

Burning Economic Issues

- PMS price set to increase, landing cost at N186/ltr
- Brent up (\$66.45pb) as US active rig count falls 0.33% to 305 last week
- Goldman Sachs predicts global oil price to climb to \$70pb in the coming months
- British pound reaches strongest level against the USD in nearly 3 years (£1 = \$1.4)
- Wheat prices up (\$658.50/bushel) as US production drops & profit taking
- Dry weather in Southern Nigeria hurting 2020/21 season's cocoa midcrop
- Naira flat at parallel market (N478/\$), down at I&E window (N410/\$)
- Gabon to meet bond payments whilst considering debt restructuring

The Downers



Impact

The Goodies



- External reserves falls to \$35.47bn
- Naira falls at parallel market (N478/\$)
- Nigeria's cocoa export earnings to fall on lower output
- Annual production est. 280,000 tonnes
- 70% from S.W, 30% from S.E

- Brent at \$66.45pb
- Naira converging at I & E window despite forex turnover decline

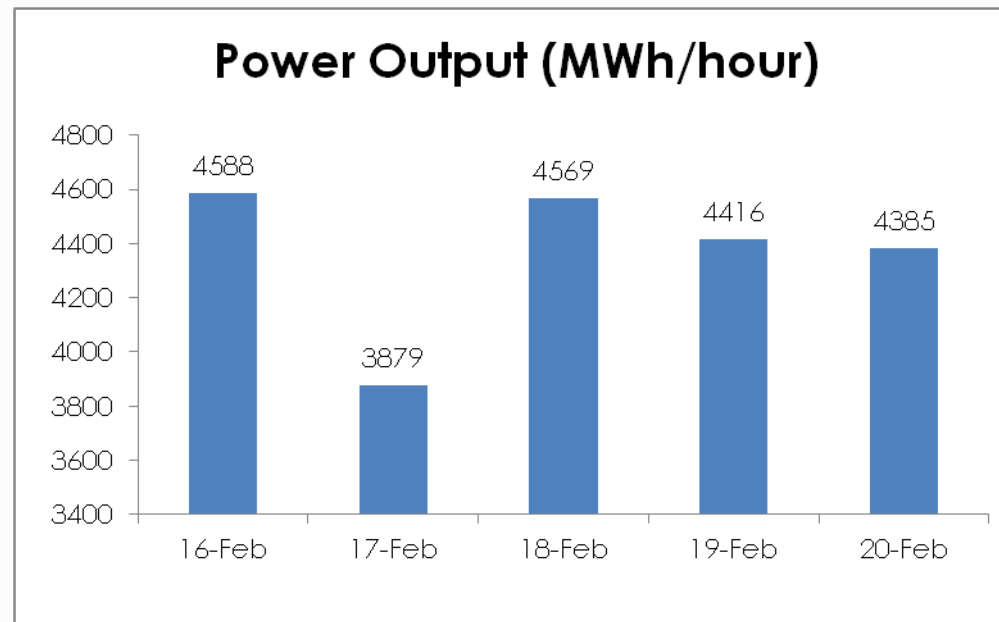


Power Sector













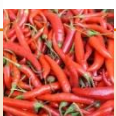



February 20, 2021

State	Temperature (noon-time)
Abuja	27°C
Kano	20°C
Lagos	27°C

- Average power output: 4,385Wh/hour (down 31MWh/hr)
- Gas constraint was 1,234.3MW, Grid constraint was 1208.3MWH/H and water constraint was 324MWH/H
- Naira equivalent of power loss annualized at N268.64bn



Domestic Commodities Price Movement

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Garri (50kg) Yellow		N12,600	N13,700		N6,150	N15,000
Rice (50kg)		N25,000	N27,500		N14,000	N31,000
Flour (50kg)		N14,500	N14,500		N10,000	N14,500
Beans (Oloyin)(50kg)		N22,000	N22,000		N14,000	N25,500
Cement (50kg)		N3,300	N3,600		N1,600	N3,600
Tomatoes (50kg)		N6,500	N7,000		N6,000	N35,000
Pepper (bag)		N5,000	N14,000		N5,000	N16,000
Onions (bag)		N30,000	N40,000		N10,000	N80,000

- Cement prices are beginning to decline on early rains
- Tomato prices sliding in spite of planting season

Every Taste Maker's Delight




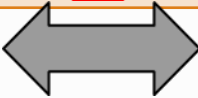








Domestic Commodities Price Movement



Relatively Elastic Products

Commodities		Current Prices	Previous Month Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l)		N20,000	N19,000		N9,000	N20,000
Semovita (10kg)		N3,600	N3,600		N2,800	N3,600
New Yam (medium size)		N1,300	N1,000		N400	N2,000
Sugar (50kg)		N19,000	N19,000		N13,000	N23,000

- Commodity prices to remain elevated as transport fares set to rise further
- Price of flour to increase on higher global wheat price

Consumer Goods – Current price



















Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N100	N100	0%
Heineken beer (60cl)	N300	N330	-10.00%
Bread Loaf	N400	N500	-25.0%
Indomie (1 carton)	N2,300	N2,500	-8.70%
Gala (big size)	N100	N100	0%





Stock Market

- NSE ASI  0.08% to 40,154.09pts on February 22nd
- Consumer goods sub index:  0.08% at 581.85pts

	Share Prices (₦)		Daily % Change (February 19 th – February 22 nd)		YTD (% Change)
Nestle	1,450		-		-3.65
Honeywell	1.34		0.75		11.67
Flour Mills	29.2		-		12.31
Cadbury	8.5		-		5.56
Dangote Sugar	18.5		-		5.11
Unilever	13.6		-2.51		2.16
Ikeja Hotels	1.28		-		6.67



Oil Markets Today

COMMODITY	DAILY CHANGE February 22 nd - February 23 rd	YTD	CURRENT PRICE
BRENT	↑ 1.85%	↑ 28.28%	\$66.45pb
WTI	↑ 3.80%	↑ 26.73%	\$61.49pb
NATURAL GAS	↑ 0.07%	↑ 16.54%	\$2.96MMBtu



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Oil Prices



- Brent up 1.85% to \$66.45pb
- WTI up 3.80% to \$61.49pb
- On positive market sentiments – Goldman predicts oil price to trade at \$70pb in the near term
- Oil supply still tight but Saudi Arabia unlikely to renew output cuts
- US active oil rig count down by 1 (0.33%) to 305 rigs

Agricultural Commodities

Wheat



Corn



Cocoa



Sugar



- Up by 0.46% to \$658.50/bushel
- Driven by weak harvest from Ukraine and low production in the US

- Increased by 1.15% to \$548/bushel
- On increased Chinese demand for US corn

- Rose by 2.17% to \$2,443/mt
- Despite surplus supply from Ivory Coast & Ghana
- Dry weather in Southern Nigeria limiting 2020/21 season's mid crop

- Up by 1.81% to \$16.89/pound
- Amid supply tightness and high demand for ethanol

Outlook – Oil Prices

- Brent to trade within the range of \$66pb - \$67pb for the rest of the week
- On positive market sentiments amid increased vaccine roll outs

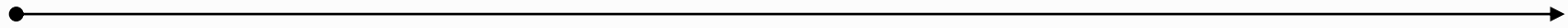


Outlook – Agricultural Prices



GRAINS

- Wheat prices to remain high on poor harvest and limited output from the US & Ukraine
- Strong Chinese demand to keep corn prices high



SOFTS

Sugar

- High demand for ethanol to push up sugar prices

Cocoa

- Surplus supply amid weak cocoa demand to depress prices

