

Burning Economic Issues



- Ivory Coast & Ghana form COPEC
- Cocoa gains 1.97% to \$2,533/mt
- Brent gains 0.28% to \$65.62pb on Iran's retaliation
- External reserves slip again (\$38.35bn)
- Power output low (3,906.68MWh/hour) in spite of chilly weather



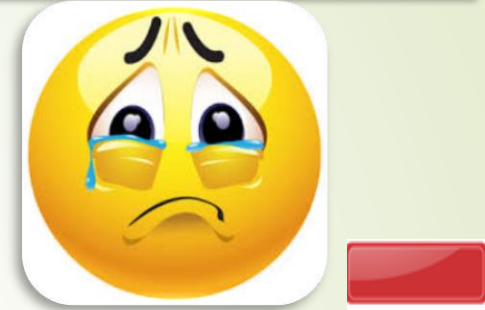
Impact

The Goodies



- Cocoa price rally to boost export earnings
- NSE enjoys a New Year rally (9.14% in 8 days)
- Biggest daily gain in 1 year (up N471bn)
- In 2019, the market lost 4.4% in the first 8 days

The Downers



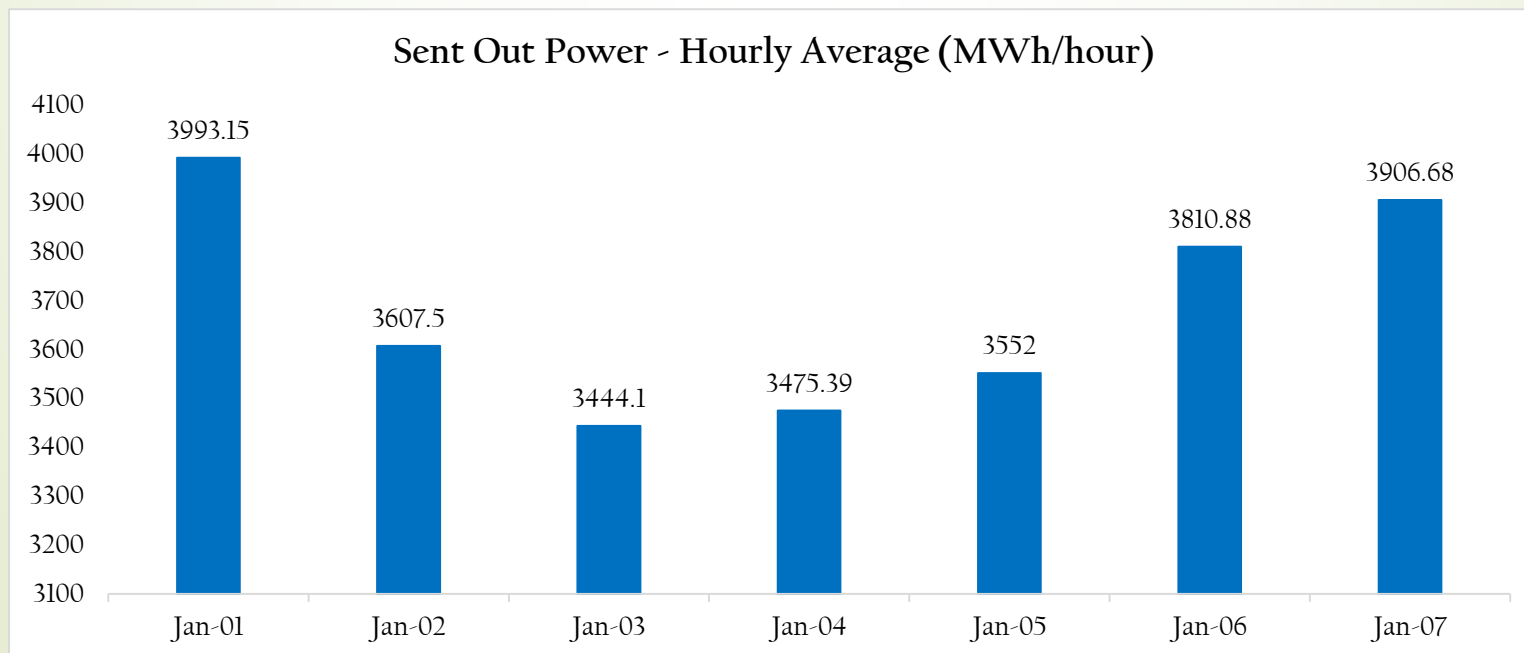
- External reserves getting close to \$37bn
- Could undermine Naira stability in forex market

