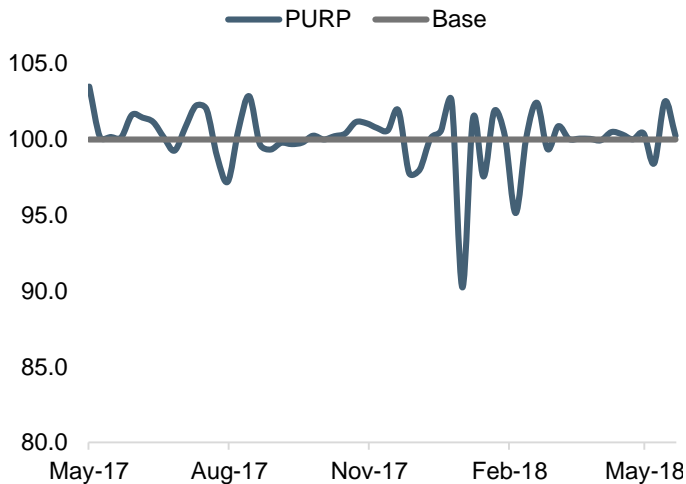


## The PENTAD – Urban Retail Price Tracker

### Price pressure bites deeper

#### The PURP Index



Source: ARM Research

	Commodity	Consumer	Cement	Brewery	Gas
Weightings	30%	30%	10%	20%	10%
Price change (MoM)	0.8%	-1.6%	2.2%	0.9%	1.7%
Standard deviation of prices	41	177	22	15	0
Broad sales volume direction	increasing	flat	flat to increasing	flat to increasing	flat

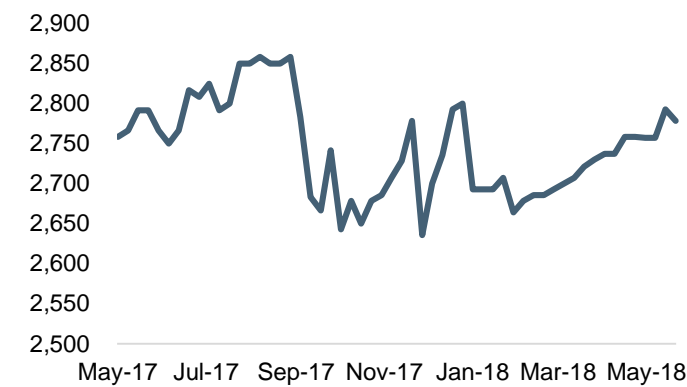
To determine how retail prices have moved on average, we fashioned out a Pentad Urban Retail Price Index (PURP) which adopts April 1st to April 8th as a base period. The PURP index accords 30% weightings apiece to consumer and commodities prices, 20% weighting to the brewery basket with a further 20% distributed evenly between cement and cooking gas prices.

Across the sectors, price evolution is monitored on a weekly basis while we adopt 0.6%, 0.0%, and -0.6% as indicators for volume expansion from prior week, no change in volumes, and week on week output contraction (respectively) in a manner slightly akin to CBN's PMI methodology.

- Our Urban Retail Price Tracker—the PURP index—recorded an increase of 0.77% MoM to 105.7 pts in the month of May (vs 0.69% MoM in April). Our survey revealed a mixed play of prices. While the brewery and commodities sector saw increased prices due to high transport cost and the ongoing Ramadan festival, prices in the consumer sector were largely lower MoM. Volumes were generally higher across board.
- The **brewery sector** saw price increases for the third consecutive month with prices up **0.86% MoM**. Notably, *Trophy* (2.22%) and *Gulder* (1.96%) both witnessed a faster pace of price increase MoM. Feedback from retailers linked the increase in prices to higher transport cost in the month. On volumes, feedback from retailers revealed a decline in volumes during the month.
- The **commodities basket** increased **0.84% MoM** in May. Prices were higher across board save for *palm oil* -0.69%. Over the period, both *vegetable oil* and *rice* witnessed price increases of 0.43% MoM and 2.25% MoM respectively. For *palm oil*, feedback from retailers showed that stability in prices has been driven by increased supply of the commodity. Elsewhere, feedback from retailers associated the general increase in price of both vegetable oil and rice to higher transport cost in the month of May as well as the Ramadan festival which made it possible for retailers to raise prices.
- The **consumer sector** saw a mixed play of prices with an overall decline in prices by **1.56%**. Amongst the products that witnessed price increase include *Honeywell* (12.82%) and *Dangote pasta* (13.89%) while *Lipton* (-15.22%) and *Milo* (-7.79%) saw the largest decline in prices. Overall, most of the decline was as a result of price discounts in the ongoing Ramadan festival.
- Prices in the **oil & gas sector** expanded **1.72% MoM** with prices of *lubricants* (+2.47%) accounting for the increase. Elsewhere, the price of cooking gas was relatively flat over the month.
- The **cement sector** witnessed an increase in prices by **2.21% MoM**. On volumes, retailers noted higher sales volume compared to the previous month.

