

Burning Economic Issues



- February inflation data to be released tomorrow
- NASS begins debate on 2019 budget
- Naira flat at N360/\$ - parallel market
- External Reserves inches towards \$43bn (\$42.87bn)
- Brent up 0.30% to \$67.75pb



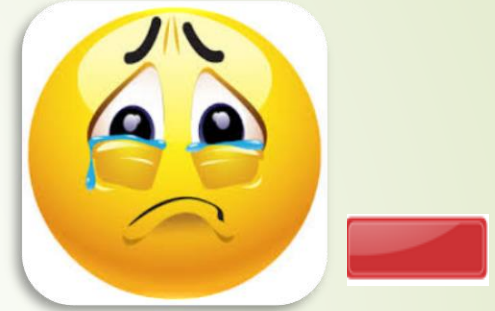
Impact

The Goodies



- Steady increase in reserves positive for currency stability
- Diesel price flat at N230-N240 per litre

The Downers



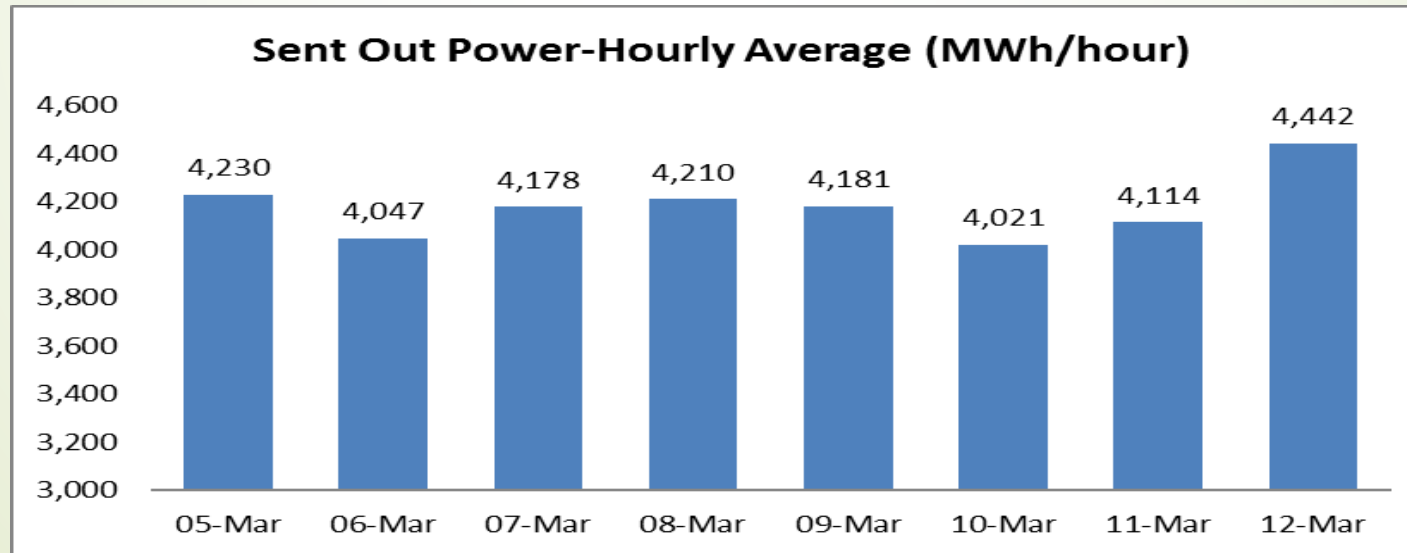
- Inflation expected to inch up to 11.4%
 - Election-driven demand

Power Sector

March 12th





State	Temperature(noon-time)
Abuja	36°C
Kano	36°C
Lagos	32°C

- Average power output: 4,442MW/h (up by 328.79MW/h)
- Gas constraint stood at 2,512.5MWh/h, Grid constraint was 440MWh/h.
There was no water constraint.
- Naira equivalent of power loss: N1.43billion (annualized at N521.95billion)








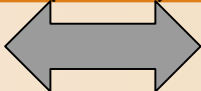








Domestic Commodities Price Movement

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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Commodity in Focus - Rubber

- Seedling/maturity lag: 5years

- Life Span: 25 years

- Total annual global production: Estimated at 14.25 million tonnes (\$21.38 billion)

