

Unity Bank Digest

January 23rd, 2025

Finance

Economic News

Lifestyle

Consumers to benefit from improved telecom services

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Burning Issues

The transition of consumers from slave to king

Nigerians are grappling with the dual pressures of rising telecom tariffs and surging petrol prices, challenges that affect families, traders, and small businesses alike. On January 20, the Nigerian Communications Commission (NCC) approved a 50% increase in telecom tariffs to address years of stagnant pricing amidst inflation, exchange rate fluctuations, and rising operational costs. While this tariff increase promises better call quality, fewer dropped calls, and faster internet, it also places a financial burden on those already living on tight budgets. Take Mama Bisi, a small trader at Iponri market who relies on her phone to manage orders for her akara (bean cake) business. Despite the added strain, she remains hopeful that enhanced service reliability will help her stay connected to her customers and sustain her livelihood.

At the same time, petrol prices continue to climb, adding to the burden on Nigerian households. The Nigerian National Petroleum Company (NNPC) Limited recently raised prices at its Lagos locations from ₦925 to ₦960/liter (3.78% increase), following an increase by the Dangote Petroleum Refinery, which adjusted its retail price to ₦970/liter. This shift reverses the temporary relief seen in December 2024 and is linked to a global surge in crude oil prices. Since

December 2024, Brent has risen by 15% to now trade at about \$81pb. What is striking is the fact that when petrol prices declined there was hardly any adjustment to other prices. Proving indeed that prices are sticky downwards.

However, as competition intensifies in the market, producer surplus is expected to decline, while consumer surplus rises. This shift elevates consumers from being slaves to the market to becoming its kings, wielding greater influence and control. Additionally, the recent surge in petrol prices is anticipated to drive an increased demand for CNG (compressed natural gas) transport among consumers. This aligns with the government's push for a broader transition to CNG, marking a significant step towards its long-term energy objectives.



Lifestyle

Consistency Is The New Perfection

Culled from Afrinvest Communication

Hope you are well.

How is January going? In the history of Januaries, this has to be the shortest January ever. Abi na my calendar dey run? It's already 22nd, so fast!

Come closer please, I have a simple question for you.

Have you started the things you resolved to do this year, abi you are waiting for the right time? You know your Vee naa, I will ask you the hard questions. It's because of the love I have for you oo.

If your answer is "No", that's okay. I just need to remind you that there will never be a perfect time. Resolutions can feel overwhelming, I know. So, the trick to getting started is to break your resolution into smaller goals that can be achievable daily.

For instance, if your goal is to achieve ₦500 million in assets by 31st December 2025 without any initial investment, saving ₦9 million weekly at an annual rate of 13% in your Optiflex account on Optimus by Afrinvest can help you exceed that amount by the target date. Alternatively, investing ₦35 million monthly at an annual rate of 19% or higher, compounded quarterly, will help you reach your goal. The key is **GETTING STARTED**.

Now, whether you have started working on your goals or not, there is a crucial principle that can make or break your path to achieving your financial goal this year: **CONSISTENCY**. Let's dive into it.

Consistency is that unshakable foundation on which you will erect your fortress of wealth. It's the unwavering belief in your goals, the commitment to your strategy, and the patience to watch your efforts grow over time.

You must show up daily, weekly, or monthly to put in the work because, "I go make am" or "I go get this money" na ordinary mouth ooo. Even if you set goals, create a solid investment strategy, and have a burning desire, you still need consistency to make it work.

As an investor, you must make up your mind to save and invest a portion of your income regularly without fail. No matter how small, just do it and stick to it. When you consistently invest over time, even small contributions can compound and grow into substantial wealth.

Be consistent in paying yourself first before anything else. Consistency is delaying gratification, knowing that it will pay off at the end of the road. Having that at the back of your mind will help you give room for your investments to grow, no matter how long it takes.

Without even saying it, I know how hard it can be to wait for investments to grow. Make we no lie, e dey taya person. So, here are four practical steps that will help you cultivate consistency:

1. Automate Your Investments: This takes the guesswork out of saving and ensures you're consistently adding to your portfolio.

2. Stick to Your Plan: Define your investment strategy and stick to it. Avoid chasing fads or making abrupt changes based on market noise.