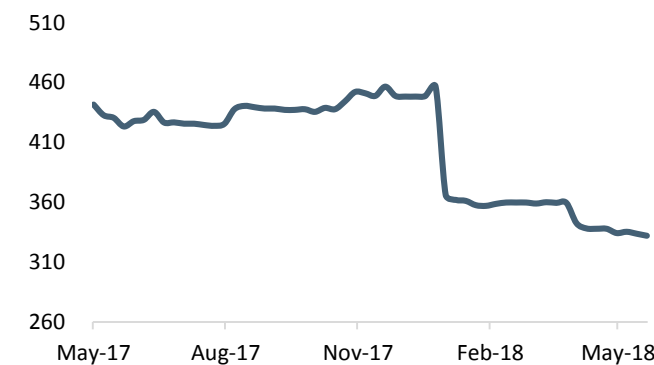
# Retail price sub-index

## Brewery Sector



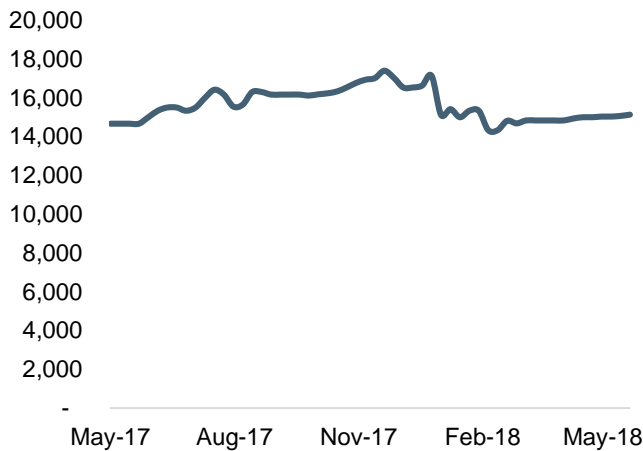
Source: ARM Research

## Consumer Sector



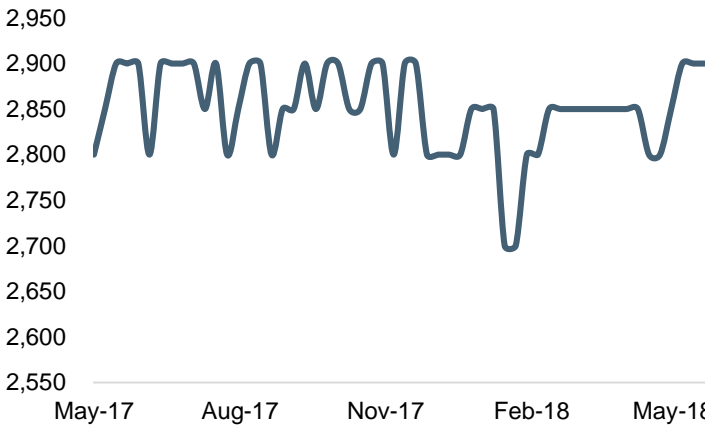
Source: ARM Research

## Commodity Sector



Source: ARM Research

## Cement Sector



Source: ARM Research

## Oil & Gas Sector



Source: ARM Research

## Retail prices trends

### Breweries

	Mar-18	Apr-18	May-18	Q3 17	Q4 17	Q1 18
<b>Star (₹/crate)</b>	<b>2540</b>	<b>2600</b>	<b>2600</b>	<b>2450</b>	<b>2515</b>	<b>2542</b>
<i>MoM/QoQ change</i>	<i>2.11%</i>	<i>2.36%</i>	<i>0.00%</i>		<i>2.65%</i>	<i>1.07%</i>
<b>Gulder (₹/crate)</b>	<b>2530</b>	<b>2550</b>	<b>2600</b>	<b>2412</b>	<b>2496</b>	<b>2500</b>
<i>MoM/QoQ change</i>	<i>1.71%</i>	<i>0.79%</i>	<i>1.96%</i>		<i>3.48%</i>	<i>0.16%</i>
<b>Malta Guinness (₹/crate)</b>	<b>2800</b>	<b>2838</b>	<b>2850</b>	<b>2829</b>	<b>2827</b>	<b>2804</b>
<i>MoM/QoQ change</i>	<i>0.43%</i>	<i>1.36%</i>	<i>0.42%</i>		<i>-0.07%</i>	<i>-0.81%</i>
<b>Goldberg (₹/crate)</b>	<b>2250</b>	<b>2275</b>	<b>2300</b>	<b>2371</b>	<b>2354</b>	<b>2269</b>
<i>MoM/QoQ change</i>	<i>-0.55%</i>	<i>1.11%</i>	<i>1.10%</i>		<i>-0.72%</i>	<i>-3.61%</i>
<b>Satzenbrau (₹/crate)</b>	<b>2380</b>	<b>2363</b>	<b>2375</b>	<b>2407</b>	<b>2362</b>	<b>2338</b>
<i>MoM/QoQ change</i>	<i>1.28%</i>	<i>-0.71%</i>	<i>0.51%</i>		<i>-1.87%</i>	<i>-1.02%</i>
<b>Guinness (₹/crate)</b>	<b>4312</b>	<b>4360</b>	<b>4375</b>	<b>4254</b>	<b>4304</b>	<b>4320</b>
<i>MoM/QoQ change</i>	<i>-0.30%</i>	<i>1.11%</i>	<i>0.34%</i>		<i>1.18%</i>	<i>0.37%</i>
<b>Trophy (₹/crate)</b>	<b>2160</b>	<b>2250</b>	<b>2300</b>		2107	2095
<i>MoM/QoQ change</i>	<i>9.76%</i>	<i>4.17%</i>	<i>2.22%</i>			<i>-0.57%</i>

