



# Burning Economic Issues



Global oil producers agree to historic output cut (9.7mbpd)

- Markets not impressed as both oil and stock markets plunge
- Spain & Italy commence reopening of economic activities
- Nigeria extends lockdown by 14days
- Banks to make conditional transfers seamless
- Domestic commodity prices spike as scarcity bites
- External reserves fall further (\$34.49bn)



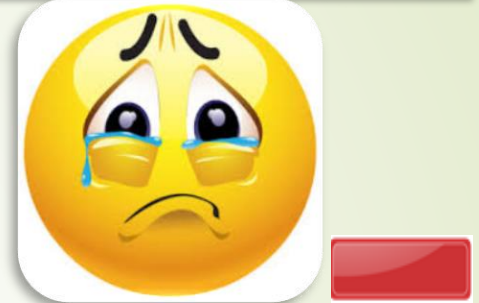
# Impact

## The Goodies



- Conditional transfers made through bank accounts
- OPEC cuts exempt condensates

## The Downers



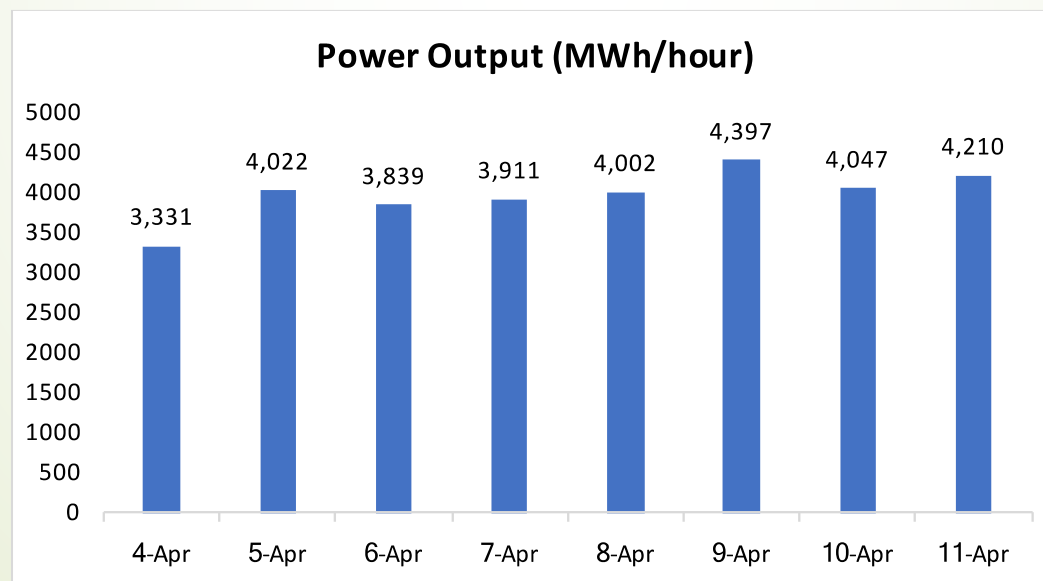
- Oil revenue shock much higher than anticipated
- Hoodlums rampage in Lagos as hunger looms

# Power Sector

April 11th





- Average power output: 4,210MWH/hr (up 162.78MWH/hr)
- Gas constraints stood at 3,656.5MWh/hr, Grid constraint was 576.4MWh/hr and there was no water constraint
- Naira equivalent of power loss: N2.03billion (annualized at N740.95billion)

State	Temperature(noon-time)
Abuja	37°C
Kano	31°C
Lagos	33°C



# Domestic Commodities Price Movement




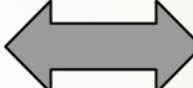


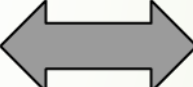






## Relatively Elastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l) 	N9, 500	N9,000	↑	N9,000	N10,000
Semovita (10kg) 	N3,000	N2850	↑	N2,800	N3,000
New Yam (medium size) 	N1,200	N700	↑	N400	N1,900
Sugar (50kg) 	N15,200	N14,800	↑	N13,000	N15,200

- Stockpiling of staples to keep domestic commodities prices high
- Owing to the lingering lockdown in Lagos, Abuja and Ogun states

# Domestic Commodities Price Movement

## Relatively Inelastic Products

Commodities	Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow 	N10,500	N8,900		N6,150	N10,500
Rice (50kg) 	N27,500	N27,500		N14,000	N27,500
Flour (50kg) 	N11,000	N11,000		N10,000	N11,500
Beans (Oloyin)(50kg) 	N14,000	N14,000		N14,000	N25,500
Cement (50kg) 	N2,600	N2,600		N1,600	N2,700
Tomatoes (50kg) 	N9,000	N6,000		N6,000	N20,000
Pepper (bag) 	N10,000	N8,000		N5,000	N15,000





**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.**

















**AFEX**  
AFEX COMMODITIES EXCHANGE LTD

# 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  1.47% to 21,073.26pts on April 9<sup>th</sup>
- Consumer goods sub index:  5.03% at 334.59pts

	Share Prices (₦)	Daily % Change (April 8 <sup>th</sup> – April 9 <sup>th</sup> )		YTD (% Change)
Nestle	830.2		8.52	 43.52
Honeywell	0.90		-	 9.09
Flour Mills	21.50		-	 9.14
Cadbury	6.90		9.52	 34.60
Dangote Sugar	10.70		9.74	 21.32
Unilever	10.50		-	 52.27
Ikeja Hotels	0.99		-	 11.61



# Oil Markets Today

COMMODITY	DAILY CHANGE April 13 <sup>th</sup> – April 14 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↑ 1.04%	↓ 51.41%	\$32.07pb
WTI	↑ 0.85%	↓ 62.99%	\$22.60pb
NATURAL GAS	↑ 0.23%	↓ 21.00%	\$1.73MMBtu

# Oil Prices

- Brent up 1.04% to \$32.07pb
- Amid sentiments that the output cut was much smaller than necessary
- 10% cut in global supply far below the estimate of the fall in global demand amidst the pandemic



# Agricultural Commodities

## Wheat



- Wheat prices rose by 0.85% to \$562.25/bushel
- Despite expectations of higher than expected US harvest

## Corn



- Corn down 0.15% to \$336.25/bushel
- Owing to decline in global demand

## Cocoa



- Cocoa prices lost 2.57% to \$2,311/mt
- Despite reduced supply from Ivory Coast

## Sugar



- Sugar prices up by 0.96% to \$10.49/pound
- Despite prospects of higher output in Brazil



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# OUTLOOK – Oil Prices



- Brent likely to trade around \$31- \$33 in the coming days
- As markets anticipate output cuts by OPEC+ member countries

# OUTLOOK – Agricultural Prices

## GRAINS

- Increased demand amidst lockdown extensions to keep prices elevated

## SOFTS

### Sugar

- Increased global supply to reverse upward trend of prices

### Cocoa

- Tightened supply from Ivory Coast to support prices in the coming term