

Burning Economic Issues



- Elections over, real work begins
- US trade deficit at a 10-year high (\$621bn)
- Rig count falls 6.67% to 14 from 15
- External Reserves creeps to \$42.61bn
- Brent up 0.17% to \$66.69pb



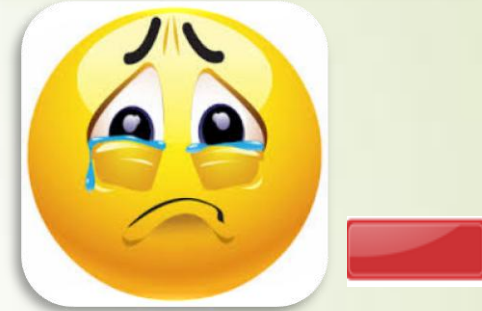
Impact

The Goodies



- Cocoa prices up 2.78% in a week
 - Positive for export earnings
- Retail diesel price flat at N230-240/litre

The Downers



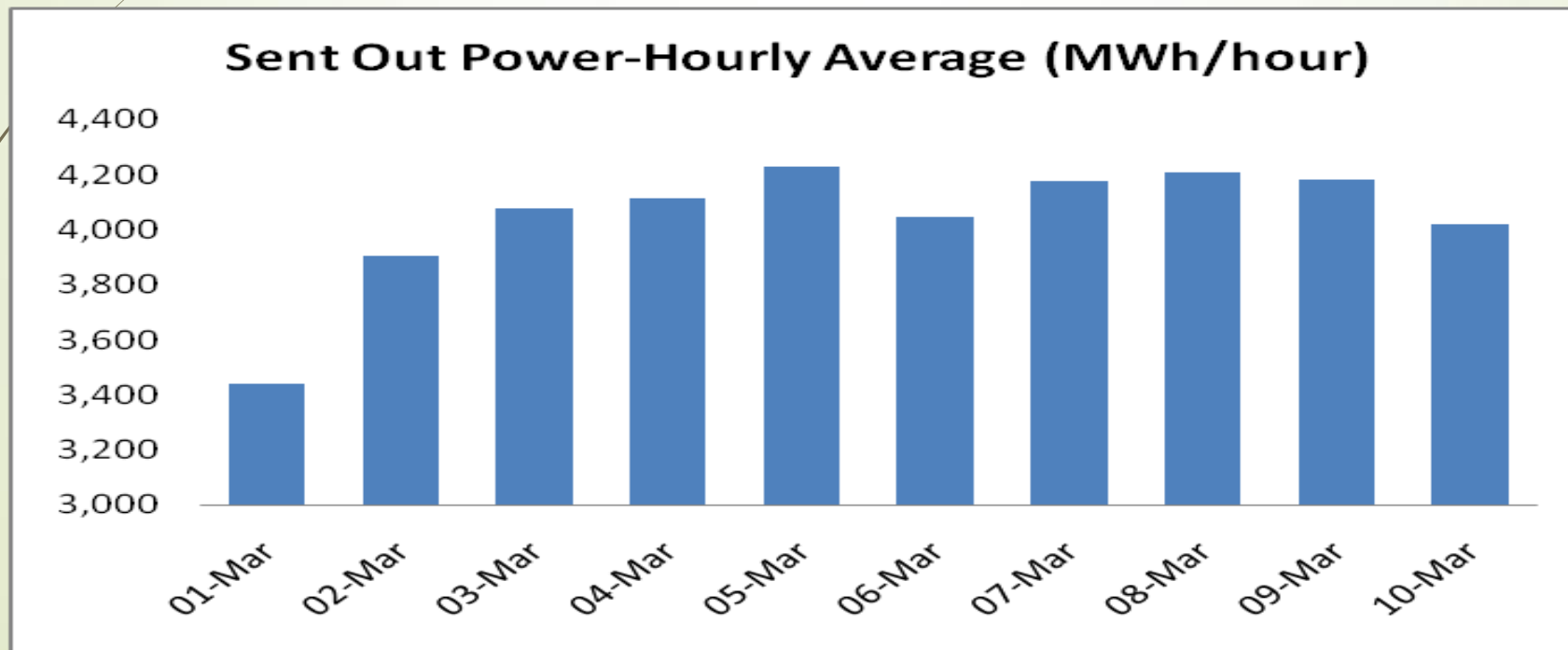
- Lower rig count could mean decline in oil production and revenue