### Consumers

	Mar-18	Apr-18	May-18	Q3 17	Q4 17	Q1 18
<b>Close up (₹/160g)</b>	<b>306</b>	<b>310</b>	<b>288</b>	<b>279</b>	<b>272</b>	<b>298</b>
<i>MoM/QoQ change</i>	<i>2.00%</i>	<i>1.31%</i>	<i>-7.10%</i>		<i>-2.51%</i>	<i>9.56%</i>
<b>Maggi (₹/400g)</b>	<b>520</b>	<b>525</b>	<b>538</b>	<b>519</b>	<b>524</b>	<b>518</b>
<i>MoM/QoQ change</i>	<i>0.97%</i>	<i>0.96%</i>	<i>2.48%</i>		<i>0.96%</i>	<i>-1.15%</i>
<b>Milo (₹/500g)</b>	<b>1100</b>	<b>963</b>	<b>888</b>	<b>1107</b>	<b>1192</b>	<b>1127</b>
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>-12.45%</i>	<i>-7.79%</i>		<i>7.68%</i>	<i>-5.45%</i>
<b>Blue band (₹/250g)</b>	<b>432</b>	<b>400</b>	<b>400</b>	<b>436</b>	<b>443</b>	<b>435</b>
<i>MoM/QoQ change</i>	<i>-0.69%</i>	<i>-7.41%</i>	<i>0.00%</i>		<i>1.61%</i>	<i>-1.81%</i>
<b>Omo (₹/400g)</b>	<b>410</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>416</b>	<b>410</b>
<i>MoM/QoQ change</i>	<i>0.61%</i>	<i>-2.44%</i>	<i>0.00%</i>		<i>4.00%</i>	<i>-1.44%</i>
<b>Lipton (₹/100 tea bags)</b>	<b>230</b>	<b>230</b>	<b>195</b>	<b>241</b>	<b>239</b>	<b>231.5</b>
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>-15.22%</i>		<i>-0.83%</i>	<i>-3.14%</i>
<b>Dangote Salt (₹/250g)</b>	<b>60</b>	<b>47.5</b>	<b>45</b>	<b>48</b>	<b>50</b>	<b>58</b>
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>-20.83%</i>	<i>-5.26%</i>		<i>4.17%</i>	<i>16.00%</i>
<b>Dangote Sugar (₹/500g)</b>	<b>250</b>	<b>250</b>	<b>250</b>	<b>254</b>	<b>260</b>	<b>254</b>
<i>MoM/QoQ change</i>	<i>-0.99%</i>	<i>0.00%</i>	<i>0.00%</i>		<i>2.36%</i>	<i>-2.31%</i>
<b>Dettol (₹/70g - pack of 6)</b>	<b>626</b>	<b>625</b>	<b>630</b>	<b>611</b>	<b>630</b>	<b>626</b>
<i>MoM/QoQ change</i>	<i>-0.24%</i>	<i>-0.16%</i>	<i>0.80%</i>		<i>3.11%</i>	<i>-0.63%</i>
<b>Golden morn (₹/500g)</b>	<b>680</b>	<b>700</b>	<b>740</b>			
<i>MoM/QoQ change</i>	<i>0.37%</i>	<i>2.94%</i>	<i>5.71%</i>			
<b>Golden penny sugar (₹/500g)</b>	<b>300</b>	<b>257.5</b>	<b>240</b>			

	Mar-18	Apr-18	May-18	Q3 17	Q4 17	Q1 18
<i>MoM/QoQ change</i>	0.00%	-14.17%	-6.80%			
<b>Knorr (₹/400g)</b>	<b>710</b>	<b>650</b>	<b>600</b>			
<i>MoM/QoQ change</i>	0.21%	-8.45%	-7.69%			
<b>Golden penny pasta (₹/500g)</b>	<b>260</b>	<b>230</b>	<b>240</b>			
<i>MoM/QoQ change</i>	0.00%	-11.54%	4.35%			
<b>Honey well pasta (₹/500g)</b>	<b>216</b>	<b>220</b>	<b>220</b>			
<i>MoM/QoQ change</i>	1.05%	1.85%	0.00%			
<b>Dangote pasta (₹/500g)</b>	<b>221</b>	<b>180</b>	<b>205</b>			
<i>MoM/QoQ change</i>	0.45%	-18.55%	13.89%			
<b>Golden penny noodles (₹/70g)</b>	<b>50</b>	<b>45</b>	<b>45</b>			
<i>MoM/QoQ change</i>	0.00%	-10.00%	0.00%			
<b>Indomie noodles (₹/70g)</b>	<b>55</b>	<b>50</b>	<b>50</b>			
<i>MoM/QoQ change</i>	0.00%	-9.09%	0.00%			
<b>Honeywell noodles (₹/70g)</b>	<b>45</b>	<b>45</b>	<b>45</b>			
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%			