3. Regular Check-Ins: Periodically review and adjust your strategy as market conditions or your personal goals evolve over time

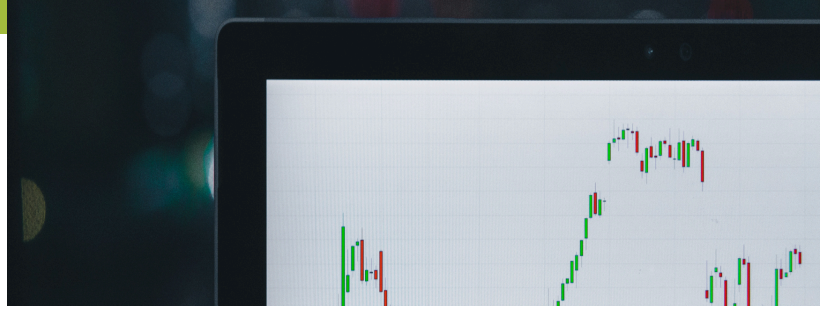
4. Stay informed: Knowledge empowers you to make informed decisions and reinforces your commitment to consistency.

As you all know, I strongly advocate for you to chop life, but that should only happen after you've set some money aside for your tomorrow self by investing. Make we no chop our tomorrow join today oo!

So, my beloved investors, let's embrace consistency as a cornerstone of our journey to financial freedom. Stay consistent, stay focused, and watch your financial dreams materialize.

The best is yet to come, my friends!

The Macro



Global food prices decline by 2% in 2024

Global food commodity prices declined by 2.1% in 2024, with the food and agriculture organization food price Index averaging 122.0 points, down from 124.6 points in 2023. This marks a modest relief in global food costs but remains 26% above pre-pandemic levels, reflecting lingering supply chain disruptions and inflationary pressures.

A closer look at the data reveals that food prices increased steadily by 6.7% to 127.0 points in December from 117.6 points in January. This upward trend was primarily driven by higher prices for meat, dairy products, and vegetable oils, offsetting significant declines in cereal and sugar prices. Cereal prices dropped 13.3% year-on-year, while sugar prices fell by 13.2%. Manufacturers in Nigeria, especially in confectionery and beverage sectors, could benefit from lower sugar prices. However, higher vegetable oil costs are likely to squeeze profit margins in food processing industries.

For Nigerian consumers, global price dynamics indirectly influence local markets. Although falling cereal and sugar prices reduced global import costs, these savings were not fully transferred domestically due to high transportation costs, import duties, and the devaluation of the naira. Evidently, the domestic food inflation rate surged to 39.93% in November 2024, up from 27.96% in December 2023. This disconnect between global price movements and domestic realities highlights how external shocks, coupled with local inefficiencies, deepen the financial strain on consumers and limit their ability to afford essential goods.

Nigeria's PMI expands for the first time in six months

In December 2024, the Nigerian private sector exhibited its strongest performance since January 2024. This was seen in the significant (6.25%) rise in the Stanbic IBTC Bank Purchasing Managers' Index (PMI) to 52.7 from 49.6 in November. The increase marks an impressive turnaround, climbing above the expansionary benchmark of 50 points after six months of contraction. This rise was mostly supported by the festive season which played a pivotal role in driving demand, resulting in increased new orders, higher production, and renewed business confidence.

All four monitored sectors recorded growth, with manufacturing showing the most notable improvement. Businesses responded to rising demand by increasing output, hiring more staff, and boosting purchasing activity. However, some firms struggled to retain employees due to wage pressures, reflecting mixed conditions in the labor market. Inflationary pressures remained elevated, with rising input costs driven by currency depreciation, higher transportation expenses, and surging fuel prices. Businesses transferred these costs to consumers, resulting in elevated output prices. Despite these pressures, firms managed to rebuild inventories for the first time in months, signaling improved supply chain stability.

Consumers are facing mixed outcomes from recent economic developments. On one hand, improved production and inventory rebuilding have enhanced the availability of goods,

while increased employment provides some households with better income stability. However, persistent inflation, driven by higher input costs, currency depreciation, and transportation expenses, continues to push prices upward, eroding purchasing power and straining household budgets. While some relief may come if businesses realize their optimism about improved funding access and a softening of inflation, current economic pressures are forcing many consumers to prioritize essential spending, limiting their overall financial flexibility and consumption patterns.

Currency in circulation rose by 7.2% to N4.88 trillion in November 2024

In November 2024, Nigeria's currency in circulation reached an all-time high of ₦4.88 trillion. This represents a month-on-month growth of 7.2% from ₦4.55 trillion in October. Currency outside banks also surged to ₦4.65 trillion, an 8.5% rise from ₦4.29 trillion in October. This accounted for 95.4% of the total currency in circulation, reflecting the heavy reliance on cash transactions across the economy. Similarly, the currency in circulation as a proportion of the total money supply (M3) increased to 4.5% in November 2024, up from 4.2% in October 2024.

