

Burning Economic Issues



- External reserves slides to \$35.62bn
- CBN forex rationing persists (\$3.97mn supplied to I&E window)
- CBN converges official rate to N379/\$
- Nigeria targets 100,000tons of cocoa output in Ondo & Cross River states respectively
- Soybean prices to remain depressed on weak Chinese demand
- Domestic price of flour up 2.36% to N13,000
- Brent rises to \$45.11pb on expectations of Iraqi supply cut



The Downers



- Corporates in panic mode as forex rationing bites harder
- External reserves falls to \$35.62bn
- Naira depreciates to N475/\$
- Price of flour up (N13,000)
- Grid power falls below 4,000 MWH/hr

Impact

The Goodies



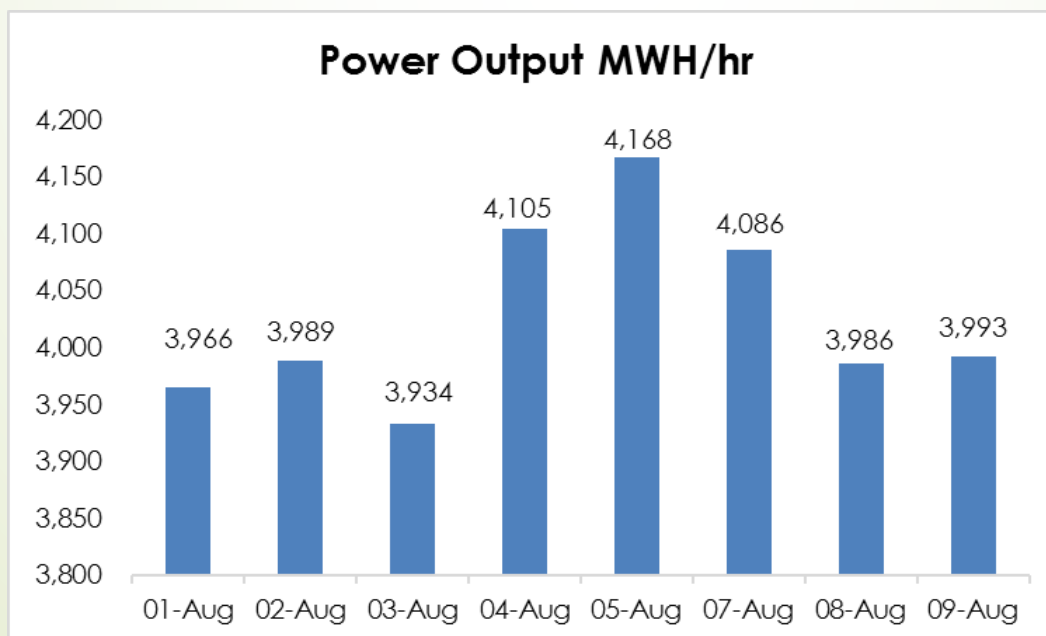
- Interest rates could reverse downward trend
- FAAC disbursement to increase on exchange rate gains

Power Sector

August 9th




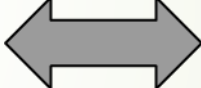




State	Temperature(noon-time)
Abuja	26°C
Kano	27°C
Lagos	27°C

- Average power output: 3,993MWH/hr (up 7.06MWH/hr)
- Gas constraints stood at 2,072MWh/hr, Grid constraint was 2,684.1MWh/hr and there was no water constraint
- Naira equivalent of power loss: N2.28billion (annualized at N834.48billion)



Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N12,500	N12,000		N9,000	N12,500
Semovita (10kg)		N3,400	N3,400		N2,800	N3,400
New Yam (medium size)		N1,000	N1,500		N400	N2,000
Sugar (50kg)		N17,500	N21,000		N13,000	N23,000

- New yam (medium size) down 67% to N1,000 but old yam persists at N3,000
- Harvest season having a positive impact on domestic commodities prices

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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 	N15,000	N12,000	↑	N6,150	N15,000
Rice (50kg) 	N28,000	N28,000	↔	N14,000	N28,000
Flour (50kg) 	N13,000	N12,700	↑	N10,000	N13,000
Beans (Oloyin)(50kg) 	N18,000	N17,500	↑	N14,000	N25,500
Cement (50kg) 	N2,600	N2,600	↔	N1,600	N2,700
Tomatoes (50kg) 	N35,000	N20,000	↑	N6,000	N35,000
Pepper (bag) 	N15,000	N16,000	↓	N5,000	N16,000















- Price of flour up to N13,000 (50kg)
- Driven by exchange rate pass through effect and higher transportation cost

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  0.06 to 25,027.61pts on August 10th
- Consumer goods sub index:  0.33% at 406.71pts

	Share Prices (₦)		Daily % Change (August 7 th – August 10 th)		YTD (% Change)
Nestle	1,175		-		20.06
Honeywell	0.96		8.57		3.03
Flour Mills	19.30		-		2.03
Cadbury	6.60		-		37.44
Dangote Sugar	11.90		-		12.50
Unilever	12.00		0.80		45.45
Ikeja Hotels	1.12		-		-

Oil Markets Today

COMMODITY	DAILY CHANGE August 10 th – August 11 th	YTD	CURRENT PRICE
BRENT	↑ 0.27%	↓ 31.65%	\$45.11pb
WTI	↑ 0.52%	↓ 30.95%	\$42.16pb
NATURAL GAS	↑ 0.19%	↓ 1.82%	\$2.15MMBtu

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Oil Prices



- Brent up 0.27% to \$45.11pb
 - WTI up 0.52% to \$42.16pb
- Amidst:
 - Saudi Arabia's optimism on the rebound of Asian oil demand
 - Iraq's pledge to deepen supply cuts by a further 400,000barrels per day in August and September

Agricultural Commodities

Wheat



- Wheat prices decreased by 0.56% to \$492.75/bushel
- Due to increased output in Russia

Corn



- Corn rose 0.08% to \$321/bushel
- Despite weakened global demand

Cocoa



- Cocoa prices inched down by 0.08% to \$2,521/mt
- Amid increased output in key cocoa producing countries

Sugar



- Sugar prices rose by 0.47% to \$12.73/pound
- Following renewed consumer demand

OUTLOOK – Oil Prices



- Brent likely to trade between \$45-\$47pb
- As Iraq's pledge to deepen output cut sends positive signals to the global oil market

OUTLOOK – Agricultural Prices

GRAINS

- Increased wheat output to lead to fall in prices
- Weak corn demand to suppress prices

Sugar

- Renewed Indian demand to support prices

Cocoa

- Possible supply surge to push prices down in the near term

SOFTS