

Burning Economic Issues



- MPC meets at a time of rising inflation (11.98%)
- FDI into Nigeria up 71% to \$3.4bn in 2019 - UNCTAD
- President Trump warns of expanded travel ban – to include Nigeria, Tanzania, Sudan, Eritrea & Belarus
- Brent down 1.65% to \$62.17pb



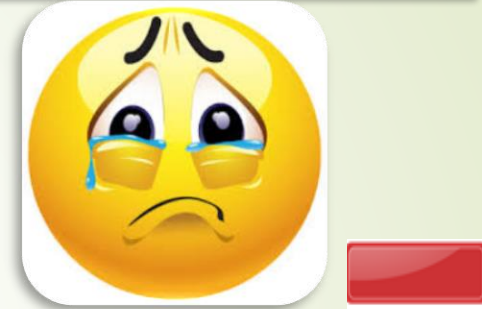
Impact

The Goodies



- On grid power up to 3,925MWh/hr
- LNG price up marginally to \$1.90mmbtu
- LNG export earnings projected to increase to \$9bn in 2020

The Downers



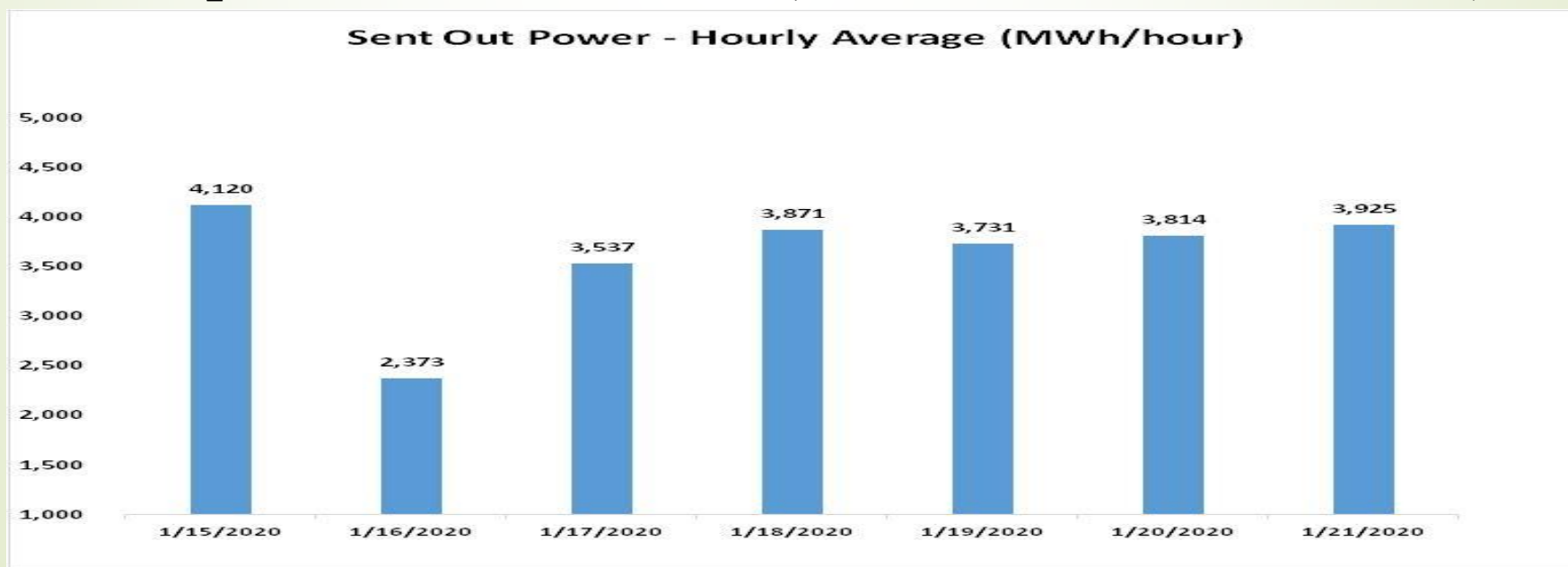
- Inflation projected at 13% in January – IMF
- Nigeria's share of world investment flows is only 0.21%
- US Visas would become more difficult to acquire & FDI adversely affected

Power Sector

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





January 21st

- Average power output: 3,925MW/h (up 112.45MW/h)
- Gas constraints stood at 3,261MWh/hr, Grid constraint was 372MWh/hr. Water constraint was 150MWh/hr
- Naira equivalent of power loss: N1.86billion (annualized at N680.76billion)








