

BURNING ECONOMIC ISSUES



- 2017 budget – assent of appropriation bill postponed



- Pressure on the Naira and forex markets expected

- Nigeria claims self sufficiency in rice



- CBN injects \$482.6m into FX market

- Naira trading flat at N380/\$



- Diesel spikes to N180/ltr

ECONOMIC NEWS



Bad News



- Budget delay to stall spending and capex
- Oil prices continue to decline
- Power output declines to 3,732MW/hr (down 282MW)
- Diesel price negative for PPI

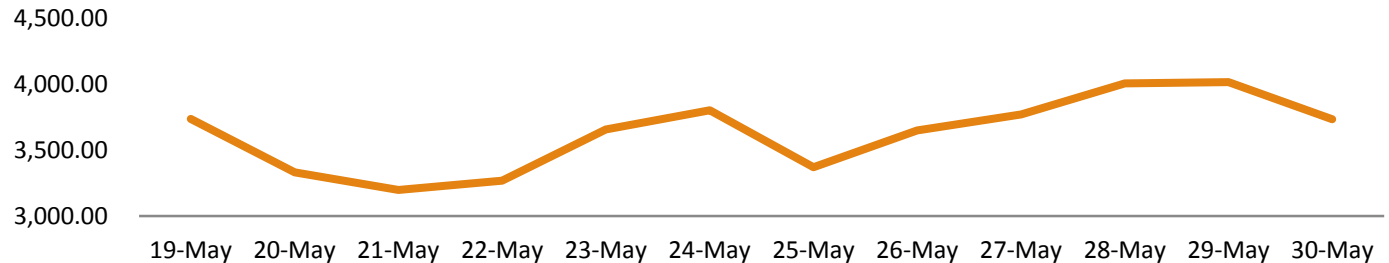


POWER GENERATION ANALYSIS & IMPACT



- May 30th: Average power output was 3,732MWh/hour (down 282MWh/h)
- 2,025MW lost from gas, line and high frequency constraints
- Estimated loss: N972m (annualised at N354.78bn /\$887m)
- Frequency was improved briefly due to adherence to grid rules
- High frequency in some generating companies due to non-compliance

Power Generated (on Grid) MW/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) 	N14,000	N14,000	↔	N8,000	N14,000
Garri (50kg) 	N26,000	N26,000	↔	N8,000	N26,000
Rice (50kg) 	N17,500	N17,500	↔	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N18,500	N18,500	↔	N8,000	N20,000
Beans (50kg) 	N22,000	N22,000	↔	N9,000	N22,500
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%

- Average online prices is 4.67% higher than market stalls
- Prices remain sticky downwards

STOCK MARKET

- NSE ASI  0.76% to 29,498.31pts
- Bullish market trend persists on rising optimism

	Share Prices** (₹)	W-O-W (May 26 – May 30)	YTD (%)
Nestle	875.01	 0.58%	 8.03%
Honeywell	1.38	 8.66%	 6.15%
Flourmill	21.00	 3.81%	 13.57%
Cadbury	9.42		 8.46%
NB	149.5	 3.10%	 1.02%
Dangote Sugar	7.03	 3.38%	 1.13%
Unilever	37.49	 4.87%	 7.11%

Information yet to be updated on NSE website



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- Seasoning (Cubes and Tablets)
- Tomato Paste
- Vegetable Oil

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OIL PRICES

- Brent crude  1.25% to \$51.19pb
- Rising Libyan oil output adding to already alarming US production
- Libya's production anticipated to rise to 800, 000 bpd this week
- Exemptions were given to the once war-torn economy
- To fund efforts towards economic restoration



OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 30 May - 01 June	YTD	CURRENT PRICE
O I L			
BRENT	 1.25%	 9.91%	\$51.19pb
WTI	 1.87%	 9.29%	\$48.73pb
NATURAL GAS	 1.75%	 16.94%	\$3.090MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures up 0.81% to \$4.33/bushel

• Wheat prices strengthening on concerns about US wheat

Corn



•Corn futures up 0.95% to \$3.71/bushel

• Corn up on weather concerns

Cocoa



•Cocoa prices flat at \$2,037/mt

• Positive market sentiment
• Despite supply glut

Sugar



•Sugar prices flat at \$0.1502/pound

• Sugar continues to bear the grunt of oversupply
• Rains in India fuelled bearish sentiment for upcoming crop

OUTLOOK – OIL PRICES



- Short run outlook negative for oil prices
- Investors dissatisfied with current production levels
- Exemptions could be imposed on Nigeria and Libya in the mid-term
- Ultimately cutting forex and fiscal earning

OUTLOOK – AGRIC PRICES

Grains

- Weather conditions to drive market sentiment
- Market expected to trade bullish



SUGAR

- Expectations of a bearish sugar market to persist on favorable weather

COCOA

- Market sentiment reversed to the positive and should persist this week

Softs