	Mar-18	Apr-18	May-18	Q3 17	Q4 17	Q1 18
<b>Commodities</b>						
<b>Crude palm oil (₹/25kg)</b>	<b>11200</b>	<b>10900</b>	<b>10825</b>	<b>11825</b>	<b>12550</b>	<b>11573</b>
<i>MoM/QoQ change</i>	-2.40%	-2.68%	-0.69%		6.13%	-7.78%
<b>Vegetable oil (₹/25kg)</b>	<b>17000</b>	<b>17275</b>	<b>17350</b>	<b>16911</b>	<b>18895</b>	<b>17119</b>
<i>MoM/QoQ change</i>	-1.45%	1.62%	0.43%		11.73%	-9.40%
<b>Rice (₹/50kg bag)</b>	<b>16210</b>	<b>16650</b>	<b>17025</b>	<b>16269</b>	<b>19264</b>	<b>16008</b>
<i>MoM/QoQ change</i>	5.34%	2.71%	2.25%		18.41%	-16.90%

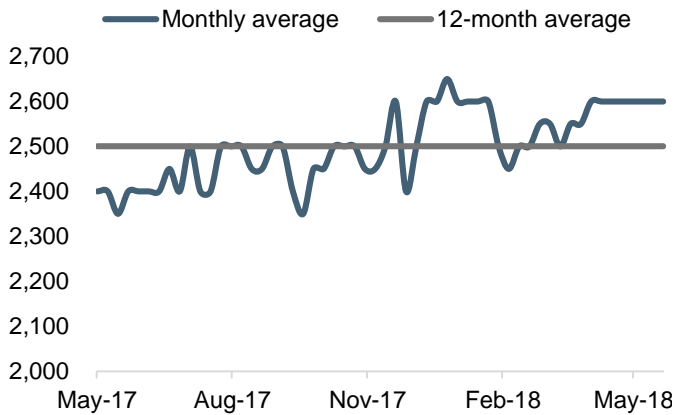
	Mar-18	Apr-18	May-18	Q3 17	Q4 17	Q1 18
<b>Cement (₹/50kg)</b>	<b>2850</b>	<b>2825</b>	<b>2888</b>	<b>2868</b>	<b>2850</b>	<b>2819</b>
<i>MoM/QoQ change</i>	0.88%	-0.88%	2.20%		-0.63%	-1.09%

	Mar-18	Apr-18	May-18	Q3 17	Q4 17	Q1 18
<b>Cooking gas (₹/12.5kg)</b>	<b>3500</b>	<b>3500</b>	<b>3500</b>	<b>4500</b>	<b>4000</b>	<b>3623</b>
<i>MoM/QoQ change</i>	-2.10%	0.00%	0.00%		-11.11%	-9.42%
<b>Lubricants (₹/4L)</b>	<b>8080</b>	<b>8100</b>	<b>8300</b>			
<i>MoM/QoQ change</i>	1.00%	0.25%	2.47%			

