

BURNING ECONOMIC ISSUES



- Oil gains 1.95% to \$48.72pb on drawdown in US crude stockpiles

- CBN intervenes with \$195mn in FX market this week

- Cooking gas price likely to crash by 20% - NLNG

- Naira up marginally to N366.5/\$ (parallel), appreciates in NIFEX to N365.47/\$

- Price of cement unchanged at N2,700/bag

- Diesel prices flat at N165/ltr





Good News



- CBN pumps additional \$195mn to support FX market
- External reserves up marginally to \$30.32bn
- Heavy rainfall is agric favourable and power supply supportive

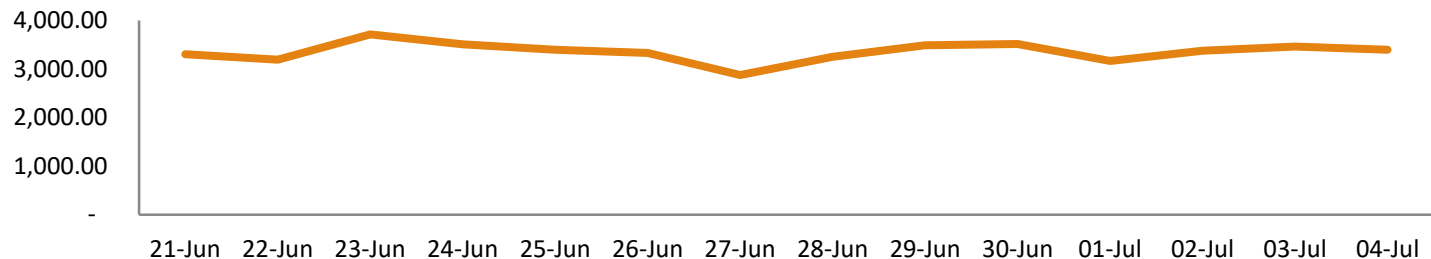


POWER GENERATION ANALYSIS & IMPACT



- July 4th: Average power output down 3,402MWh/hour (up 64MWh/h)
- Total generation of 2638MW was lost due to constraints in gas, line and high frequency
- Estimated loss: N1.26bn (annualised at N459.9bn /\$1.26m)
- High frequency due to loss of DisCo feeders remains a significant constraint to generation
- Transamadi is restored to the grid following outage since November 20, 2016
- Increased line constraints at Olorunsogo I, Okpai, Transcorp Ughelli and Ibom










Power Generated (on Grid) MW/h



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic



		CURRENT PRICES (LAGOS)			Lagos Price	
Commodities		CURRENT PRICES	PREVIOUS PRICES	% CHANGE	1 year Low	1 year High
Price Elastic	Palm Oil (25L) 	N12,500	N12,500	↔	N6,000	N25,000
	Semolina (10kg) 	N3,500	N3,500	↔	N2,300	N3,500
	Yam (large tuber) 	N1,500	N1,100	↔	N60	N1,500
	Tomatoes (50kg) 	N28,000	N28,000	↔	N8,000	N25,000
Price Inelastic	Garri (50kg) 	N32,000	N32,000	↔	N8,000	N32,000
	Rice (50kg) 	N18,500	N16,000	↔	N13,500	N22,000
	Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
	Sugar (50kg) 	N19,500	N18,500	↔	N8,000	N20,000
	Beans (50kg) 	N24,000	N26,000	↔	N9,000	N26,000
	Cement (50kg) 	N2,700	N2,700	↔	N1,400	N2,700













CONSUMER GOODS – CURRENT PRICE LAGOS

GOODS	Lagos price	Jumia price	% difference
Coke (50cl)	N150	N150	0%
Beer (60cl)	N250	N235	6%
Bread Loaf	N350	N400	12.5%
Semovita (10kg)	N3,700	N3,650	1.35%
Indomie (1 carton)	N1,900	N2,500	-24%
Gala (75g)	N50	N50	0%

Prices remain sticky downwards

STOCK MARKET

- NSE ASI  0.16% to 32,354.78pts
- Consumer goods sub index  0.89% to 777.02pts

	Share Prices (₹)	Daily Change (July 3 – July 4)	YTD (%)
Nestle	910.00	-	 11.2%
Honeywell	2.12	 9.84%	 48.5%
Flourmill	25.63	 5.07%	 38.6%
Cadbury	13.30	 10.01%	 29.3%
NB	158.05	 1.86%	 6.80%
Dangote Sugar	9.00	 0.57%	 23.6%
Unilever	36.87	-	 5.3%



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OIL PRICES



- Brent crude  1.95% to \$48.72pb
- US crude inventories dipped by 6.3mb – EIA
- Russia is resisting further cuts in output
- Markets concerned that cuts aren't enough to soak up oil glut
- OPEC exported 25.92mbpd in June, up 1.76% compared to May

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 5 July – 6 July	YTD	CURRENT PRICE
O I L			
BRENT	 1.95%	 14.26%	\$48.72pb
WTI	 0.24%	 15.79%	\$45.24pb
NATURAL GAS	 0.70%	 23.12%	\$2.86MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down 1.94% to \$5.44/bushel

- Down on technical trading
- Egypt, biggest importer to purchase cargoes carrying 55,000 – 60,000 metric tons of wheat

Corn



•Corn futures down 0.51% to \$3.86/bushel

- Decline due to influence of weather factors in the USA

Cocoa



•Cocoa prices down 2.37% to \$1938/mt

- Due to high stocks caused by increased production in top West African producers and some parts of South America

Sugar



•Sugar prices down 1.87% to \$0.1361/pound

- The weak market sentiment is because of rising expectations for the 2017/18 global sugar output surplus amid weak global demand

OUTLOOK – OIL PRICES



- OPEC disunity and low shale cost
- Will keep oil prices in the \$45 – 50pb range
- On concerns that rising global supply will offset output cuts
- Geopolitical tensions in N/Korea & the Middle East may reverse losses

OUTLOOK – AGRIC PRICES

Grains

- Weather conditions in planting regions will determine price movement

SUGAR

Softs

- Improved harvest conditions in Brazil and India will weigh on prices

COCOA

- ICCO raised forecast for the 2016/17 season. Excess output higher at 382,000 tons

