



Burning Economic Issues



- Brent trading at \$66.24pb
- Senate to approve Buhari's \$30bn loan request
- CBN seeks to bridge palm oil demand gap of 1.25mn metric tonnes
 - to save \$500mn annually
- External reserves slip further to \$39.04bn
- Naira depreciates to N363/\$ at the parallel market



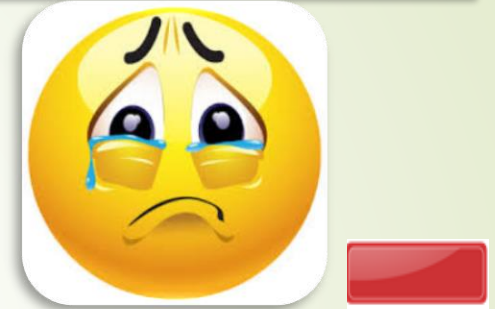
Impact

The Goodies



- Brent at \$66pb
- External debt to boost external reserves and naira stability
- Power output back up over 4,000MWH/hr

The Downers



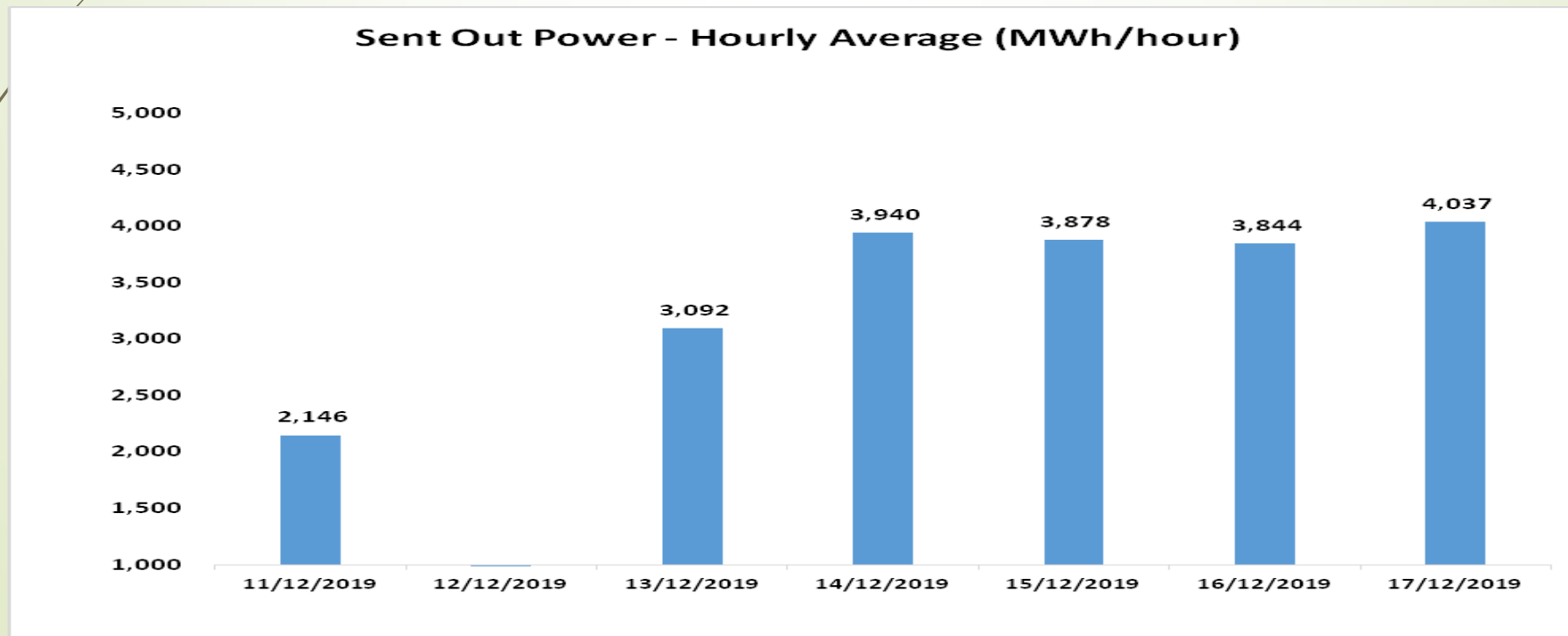
- External reserves almost at \$39bn
- External debt to rise to about \$57bn (15% of GDP)

