

Burning Economic Issues

IMF cuts 2020 global growth projection to 3.3%

- Leaves Nigeria's growth forecast unchanged (2.5%)
- UK targets opportunities in Africa, to invest at least \$7.8bn
- Credit growth to agric & manufacturing sectors up 17.8% and 19.5% - CBN
- Brent up marginally by 0.72% to \$65.32pb, domestic oil production down to 1.78mbpd

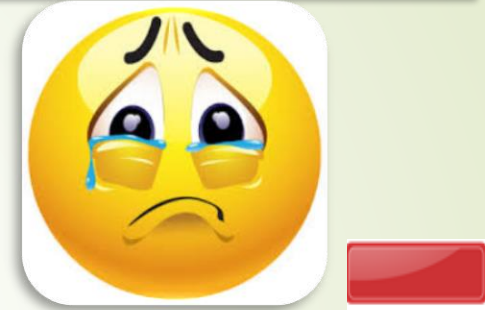
Impact

The Goodies



- Price of rice (50kg) falls to N25,000

The Downers



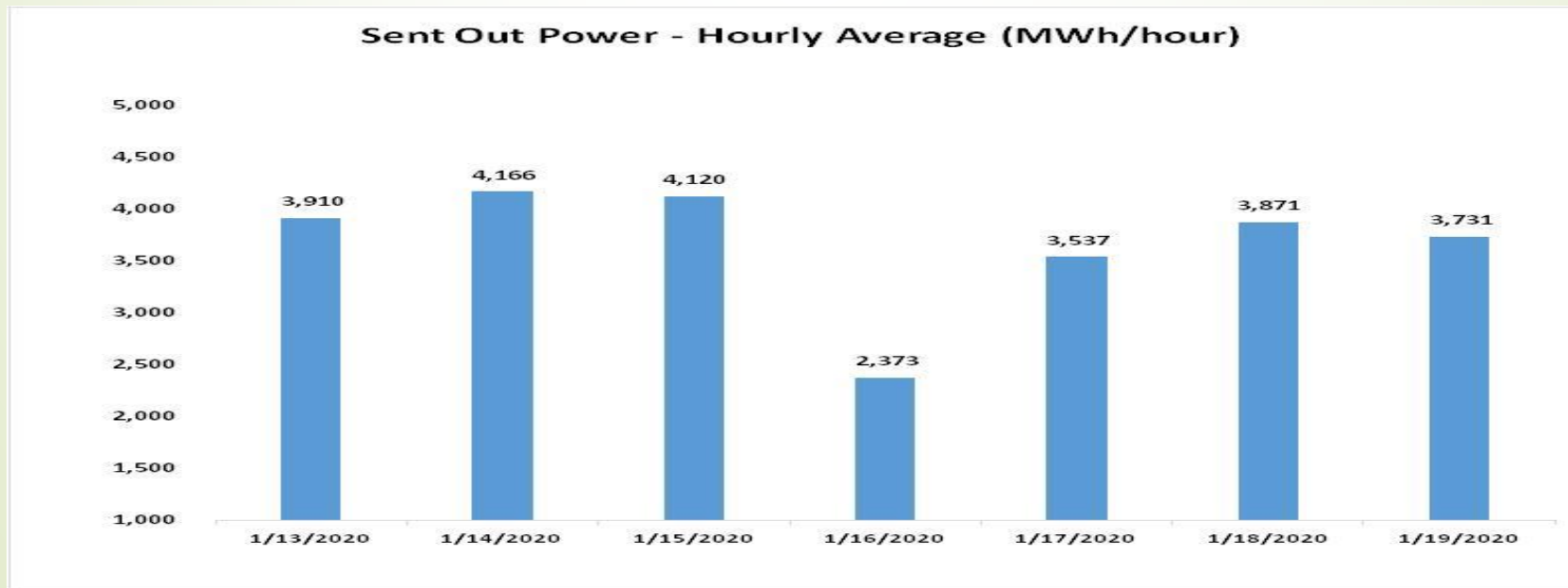
- External reserves slides to \$38.30bn
- Naira falls in I&E window to N362.38/\$

Power Sector

State	Temperature(noon-time)
Abuja	36°C
Kano	34°C
Lagos	29°C





January 19th

- Average power output: 3,731MW/h (up 140.57MW/h)
- Gas constraints stood at 3,054MWh/hr, Grid constraint was 752MWh/hr. Water constraint was 150MWh/hr
- Naira equivalent of power loss: N1.93billion (annualized at N706.38billion)








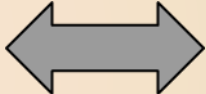








Domestic Commodities Price Movement

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

- Decline in commodity prices typical in January



4 Years
45 Warehouses
13 States



100,000 Farmers
40,000 Youth & Women



100,000 MT
Grains & Seeds



\$30M Traded
\$5M Input Loans

...building an alternative asset class.



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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  0.83% to 29,710.56 pts on January 21st
- Consumer goods sub index:  0.34% at 562.47pts

	Share Prices (₦)		Daily % Change (January 20 th –21 st)		YTD (% Change)
Nestle	1,380		-		6.12
Honeywell	1.08		4.85		4.04
Flour Mills	23.50		-		19.29
Cadbury	10.85		-		2.84
Dangote Sugar	14.65		-		7.72
Unilever	18.00		-		18.18
Ikeja Hotels	1.12		-		-

Oil Markets Today

COMMODITY

BRENT

WTI

NATURAL GAS

DAILY CHANGE January 17th – 20th

↑ 0.72%

↑ 0.55%

↓ 3.44%

YTD

↓ 1.03%

↓ 3.60%

↓ 11.87%

CURRENT PRICE

\$65.32pb

\$58.86pb

\$1.93MBtu

Oil Prices



- Brent up 0.72% to \$65.32pb
- Driven by supply disruptions in Iraq and Libya
- Prospects of faster global economic growth in 2020

Agricultural Commodities

Wheat



- Wheat prices up by 0.93% to \$570.50/bushel
- Supported by reduced production in Russia

Corn



- Corn prices up by 3.66% to \$389.25/bushel
- Driven by expectations of increased export demand for US grains

Cocoa



- Cocoa prices up by 3.13% to \$2,797.00/mt
- Driven by increased demand in Asia

Sugar



- Sugar prices down by 0.14% to \$14.45/pound
- Despite a supply shortfall in Asia

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OUTLOOK – Oil Prices



- Brent likely to trade around current levels (\$64-\$67pb) in the coming days
- Driven by geopolitical tensions in Africa and the Middle East.

OUTLOOK – Agricultural Prices

GRAINS

- Grain prices to increase in near term following the conclusion of the Phase 1 trade deal

Sugar

- Supply shortfall in Asia is expected to push up prices

Cocoa

- Increase in demand for cocoa in Southeast Asia to drive prices higher

SOFTS

