

# BURNING ECONOMIC ISSUES



- Oil price drops to \$48.43pb

- 50% lower than the 2017 average of \$53pb



- FG request to borrow additional \$1.49bn to support 10 states



- Unemployment up from to 14.2% and underemployment climbed to 21% in Q4'17



- World bank raises Nigeria's growth forecast to 1.2%

- Naira appreciates to N366/\$, NAFEX at N374/\$

- Diesel flat at N180/ltr

# ECONOMIC NEWS



## Good News



- Salary arrears can now be paid

## Bad News



- Continued delay of budget assent
- Oil price moving closer to budget benchmark
- Tomato prices up by 29% to N18,000 on fasting effects



- Rising unemployment and underemployment results in reduced purchasing power
- Power output down to 3,661MW/hr (down 18MW)

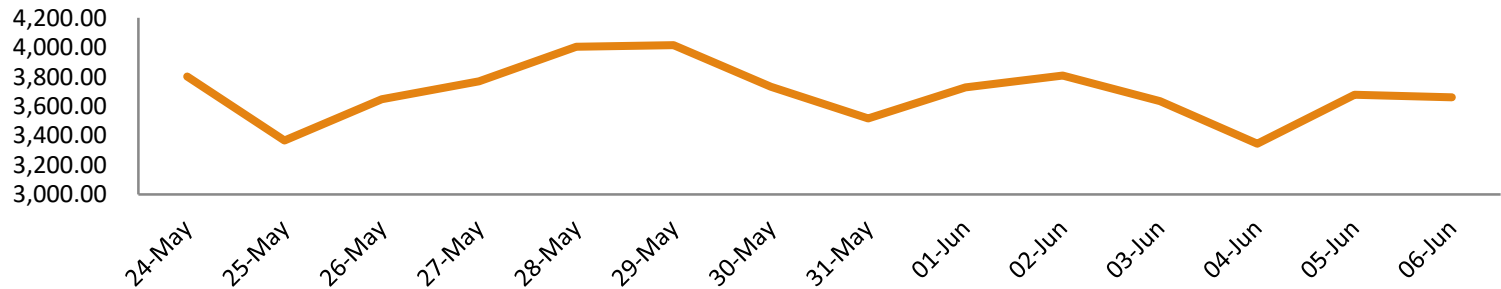


# POWER GENERATION ANALYSIS & IMPACT



- June 6<sup>th</sup> : Average power output was 3,661MWh/hour (down 18MWh/h)
- 3,091MW lost from gas, line and high frequency constraints
- Estimated loss: N1.48m (annualised at N532bn /\$1.33m)
- Increasing gas constraint despite increases in gas supplied to plants
- Kanji 1G6 is out on annual preventative maintenance




**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) 	N18,000	N14,000	↑	N8,000	N18,000
Garri (50kg) 	N32,000	N26,000	↔	N8,000	N32,000
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) 	N26,000	N22,000	↔	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%

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

# STOCK MARKET

- NSE ASI  1.51% to 32,686.72pts
- Positive sentiment drives market performance

	Share Prices** (₹)		W-O-W ( June 05– June 07)		YTD (%)
Nestle	965		1.58%		19.13%
Honeywell	1.70		3.66%		30.7%
Flourmill	28		16.91%		51.4%
Cadbury	12.91		12.95%		25.4%
NB	155.01		0.22%		4.74%
Dangote Sugar	9.03		15.47%		27.00%
Unilever	35.79		4.53%		2.25%



Every meal starts with us



• Salt (Refined and Iodized) • Seasoning (Cubes and Tablets) • Tomato Paste • Vegetable Oil


[www.nasconplc.com](http://www.nasconplc.com)



Available nationwide.







# OIL PRICES



- Brent crude  0.57% to \$48.43pb
- Global oil surplus continue to cap gains from oil prices
- Cut in ties between 4 Arab nations and Qatar has had little impact on oil prices
- API reports higher-than-expected US inventory draw of 4.62 million barrels



# OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 05 June– 07 June	YTD	CURRENT PRICE
<b>O I L</b>			
BRENT	 0.57%	 14.77%	\$48.43pb
WTI	 0.43%	 10.41%	\$48.13pb
NATURAL GAS	 3.02%	 17.47%	\$3.07MMBtu

# AGRIC COMMODITIES

## Wheat



↑  
•Wheat futures up 1.50% to \$4.38/bushel

•Adverse weather in US, Canada and Black sea region threaten supplies

## Corn



↑  
•Corn futures up 1.39% to \$3.79/bushel

•USDA Corn ratings for US crops up 3% to 68%

## Cocoa



↓  
•Cocoa prices down by 1.26% to \$1,963/mt

•Ivorian farmers have sold forward a large amount of their next crop

## Sugar



↑  
•Sugar prices down by 1.08% to \$0.1404/pound

•UAE and Saudi Arabia have stopped sugar exports to Qatar

# OUTLOOK – OIL PRICES



- Diplomatic crisis is expected to weaken Qatar's commitment to cut production
- US production up to 9.3 million barrels in June- EIA
- Oil prices will be capped at \$50pb amid growing US supplies

# OUTLOOK – AGRIC PRICES

## Grains

- Expectations of growing Russian supplies to dampen prices



## SUGAR

- Bullish sugar market expected to persist on lower global output

## COCOA

- Growing supplies will continue to drag down prices

## Softs