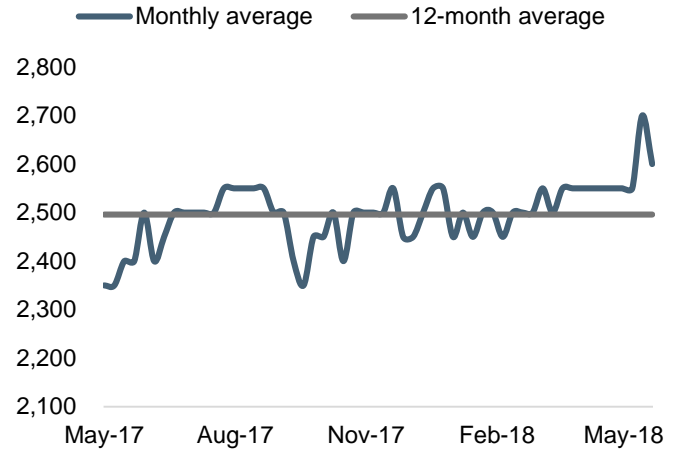
# Retail prices trends

## Brewery products

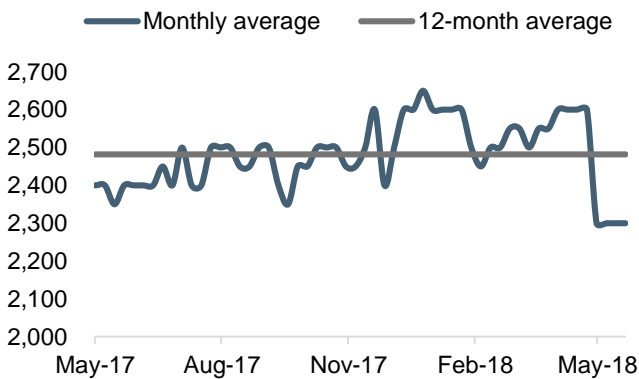
Star – ₦ per crate



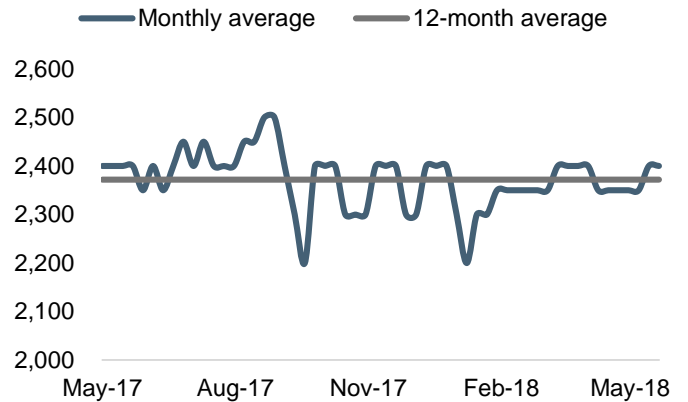
Goldberg – ₦ per crate



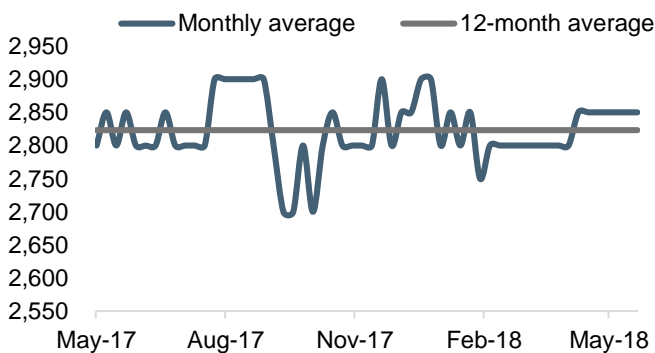
Gulder – ₦ per crate



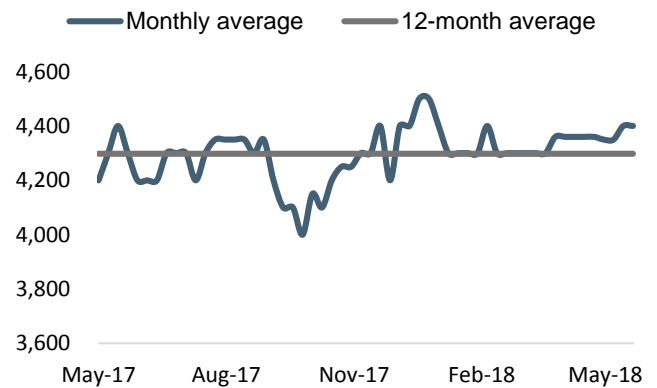
Satzenbrau – ₦ per crate



Malta Guinness – ₦ per crate

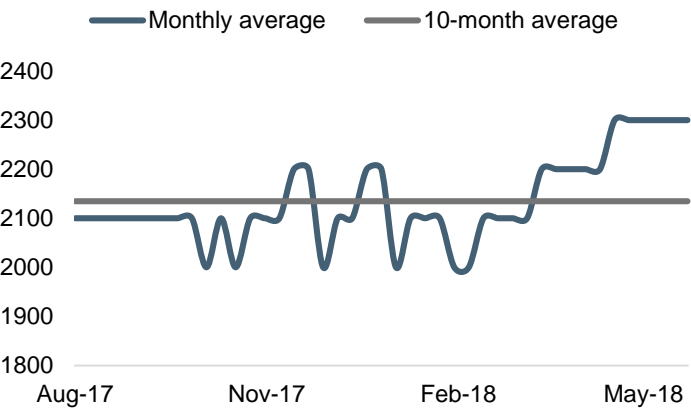


Guinness – ₦ per crate

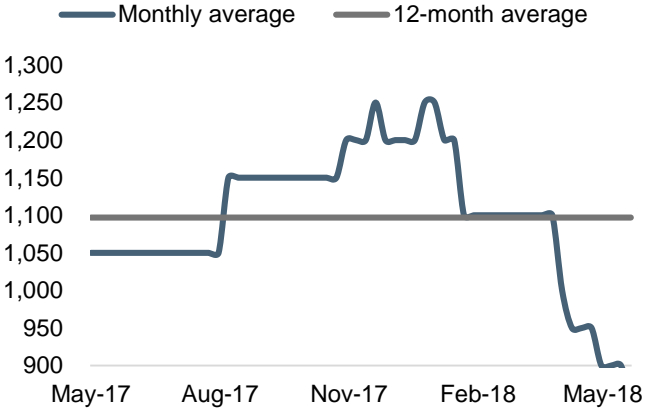


# Retail prices trends

Trophy – ₦ per crate