Power Sector

State	Temperature(noon-time)
Abuja	35°C
Kano	29°C
Lagos	32°C





January 7th

- Average power output: 3,906.68MW/h (up 95.8MW/h)
- Gas constraints stood at 2,042MWh/hr, Grid constraint was 1,467.60MWh/hr.
There was no water constraint
- Naira equivalent of power loss: N1.71billion (annualized at N625.86billion)








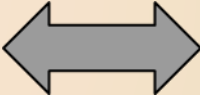








Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N10,000	N10,000	↔	N9,000	N10,000
Semovita (10kg)		N2,950	N2,900	↑	N2,800	N3,000
New Yam (medium size)		N700	N600	↑	N400	N1,900
Sugar (50kg)		N13,500	N13,500	↔	N13,000	N15,000

Domestic Commodities Price Movement

Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N10,200	N8,200		N6,150	N10,200
Rice (50kg) 	N25,000	N27,500		N14,000	N27,500
Flour (50kg) 	N11,500	N11,500		N10,000	N11,500
Beans (Oloyin)(50kg) 	N17,500	N15,000		N14,000	N25,500
Cement (50kg) 	N2,600	N2,550		N1,600	N2,700
Tomatoes (50kg) 	N8,000	N10,000		N6,000	N20,000
Pepper (bag) 	N5,000	N6,000		N5,000	N15,000

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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  3.54% to 28,562.48pts on January 8th
- Consumer goods sub index:  0.36% at 592.67pts

	Share Prices (₦)		Daily % Change (January 7 th –8 th)		YTD (% Change)
Nestle	1,469.9		-		-
Honeywell	1.10		8.91		11.11
Flour Mills	23.40		8.84		18.78
Cadbury	10.55		-		-
Dangote Sugar	15.00		0.33		10.29
Unilever	19.6		0.40		10.91
Ikeja Hotels	1.12		-		-

Oil Markets Today

COMMODITY	DAILY CHANGE January 8 th – 9 th	YTD	CURRENT PRICE
BRENT	 0.28%	 0.58%	\$65.62pb
WTI	 0.13%	 2.24%	\$59.69.pb
NATURAL GAS	 0.84%	 1.37%	\$2.16MBtu

Oil Prices



- Brent up 0.28% to \$65.62pb
- Driven by fall in US crude supply last week (down by 5.95million barrels)
- Iran's missile attack on US facilities in Iraq propping up prices
- Growing concerns over a possible attack on the Strait of Hormuz
 - Busiest sea route for oil

Agricultural Commodities

Wheat



- Wheat prices up by 0.72% to \$556.75/bushel
- Driven by concerns about tensions in the Middle East

Corn



- Corn prices up by 0.20% to \$385.00/bushel
- Despite ample global supply

Cocoa



- Cocoa prices down by 1.26% to \$2,501.00/mt
- Despite export costs hike from African cocoa producers

Sugar



- Sugar prices down by 0.88% to \$13.47/pound
- Supported by increased Indian demand



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13 States



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40,000 Youth &
Women



100,000 MT
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Ivory Coast & Ghana launch 'COPEC'



- Ivory Coast and Ghana have joined forces to form a cocoa cartel
- Agreed to charge a premium of \$400 per metric ton
- Both West African nations produce more than 60% of global cocoa output
- 'COPEC' will affect the entire cocoa value chain (from cocoa bean farmers to chocolate consumers)
- New premium charge estimated at a \$1.2billion tax on the cocoa industry



OUTLOOK – Oil Prices



- Brent likely to trade between \$69-\$70pb in the coming days
- Driven by the heightened geopolitical tensions in the Middle East which threaten oil supplies

OUTLOOK – Agricultural Prices

GRAINS

- Tensions in the Middle East could depress prices further

Sugar

- Increased global demand to increase global price in the near term

Cocoa

- Cocoa cartel will stir global chocolate market and push up prices

SOFTS

