



# Burning Economic Issues



- July inflation up 0.26% to 12.82%
- 91-day T/Bill rate flat at 1.2% p.a.
- Brent falls to \$45.19pb on gloomy demand outlook
- Cocoa prices continue steady rise at Cameroon port as demand grows
- External reserves slides to \$35.62bn
- CBN to resume BDC sales on resumption of international flights
- Nigeria to resume international flights on August 29



## The Downers



- T/Bill rate minus inflation (-11.62% p.a.)
- Food inflation up 0.3% to 15.48%
- External reserves falls to \$35.62bn
- On grid power falls below 4,000 MWH/hr

## Impact

## The Goodies



- Core inflation down (10.1%)
- Limited exchange rate pass through effect on prices
- Nigeria to resume international flights on August 29

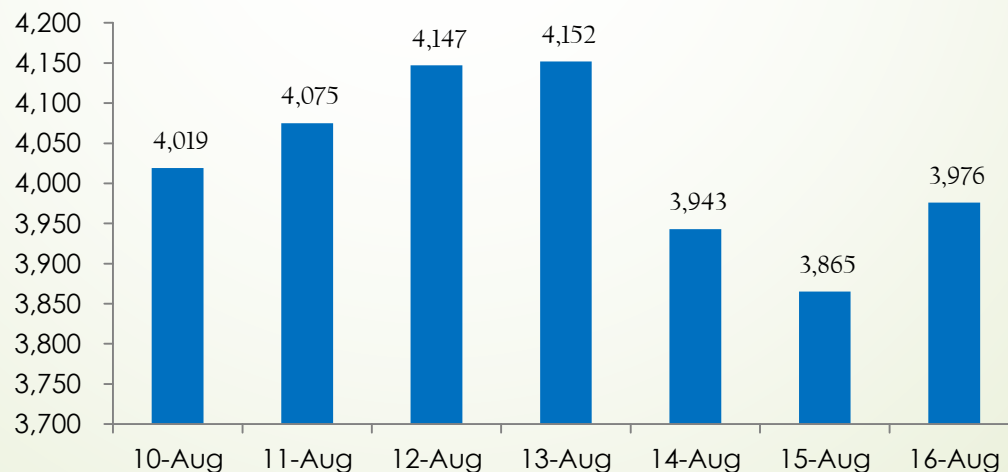
# Power Sector

August 16<sup>th</sup>

State	Temperature(noon-time)
Abuja	29°C
Kano	26°C
Lagos	28°C









- Average power output: 3,976MWh/hr (up 111.49MWh/hr)
- Gas constraints stood at 1,936.5MWh/hr, Grid constraint was 2,350MWh/hr and there was no water constraint
- Naira equivalent of power loss: N2.058billion (annualized at N751.17billion)

**Power Output (MWh/hour)**



# 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

- Impact of harvest season to be felt more in coming months
- Rising commodity prices supported by lingering effect of domestic supply chain disruptions

# 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

- Increase in flour price to feed into the price of bread

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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  0.27% to 25,132.67pts on August 17<sup>th</sup>
- Consumer goods sub index:  0.23% at 415.43pts

	Share Prices (₦)		Daily % Change (August 14 <sup>th</sup> – August 17 <sup>th</sup> )		YTD (% Change)
Nestle	1,175		-		20.06
Honeywell	0.92		3.16		7.07
Flour Mills	18.30		-		7.11
Cadbury	7.80		4.70		26.07
Dangote Sugar	12.30		3.36		9.56
Unilever	13.75		10		37.5
Ikeja Hotels	0.84		-		25



# Oil Markets Today

COMMODITY	DAILY CHANGE August 17 <sup>th</sup> – August 18 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↓ 0.40%	↓ 31.53%	\$45.19pb
WTI	↓ 0.51%	↓ 30.12%	\$42.67pb
NATURAL GAS	↓ 0.51%	↑ 6.39%	\$2.33MMBtu

# Oil Prices



- Brent down 0.40% to \$45.19pb
  - WTI down 0.51% to \$42.67pb
- Despite prospects of huge Chinese import of US crude oil
- Global demand concerns capped price gains as new confirmed cases threaten economic recovery

# Agricultural Commodities

## Wheat



- Wheat prices increased by 0.93% to \$514.25/bushel
- Amid inventory shortage in Ukraine and Russia

## Corn



- Corn rose 1.04% to \$341.50/bushel
- Despite bumper harvest in the US

## Cocoa



- Cocoa prices declined by 1.05% to \$2,454/mt
- Due to prospect of increased supply in Ghana

## Sugar



- Sugar prices rose by 0.46% to \$13.16/pound
- On reduced global supply



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# OUTLOOK – Oil Prices



- Brent likely to trade between \$44-\$45pb
- On OPEC's forecast of decline in global oil demand

# OUTLOOK – Agricultural Prices

## GRAINS

- Declining wheat output to induce price fall
- Strong US harvests to suppress corn prices

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## Sugar

## SOFTS

- Poor inventory estimates in Pakistan to push up prices

## Cocoa

- Boost in Ghanaian output to keep prices depressed