

# Burning Economic Issues

New electricity tariff effective September 1

- FG approves 1 year waiver of import levy on electricity meters
- Electricity consumption- N293bn in 5 months
- Brent above \$45pb briefly as Hurricane Laura nears the US, lower US crude inventories
  - First time in 6 months
- CBN to extend stimulus package to aviation and media industries
- 76% of agric workers have returned to work

## The Downers



- GDP contraction likely to continue in H2'20
- Labour intensive areas hit the worst
- Forex shortages continue to put pressure on economic activity

## Impact

## The Goodies



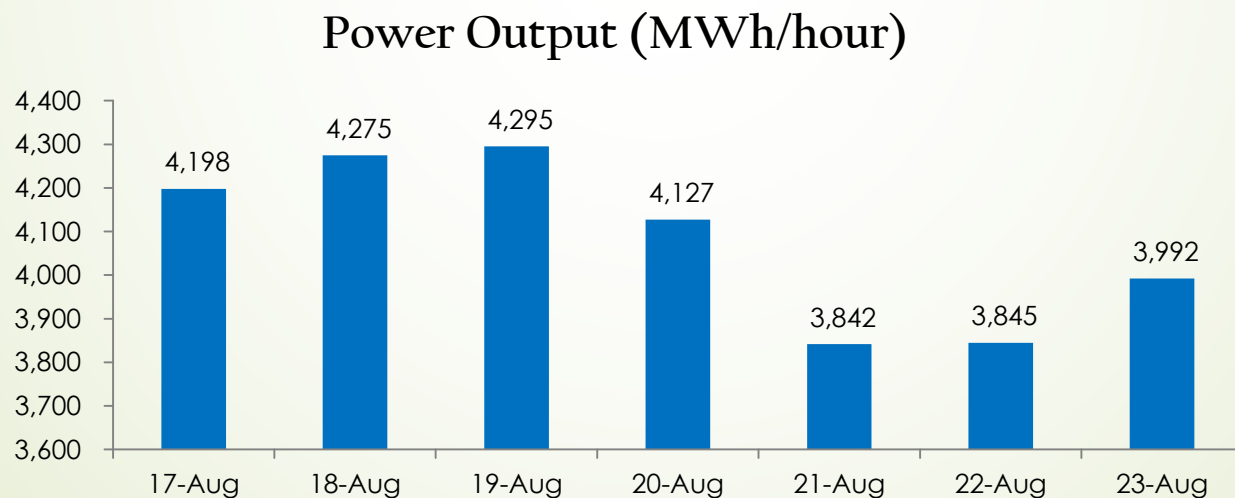
- Brent touches 5-month high
- External reserves up again to \$35.64bn
- Cocoa prices inch up
- Agric has the highest return to work rate since the lockdown

# Power Sector

August 23<sup>rd</sup>




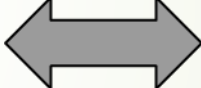




State	Temperature(noon-time)
Abuja	26°C
Kano	28°C
Lagos	28°C

- Average power output: 3,992MWh/hr (up 147.26MWh/hr)
- Gas constraints stood at 2,329.5MWh/hr, Grid constraint was 2,293.1MWh/hr and there was no water constraint
- Naira equivalent of power loss: N2.219billion (annualized at N809.94billion)



# 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








- Prices of agric commodities may moderate on harvest and productivity gains

# Every Taste Maker's Delight



# 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

# 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  0.15% to 25,330.10 pts on August 26<sup>th</sup>
- Consumer goods sub index:  0.16% at 425.62pts

	Share Prices (₦)		Daily % Change (August 25 <sup>th</sup> – August 26 <sup>th</sup> )		YTD (% Change)
Nestle	1,175		-		20.06
Honeywell	0.93		-		7.07
Flour Mills	18.7		0.1		6.06
Cadbury	7.75		0.05		26.54
Dangote Sugar	12.50		-		8.09
Unilever	15.00		7.53		31.82
Ikeja Hotels	0.84		-		25.00



# Oil Markets Today

COMMODITY	DAILY CHANGE August 26 <sup>th</sup> – August 27 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↑ 0.35%	↓ 30.61%	\$45.80pb
WTI	↑ 0.12%	↓ 28.86%	\$43.44pb
NATURAL GAS	↓ 1.75%	↑ 10.50%	\$2.42MMBtu

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# Oil Prices



- Brent up 0.35% to \$45.80pb
- WTI up 0.12% to \$43.44pb
- On drop in US crude stockpiles by 4.52million barrels - API
- US oil producers suspend operations in Gulf of Mexico ahead of hurricane threats
- High hopes on China-Us trade talks supporting oil prices
- Recovery in energy demand still gloomy as rise in infection cases persist

# Agricultural Commodities

## Wheat



- Wheat prices decreased by 0.05% to \$535.25/bushel
- As supply increases in Pakistan

## Corn



- Corn prices drop by 0.28% to \$353.50/bushel
- Despite increase in demand for US corn from China

## Cocoa



- Cocoa prices up by 1.14% to \$2,487.00/mt
- On supply shortages from some exporting countries (Nigeria)

## Sugar



- Sugar prices up by 0.31% to \$12.80/pound
- On lingering supply constraints from Brazil

# OUTLOOK – Oil Prices



- Brent likely to trade between \$45-\$47pb
- On impact of Hurricane Laura and lower US crude production and inventories

# OUTLOOK – Agricultural Prices

## GRAINS

- Bumper wheat supply to lower prices
- Increased Chinese demand for US corn to push prices up

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## Sugar

- Prices to stay high on lingering supply shortages from Brazil

## SOFTS

### Cocoa

- Reduced supply from export countries to keep prices up