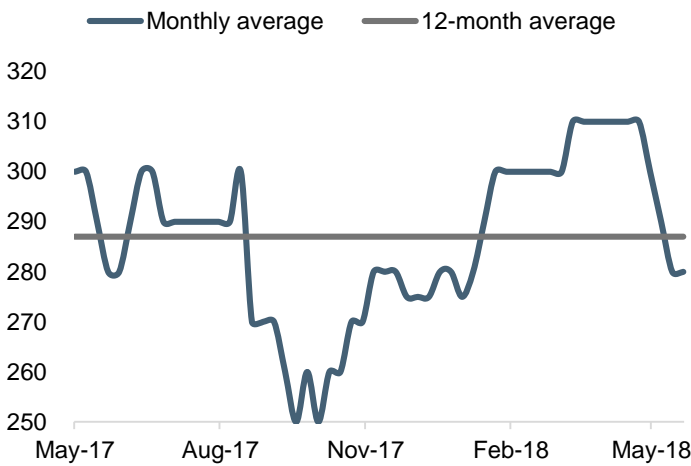


Milo – ₦ per 500g

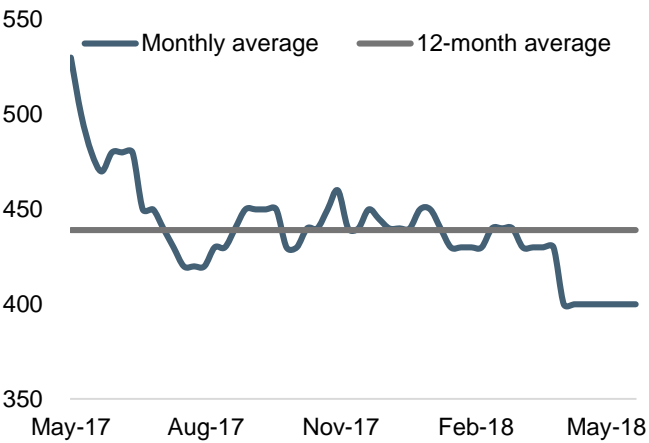


## Consumer products

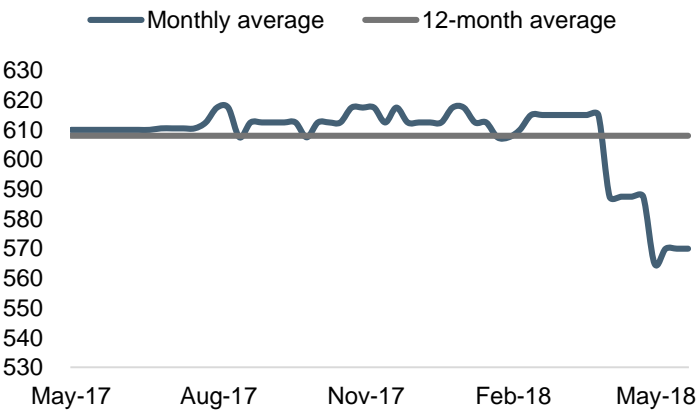
Close up – ₦ per 240g



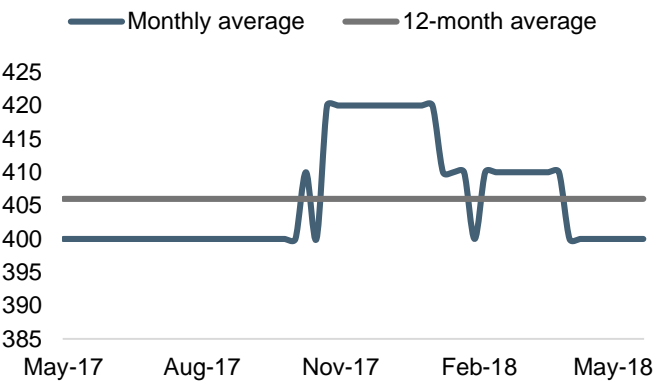
Blue band – ₦ per 250g



Seasonings – ₦ per 400g

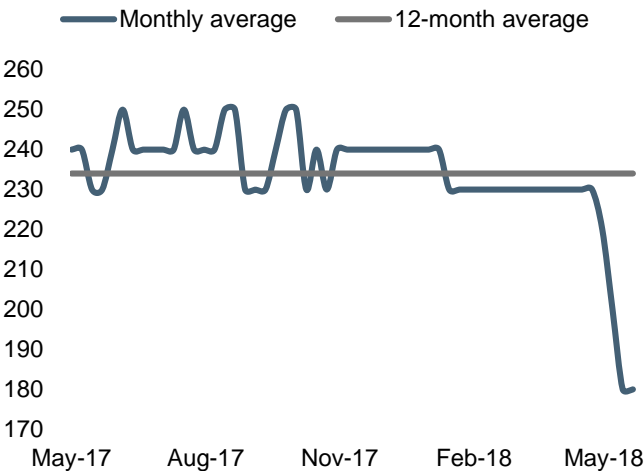


Omo – ₦ per 400g

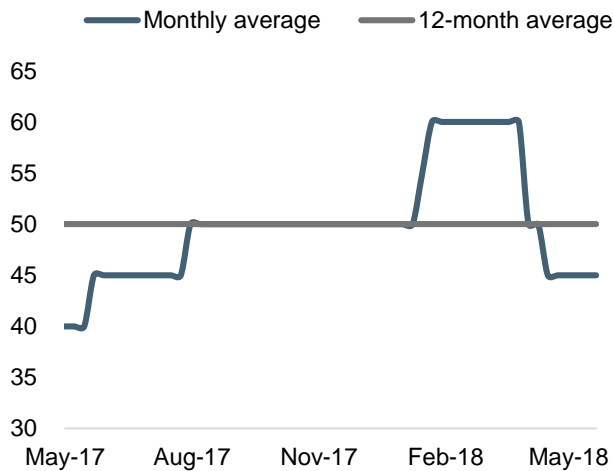


# Retail prices trends

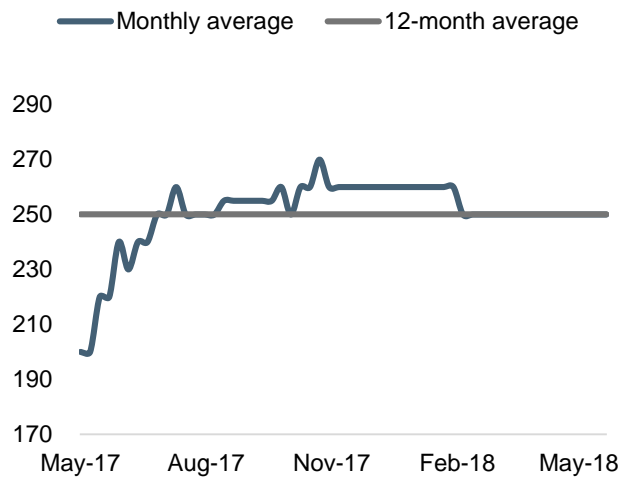
Lipton – ₦ per 25 tea bag



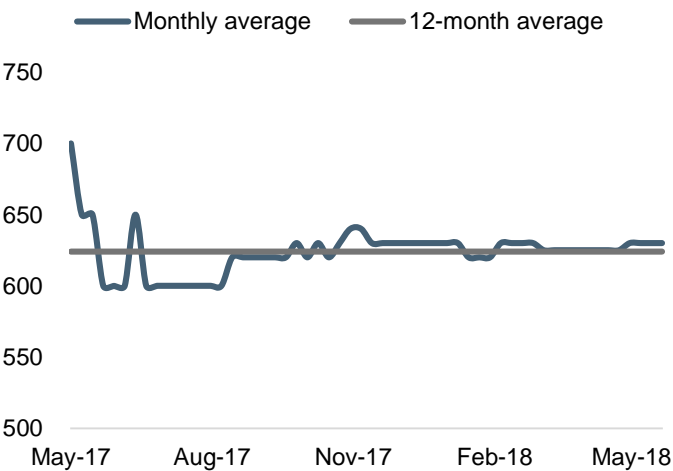
Dangote salt – ₦ per 250g