- Global price has fallen by 13.19% to \$1,500/tonne YTD

- World's top producers: Thailand, Indonesia, Vietnam

- World's top consumers: China (39%), India, European Union, Japan

- Uses: Uncured natural rubber - footwear, cement, insulating blankets, adhesive, and friction tapes

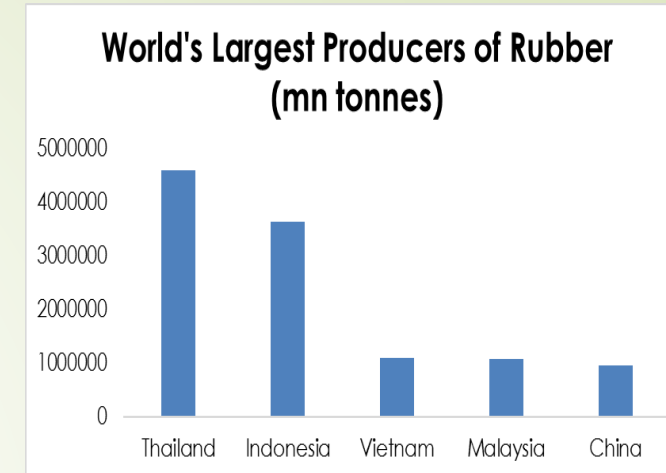
Vulcanized rubber: rubber hoses, shoe soles, tyres, bowling balls, bouncing balls, hockey pucks, toys,

erasers, and instrument mouthpieces, foot mats



Rubber Production in Nigeria



- Total output (2017): Estimated at 159,264 tonnes (\$239mn)
- 1.12% of global production
- Potential production: approximately 300,000 tonnes (\$450mn)
- Rank in production: Global- 12th, SSA- 2nd (after Ivory Coast)
- Major producing states: (Southern Nigeria) Ondo, Edo, Ogun, Delta, Cross River
- Listed producers: Okomu, Presco Plc
- Popular brands: Bridge, Road Star
- Tyre brands in Nigeria: Dunlop, Michelin, Infinity
- No tyre manufacturing plant in Nigeria



















Source: FAOSTAT, FDC Think Tank



Stock Market

- NSE ASI  0.15% to 31,360.28pts on March 13th
- Consumer goods sub index:  1.60% at 720.52pts

	Share Prices (₦)	Daily % Change (March 12 th – 13 th)	YTD (% Change)
Nestle	1,549.9	 4.72	 4.37
Honeywell	1.22	 1.61	 4.69
Flour Mills	19.10	 0.78	 17.32
Cadbury	12.0	 -	 20
Dangote Sugar	13.95	 0.36	 8.52
Unilever	38.7	 -	 4.59
Ikeja Hotels	2.13	 -	 39.22
Newrest ASL	7.05	 -	 10.76

Oil Markets Today

COMMODITY	DAILY CHANGE March 13 th – 14 th	YTD	CURRENT PRICE
BRENT	↑ 0.30%	↑ 25.93%	\$67.75pb
WTI	↑ 0.19%	↑ 28.54%	\$58.37pb
NATURAL GAS	↑ 0.46%	↓ 3.74%	\$2.83MBtu

Oil Prices

- Brent crude up 0.30% to \$67.75pb
- EIA revised its average US crude production in 2019 to 12.3mbpd
 - 2020: from 13.2mbpd to 13.03mbpd
- Saudi Arabia plans to cut its oil exports in April to below 7mbpd



Agricultural Commodities

Wheat



• Wheat prices down by 1.55% to \$4.46/bushel

• On ample global supply

Corn



• Corn prices declined by 0.34% to \$3.65/bushel

• Amid uncertainties around the on-going US-China trade talks

Cocoa



• Cocoa prices up by 0.18% to \$2,221/MT

• Owing to restrictions on Uganda's exports

Sugar



• Sugar prices fell 0.32% to 0.1229/pound

• Despite trade talks between Brazil and the US

OUTLOOK – Oil Prices



- Brent expected to trade within the range of \$67-\$69pb
- Driven by lower output from key oil producers:
 - Venezuela: blackout would lead to a decline in its oil exports
 - Saudi Arabia: indicates its plan to cut supply further

OUTLOOK – Agricultural Prices

GRAINS

- Early prospects of large wheat harvests in Europe and Russia is negative for global price

SOFTS

Sugar

- Weak global demand could depress prices in the near term. This is positive for Nigeria's import bill

Cocoa

- Increased output from Ivory Coast is expected to cap gains in price