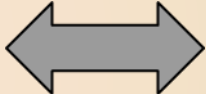








Domestic Commodities Price Movement

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



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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  0.45% to 29,591.21 pts on January 23rd
- Consumer goods sub index:  0.37% at 563.26pts

	Share Prices (₦)		Daily % Change (January 22 nd –23 rd)		YTD (% Change)
Nestle	1,380		-		6.12
Honeywell	1.17		8.33		4.04
Flour Mills	22.65		3.62		19.29
Cadbury	10.85		-		2.84
Dangote Sugar	14.65		-		7.72
Unilever	18.00		-		18.18
Ikeja Hotels	1.12		-		-

Commodity in Focus - Beef

- Major producing countries are USA, China, Brazil, Australia

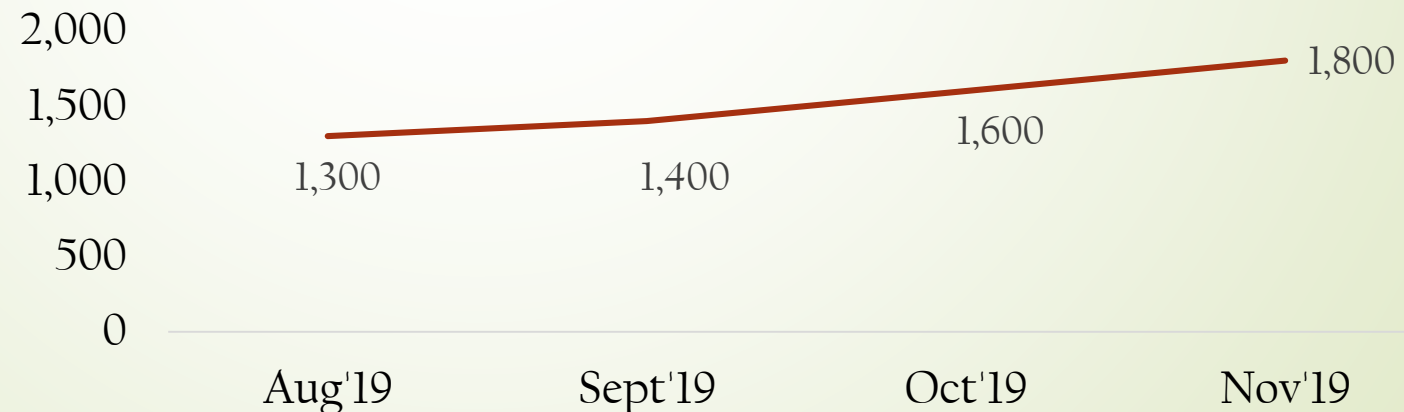
- Nigeria's livestock production has consistently lagged agricultural output growth

- Global beef consumption rose by 1.8% in 2018

- FAO estimates number of ruminant livestock to rise by 25% to 5.8bn by 2050



Price of Beef (N'kg)



Commodity in Focus - Beef consumption & the environment

- On a global scale, growth in meat consumption is an environmental problem



- Ruminants produce methane, a powerful greenhouse gas
- Livestock production generates 14.5% of greenhouse gas emissions - FAO
- Beef production requires three times more livestock feed than pork production



- Plant-based meat products are becoming more popular
- Demand for plant-based meat driven by a combination of environmental, ethical and health concerns

Oil Markets Today

COMMODITY

BRENT
WTI
LNG

DAILY CHANGE January 22nd – 23rd

↓	1.65%
↓	0.70%
↑	0.84%

YTD

↓	2.76%
↓	5.06%
↓	13.24%

CURRENT PRICE

\$62.17pb
\$55.97pb
\$1.90MBtu

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Oil Prices



- Brent down 1.65% to \$62.17pb
- Driven by concerns that the corona virus in China will become a global pandemic and dampen demand for oil
- Markets expect a build up in US crude inventories

Agricultural Commodities

Wheat



- Wheat prices up by 0.39% to \$583.75/bushel
- Supported by tightening global supply

Corn



- Corn prices up by 0.39% to \$389.00/bushel
- Driven by expectations of increased export demand for US grains

Cocoa



- Cocoa prices up by 0.75% to \$2,818.00/mt
- Driven by strong Asian demand

Sugar



- Sugar prices up by 0.07% to \$14.54/pound
- Amid continuing supply shortfall

OUTLOOK – Oil Prices



- Brent likely to trade around current levels (\$60-\$65pb) in the coming days
- Expectations of ample global supply expected to weigh on prices

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