Power Sector

December 17th





- Average power output: 4,307MWH/hr (up 193.58MWH/hr)
- Gas constraints stood at 2,965.5MWh/hr, Grid constraint was 452MWh/hr. There was no water constraint
- Naira equivalent of power loss: N1.64billion (annualized at N598.6billion)

| State | Temperature(noon-time) |
|-------|------------------------|
| Abuja | 33°C |
| Kano | 35°C |
| Lagos | 30°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 | N9,000 | ↑ | N9,000 | N10,000 |
| Semovita (10kg) |  | N2,900 | N2,900 | ↔ | N2,800 | N3,000 |
| New Yam (medium size) |  | N600 | N500 | ↑ | N400 | N1,900 |
| Sugar (50kg) |  | N13,500 | N13,500 | ↔ | N13,000 | N15,000 |



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Domestic Commodities Price Movement

Relatively Inelastic Products















| Commodities | | Current Prices | Previous Month Prices | Directional Change | 1-Year Low | 1-Year High |
|----------------------|---|----------------|-----------------------|--------------------|------------|-------------|
| Garri (50kg) Yellow |  | N7,200 | N6,900 | ↑ | N6,150 | N7,200 |
| Rice (50kg) |  | N27,500 | N27,500 | ↔ | N14,000 | N27,500 |
| Flour (50kg) |  | N11,500 | N11,500 | ↔ | N10,000 | N11,500 |
| Beans (Oloyin)(50kg) |  | N15,000 | N15,000 | ↔ | N14,000 | N25,500 |
| Cement (50kg) |  | N2,600 | N2,550 | ↑ | N1,600 | N2,700 |
| Tomatoes (50kg) |  | N10,000 | N10,000 | ↔ | N6,000 | N20,000 |
| Pepper (bag) |  | N6,000 | N9,000 | ↓ | N5,000 | N15,000 |

Consumer Goods – Current price

| Goods | Street price | Supermarket price | % difference |
|----------------------|--------------|-------------------|--------------|
| Pepsi (50cl) | N100 | N100 | 0% |
| Heineken beer (60cl) | N300 | N330 | -10.00% |
| Bread Loaf | N350 | N400 | -12.5% |
| Indomie (1 carton) | N2,000 | N2,300 | -15.0% |
| Gala (big size) | N100 | N100 | 0% |

Stock Market

- NSE ASI  0.02% to 26,665.73pts on December 18th
- Consumer goods sub index:  0.11% at 551.35pts

| | Share Prices (₦) | Daily % Change (December 17 th – December 18 th) | | YTD (% Change) |
|------------------|------------------------|---|------|---|
| Nestle | 1,300 |  | - |  12.46 |
| Honeywell | 1.02 |  | 1.92 |  20.31 |
| Flour Mills | 19.3 |  | - |  16.45 |
| Cadbury | 10.65 |  | 7.58 |  6.5 |
| Dangote Sugar | 16.55 |  | - |  8.52 |
| Unilever | 18.45 |  | - |  50.13 |
| Ikeja Hotels | 1.12 |  | 9.8 |  26.8 |

Oil Markets Today

| COMMODITY | DAILY CHANGE December 18 th – 19 th | YTD | CURRENT PRICE |
|-------------|--|----------|------------------|
| BRENT | ↑ 0.11% | ↑ 23.12% | \$66.24pb |
| WTI | ↑ 0.07% | ↑ 34.26% | \$60.97pb |
| NATURAL GAS | ↓ 0.09% | ↓ 21.77% | \$2.28Btu |

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Oil Prices

- Brent up 0.11% to \$66.24pb
- Driven by:
 - Decline in US crude stockpiles (down 1.1 million barrels – EIA data)
 - Building on price rally after US-China phase one agreement



Agricultural Commodities

Wheat



- Wheat prices 1.08% lower at \$203.79/tonne
- Due to a stronger US dollar

Corn



- Corn prices 0.45% lower at \$155.3/tonne
- Despite plans by Argentina to raise export taxes

Cocoa



- Cocoa prices decreased by 0.08% to \$2,532.00/mt
- Driven by increased output in Ghana and Ivory Coast.

Sugar



- Sugar prices declined by 0.15% to \$13.27/Pound
- Due to a fall in demand in India

OUTLOOK – Oil Prices



- Brent likely to trade between \$65pb-\$67pb in the coming days
- Supported by:
 - Agreement on phase one of US-China trade deal
 - Effects of OPEC's production cuts to reduce oil supply kicking in

OUTLOOK – Agricultural Prices

- Uncertainty on US-China trade deal to drive prices in the

GRAINS

near term

Sugar

SOFTS

- Harsh weather conditions continue to affect sugar produce in the US

Cocoa

- Investment by Cargill in the Cocoa sector to increase output in the near term
- Cocoa prices to rise in Ivory Coast as climatic problems arise due to deforestation