The reliance on cash stems from structural issues such as inadequate banking infrastructure and low trust in digital payment systems. In November 2024, many banks experienced significant network disruptions due to system upgrades and migrations. These technical glitches frustrated customers and hindered their ability to access funds or complete transactions.

Cash remains the preferred medium for many Nigerians, particularly in rural areas where financial inclusion is limited. During the festive season, this preference intensifies, as increased spending on gifts and celebrations drives higher cash usage—a trend amplified by the banking network challenges. Moreover, the dominance of cash poses challenges to monetary policy as it reduces the Central Bank of Nigeria's (CBN) ability to manage liquidity effectively and control inflation.

POS merchants: The 21st-century Shylocks

Increased currency in circulation and the scarcity of cash have significant implications for consumers. The heavy reliance on physical cash and limited access to it has led to economic strain for households. Many are forced to pay exorbitant POS charges (as high as 2% of withdrawals) to access their funds, further eroding their purchasing power in an already inflationary environment. The daily ATM withdrawal limits and frequent unavailability of cash have disrupted routine transactions, making it harder for consumers to meet their basic needs. This situation disproportionately affects low-income individuals and rural communities, where digital payment alternatives are scarce, highlighting the urgent need for improved financial infrastructure and greater trust in digital systems.



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Social story

2025 Lagos countdown fiesta

- Lagos ushered in the New Year with the highly anticipated Greater Lagos Countdown 2025, organized by the Lagos State Ministry of Tourism, Arts, and Culture.
- The event occurred at the iconic Tafawa Balewa Square and extended across the five IBILE divisions—Ikorodu, Badagry, Ikeja, Lagos Island, and Epe—bringing the celebrations closer to more residents. Each venue transformed into a lively hub, uniting Lagosians in a collective celebration of the state's rich cultural vibrancy and shared aspirations.
- Leading Afrobeats stars, including Wizkid, Burna Boy, Tiwa Savage, and Olamide, delivered remarkable performances that captivated thousands of attendees. The lineup also included notable acts like Adewale Ayuba, Niniola, and Seyi Vibez, providing an eclectic mix of performances for diverse audiences.
- Governor Babajide Sanwo-Olu addressed the gathering, reflecting on the resilience demonstrated by Lagosians throughout 2024. He emphasized the importance of unity and optimism as the city transitioned into a promising 2025.
- His participation in the celebrations, including engaging with trending cultural expressions, further reinforced the spirit of connection that defined the event.
- As the clock struck midnight, the Greater Lagos Countdown marked the start of 2025 and affirmed Lagos' position as a center for cultural and artistic excellence. With its meticulously planned performances and vibrant atmosphere, the event has solidified its reputation as a cornerstone of Lagos' cultural calendar.





6 small things to give up if you want to save more money

Culled from CNBC¹

“Take care of the pennies and the pounds will take care of themselves”- British Proverb

If you want to save big over time, you have to start with the small stuff.

Here are 6 relatively small and easy things to give up, besides the morning latte, that could increase your savings rate significantly over time.

Impulse buys

From grocery stores to department stores, retailers have a way of tricking you into spending money mindlessly. One tactic is loading the checkout aisle with tempting products. Skip the candy and soda. Your wallet will thank you.

Unused subscriptions

How many 30-day free trials have you signed up for and forgotten to cancel? Are you getting your money's worth from the gym membership you signed up for at the beginning of the year?

Figure out exactly what you're paying for in terms of subscriptions to magazines, software or online services.

Ask yourself which you could eliminate and cancel them on the spot to save a couple hundred dollars a year.

Buying lunch every day

Eating out can add up quickly. The more food you can prepare at home, the better off your food budget, and your bottom line, will be.

Of course, it's OK to treat yourself and buy the occasional meal out, but keep in mind that going homemade is one of the simplest ways to cut back without making dramatic sacrifices.

Bottled water

While you're getting into the habit of packing your lunch, start filling up a water bottle too. It'll save you a few bucks every time you're parched and tempted to hit up the closest convenience store.

Excessive bar tabs

Like buying lunch, the occasional happy hour or night out is fine, but if you're looking to free up some cash, skipping drinks will do the trick. And let's face it, ordering one

1. <https://www.cnbc.com/2017/05/26/things-to-give-up-if-you-want-to-save-more-money.html>

drink usually leads to ordering two or three, which often leads to ordering food.

Brand-name products

Going generic – for groceries, toiletries, pet supplies and other items – is an easy way to save money over time.

You don't have to buy generic for everything. Identify what's really important to you and what you're willing to sacrifice – then, buy brand-name for the stuff you care about and go generic for everything else.



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