

BURNING ECONOMIC ISSUES



- Oil price up by 1.93% (\$47.55pb) due to a decline in domestic crude production
- FG seeks US\$5bn loan from World Bank to boost power supply



- Tomato prices rise due to Muslim celebrations



- Low quality seeds threaten Nigeria's quest for food sufficiency
- Naira flat at N368/\$ (parallel) & depreciated by 1.63% to N368/\$ (NIFEX)



- Diesel prices flat at N165/ltr



Good News



- Higher oil price will boost revenue

Bad News



- Increase in staple food prices will weigh on purchasing power

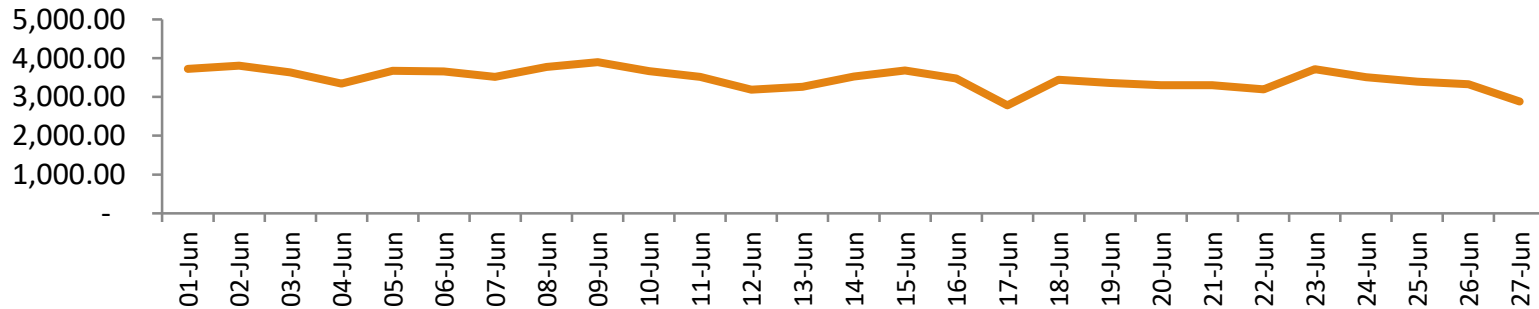


POWER GENERATION ANALYSIS & IMPACT



- June 27th: Average power output was 2,881MWh/hour (down 452MWh/h)
- 3,501MW of total generation was lost due to gas, line and high frequency constraints
- Estimated loss: N1.574bn (annualised at N575bn /\$1.4m)
- Benin/Omosho 330kV line (cct B5M) CBs tripped at both ends. Omosho/Ikeja West 330kV line (cct M5W) had been out of service on maintenance work

Average Power Sent Out (MWh/h)



DOMESTIC COMMODITY PRICE MOVEMENT

Price Elastic

Price Inelastic

Commodities	CURRENT PRICES (LAGOS)			Lagos Price	
	CURRENT PRICES	PREVIOUS PRICES	% CHANGE	1 year Low	1 year High
Palm Oil (25L) 	N12,500	N12,500	↔	N6,000	N25,000
Semolina (10kg) 	N3,500	N3,500	↔	N2,300	N3,500
Maize (50kg) 	N13,250	N13,250	↔	N9,000	N13,250
Tomatoes (50kg) 	N28,000	N25,000	↑ 12%	N8,000	N25,000
Garri (50kg) 	N32,000	N32,000	↔	N8,000	N32,000
Rice (50kg) 	N16,000	N17,000	↓ 5.88%	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 unchanged

STOCK MARKET

- NSE ASI  1.67% to 32, 657.30pts
- Consumer goods sub index  0.84% to 784.69pts
- Bargain hunting ahead of half year results

	Share Prices (₹)	W-O-W (June 23 – June 28)	YTD (%)
Nestle	 900.00		 11.1%
Honeywell	 1.77	 4.84%	 43.1%
Flourmill	 27.74		 50.0%
Cadbury	 13.10		 27.3%
NB	 151.90		 2.60%
Dangote Sugar	 9.00	 0.33%	 26.6%
Unilever	 42.99		 22.8%



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OIL PRICES



- Brent crude  1.93% to \$47.55pb
- U.S. crude output declined by 100,000 bpd due to storm disruptions
- Impact of Cyber attack resulted in a short-lived rally
- Gains were capped by a build up in inventory levels
- Crude inventory increased by 100, 000 barrels - EIA
- Defying the 3.25mb drawdown projected by analysts but below the increase of 851,000 barrels projected by API

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 26 June – 28 June	YTD	CURRENT PRICE
O I L			
BRENT	 1.93%	 16.31%	\$47.55pb
WTI	 1.74%	 16.21%	\$45.01pb
NATURAL GAS	 1.98%	 16.94%	\$3.09MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 1.92% to \$4.78/bushel

• Dry weather conditions in the US support prices

Corn



•Corn futures up 0.20% to \$3.68/bushel

•The USDA rated 67 % of the U.S. corn crop in good-to-excellent condition, below analyst expectations of 68%

Cocoa



•Cocoa prices up 1.13% to \$1,884/mt

•Heavy rains in Ivory Coast expected to weigh on mid-crop output

Sugar



•Sugar prices up 0.31% to \$0.1289/pound

•Prices up on brisk buying and thinning supply

OUTLOOK – OIL PRICES



- Prices expected to remain below \$50pb for the rest of the week
- Libya's oil production presently at 935,000bpd from 885,000bpd
- US shale producers remain relentless as rig count maintains upbeat trend

OUTLOOK – AGRIC PRICES

Grains

- Dry weather forecast in the U.S. will support prices



SUGAR

- Strong supply fundamentals to cap temporary gains

COCOA

- Ample supply will reverse bullish sentiment

Softs