Power Sector

March 10th





- Average power output: 4,021MW/h (down by 160MW/h)
- Gas constraint stood at 2,774.05MWh/h, no line and water constraint
- Naira equivalent of power loss: N1.35billion (annualized at N492.75billion)

State	Temperature(noon-time)
Abuja	37°C
Kano	38°C
Lagos	32°C








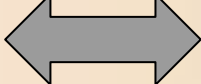







Domestic Commodities Price Movement

Relatively Elastic Products

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	N2,800	↑	N1,800	N3,500
New Yam (medium size)		N800	N700	↑	N400	N1,900
Sugar (50kg)		N14,900	N14,900	↔	N8,000	N20,000

Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow		N6,150	N7,150		N6,150	N16,000
Rice (50kg)		N14,000	N14,000		N13,000	N22,000
Flour (50kg)		N11,000	N11,000		N8,500	N11,100
Beans (Oloyin)(50kg)		N20,000	N20,000		N12,000	N34,000
Cement (50kg)		N2,550	N2,550		N1,400	N2,700
Tomatoes (50kg)		N7,000	N6,000		N6,000	N20,000
Pepper (bag)		N7,000	N5,000		N5,000	N15,000

- Mixed movement in domestic commodity prices

Consumer Goods – Current price

Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
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

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Stock Market

- NSE ASI  0.90% to 31,636.66 on March 11th
- Consumer goods sub index:  0.68% at 718.51pts

	Share Prices (₦)	Daily % Change (March 8 th – 11 th)		YTD (% Change)
Nestle	1,480		1.99	 0.34
Honeywell	1.29		-	 0.78
Flour Mills	19.25		1.32	 16.67
Cadbury	12.1		10	 21
Dangote Sugar	14.55		-	 4.59
Unilever	38.7		-	 4.59
Ikeja Hotels	2.13		-	 39.22
Newrest ASL	7.05		-	 10.76

Oil Markets Today

COMMODITY

DAILY CHANGE March 11th – 12th

YTD

CURRENT PRICE

BRENT

↑ 0.17%

↑ 23.96%

\$66.69pb

WTI

↑ 0.32%

↑ 25.46%

\$56.97pb

NATURAL GAS

↑ 0.11%

↓ 5.44%

\$2.78MBtu

Oil Prices

- Brent crude up 0.17% to \$66.69pb
- Despite concerns of global economic slowdown
- And a fall in US drilling activities (Baker Hughes)



Agricultural Commodities

Wheat



• Wheat prices down by 0.38% to \$4.40/bushel

• On weak demand for US wheat

Corn



• Corn prices increased by 0.55% to \$3.66/bushel

• On expectations of increased demand by India

Cocoa



• Cocoa prices up by 0.82% to \$2,216/MT

• Despite forecasts of robust global cocoa production

Sugar



• Sugar prices up 0.65% to 0.1218/pound

• Due to expectations of lower sugar production in India

OUTLOOK – Oil Prices



- OPEC is set to have an extraordinary meeting in April, however we do not expect any change in its output cut till its next bi-annual meeting in June
- Brent to trade within the range of \$65-\$67pb in the coming weeks

OUTLOOK – Agricultural Prices

GRAINS

- Wheat prices expected to increase due to a cut in the USDA's forecast of US 2018/19 wheat exports

SOFTS

Sugar

- Expectations of sugar output cut by India, Thailand and Europe to drive up prices in the near term

Cocoa

- Price fall expected on higher cocoa output in Ivory Coast and Ghana