

BURNING ECONOMIC ISSUES



- Oil price up 0.34% at \$47.07pb
- Only \$3 above the budget benchmark



- N350bn disbursed for capex



- Traffic woes increase as Wharf-Apapa road is closed for 12 months
- CBN intervened with \$831.5m last week, Naira at N368/\$ at parallel market



- NNPC claims to have cut diesel prices by over 40%, currently trading at N170/ltr
- 60 Telco firms bid for 5 broad-band licenses



Good News



- Private sector investment in Apapa (Dangote, Flourmill)
- Lower diesel price could reduce transportation costs
- Power output up to 3,443MW/hr



Bad News



- External reserves decline to \$30.21bn
- Bearish sentiment in global oil markets
- Weighing down on forex earnings
- This could likely undermine the CBN's ability to inject dollars into the market

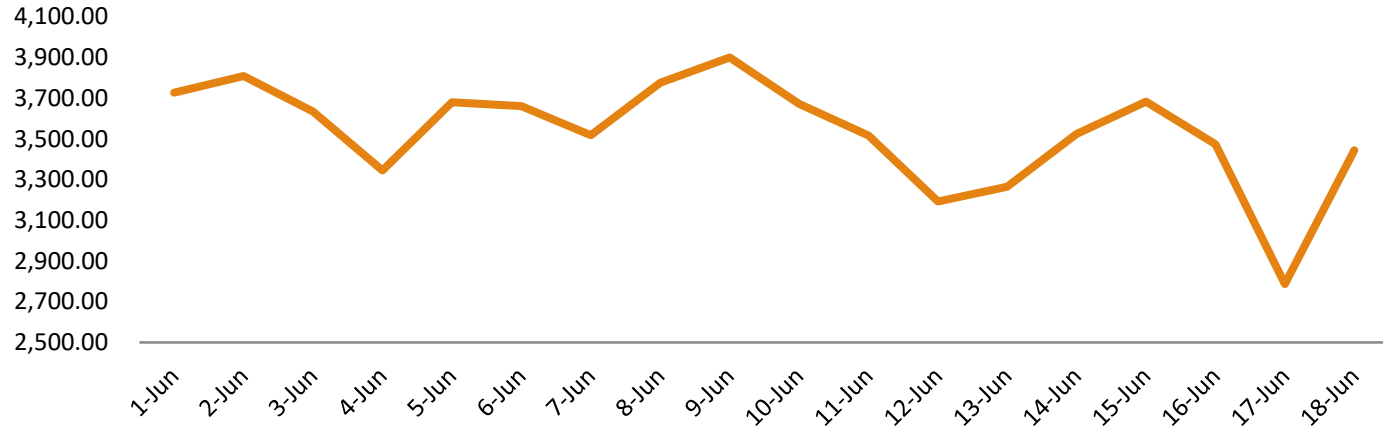


POWER GENERATION ANALYSIS & IMPACT



- June 18th: Average power output was 3,443MWh/hour (up 657MWh/h)
- A total of 2,763MW lost from gas, line and high frequency constraints
- Estimated loss: N1.326bn (annualised at 483.99bn /\$1.21m)
- Heavy rainfall leading to frequency management is the main cause of power output reduction











Power Output (On Grid) MW/Hr



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) 	N25,000	N25,000	↔	N8,000	N25,000
Garri (50kg) 	N32,000	N32,000	↔	N8,000	N32,000
Rice (50kg) 	N17,000	N17,500	↓ 2.86%	N13,500	N22,000
Flour (50kg) 	N10,500	N10,500	↔	N8,500	N11,000
Sugar (50kg) 	N19,500	N18,500	↑ 5.41%	N8,000	N20,000
Beans (50kg) 	N24,000	N26,000	↓ 7.69%	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  0.96% to 34, 135.10pts
- Market retains positive sentiment
- Latest inflation data signal an economic recovery

	Share Prices (₹)	W-O-W (June 16 – June 19)	YTD (%)
Nestle	907.00		 12.0%
Honeywell	1.96		 50.8%
Flourmill	29.50	 3.57%	 59.5%
Cadbury	14.95		 45.3%
NB	165.00	 0.61%	 11.5%
Dangote Sugar	9.14	 0.88%	 28.6%
Unilever	42.99		 22.8%



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OIL PRICES



- Brent crude  0.34% to \$47.07pb
- Slight recovery in oil prices
- Gains capped by increased drilling activity in the US
- US oil rig count up 6 last week for the 22nd week in a row
- Import demand continues to decline
- Japan crude oil imports down 13.5% in May
- India records decline of 4.2% in crude imports in May

OIL MARKETS TODAY

COMMODITY	WEEKLY CHANGE 16 June– 20 June	YTD	CURRENT PRICE
O I L			
BRENT	 0.63%	 17.16%	\$47.07pb
WTI	 0.76%	 17.35%	\$44.4pb
NATURAL GAS	 4.41%	 21.96%	\$2.903MMBtu

AGRIC COMMODITIES

Wheat



•Wheat futures down
0.42% to \$4.80/bushel

•Tapering weather
concerns

Corn



•Corn futures down
1.02% to \$3.88/bushel

•Dryness in the US
Midwest is less of a
concern

Cocoa



•Cocoa prices flat
\$2,028/mt

•Reduced demand and
high output levels
weigh on prices

Sugar



•Sugar prices flat
\$0.1363/pound

•Selling pressure drags on
sugar prices

OUTLOOK – OIL PRICES



- US production will increase by 770, 000bpd between Q4'16 to Q4'17
in four drilling sites – Goldman
- Based on steady increase in oil rigs
- China oil import to slow further

OUTLOOK – AGRIC PRICES

Grains

- Expected increase in demand from flour mills to push prices up



SUGAR

- More raw sugar output to weigh further on prices

COCOA

- Prices will be determined by supply/demand dynamics



Softs