 0.68%	↓ 15.13%	\$51.28pb
NATURAL GAS	↓ 2.99%	↑ 39.66%	\$4.12MBtu

# Agricultural Commodities

## Wheat



- Wheat prices up by 0.59% to \$5.10/bushel
- On hopes of higher demand for US cargoes

## Corn



- Corn prices declined by 0.07% to \$3.70/bushel
- Driven by robust global corn inventories

## Cocoa



- Cocoa prices down 1.07% to \$2,122/MT
- On strong global cocoa output

## Sugar



- Sugar prices decreased by 1.66% to 0.1247/pound
- As India becomes world's largest sugar producer



# OUTLOOK – Oil Prices



- Slide in Brent oil to be a front burner issue at bi-annual OPEC meeting next week
- Brent could remain at \$60-\$62pb range this week

# OUTLOOK – Agricultural Prices

## GRAINS

- Increased US wheat export demand would increase prices in the near term

## SOFTS

### Sugar

- Increased Indian output could push global prices down further

### Cocoa

- Increased global output is negative for prices and Nigeria's export earnings