Dangote sugar – ₦ per 250g



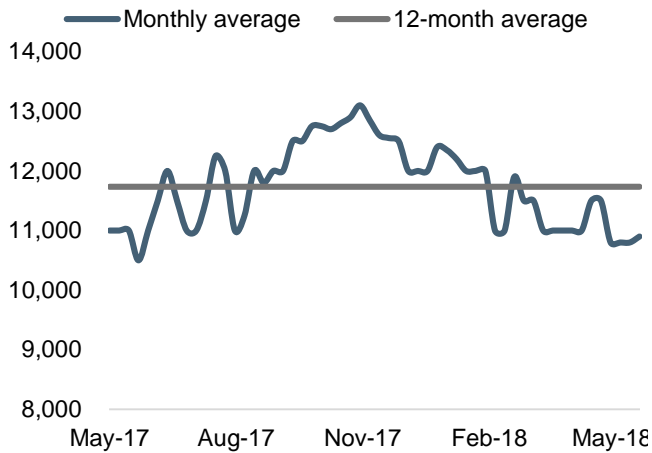
Dettol – ₦ per 70g



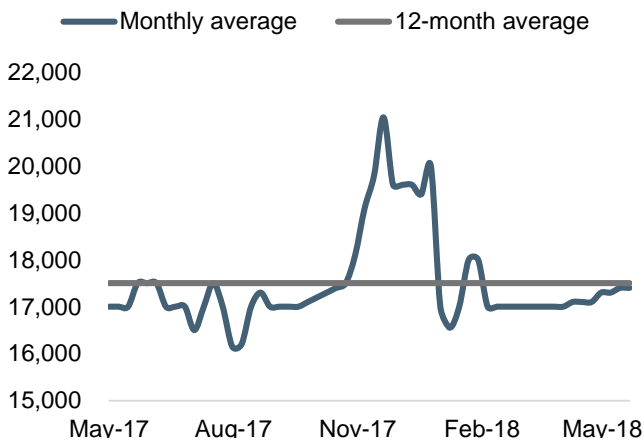
# Retail prices trends

## Commodity products

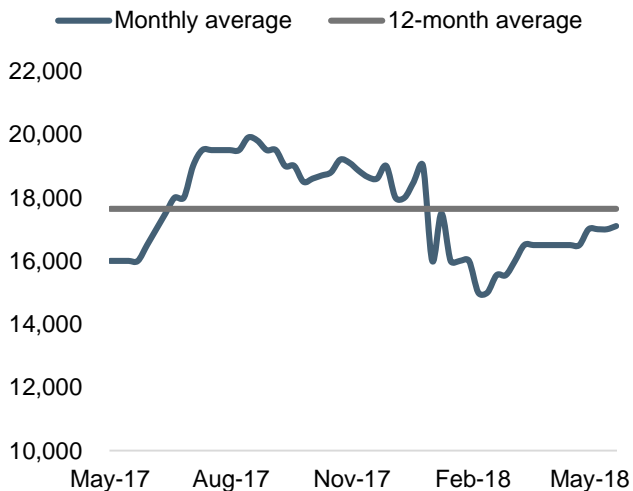
### Crude palm oil – ₦ per 25kg gallon



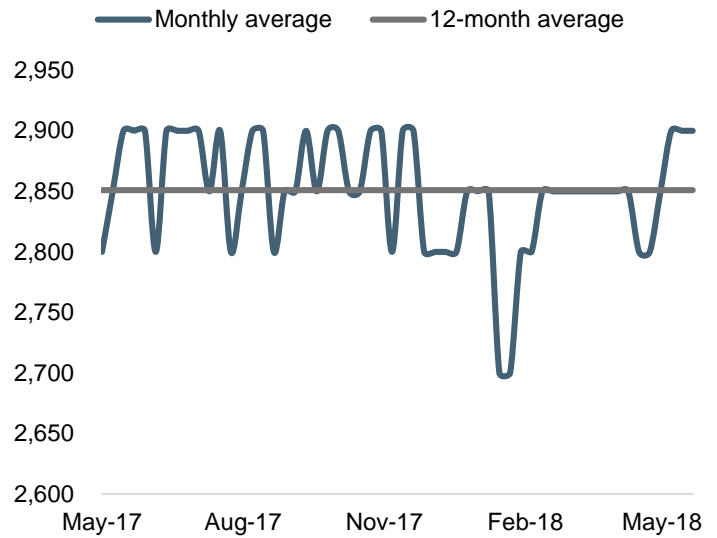
### Vegetable oil – ₦ per 20kg gallons



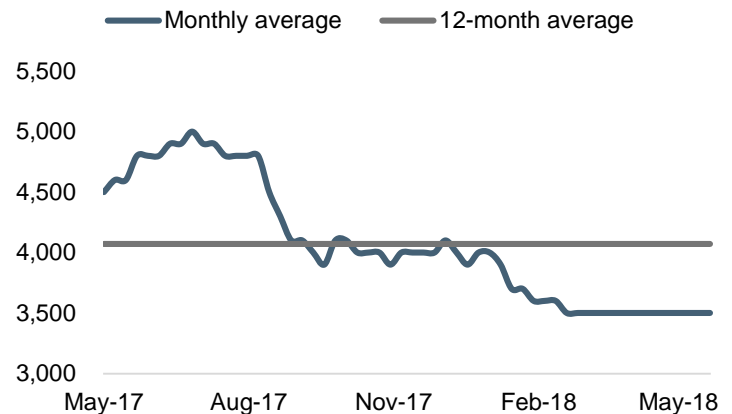
### Rice – ₦ per 50kg



### Cement – ₦ per 50kg bag



### Cooking gas – ₦ per 12.5kg





## Valuation of Coverage companies

	<b>FVE (₦)</b>	<b>Market Price (₦)</b>	<b>Upside (Downside)</b>	<b>Recommendation</b>
<b>Guinness</b>	88.21	95.0	-7.15%	<b>SELL</b>
<b>Nigeria Breweries</b>	118.68	103.0	15.22%	<b>OVERWEIGHT</b>
<b>Nestle</b>	1008.97	1430	-29.44%	<b>SELL</b>
<b>Flour mills</b>	38.94	31.1	25.21%	<b>STRONG BUY</b>
<b>Cadbury*</b>	-	12.5	NA	<b>-</b>
<b>Unilever</b>	36.21	51.45	-29.62%	<b>SELL</b>
<b>Dangote Sugar</b>	20.23	17.45	15.93%	<b>OVERWEIGHT</b>
<b>Dangote Cement</b>	253.39	223.0	13.63%	<b>OVERWEIGHT</b>
<b>Lafarge</b>	26.09	34.0	-23.26%	<b>SELL</b>
<b>CCNN</b>	32.68	27.95	16.92%	<b>NEUTRAL</b>
<b>Forte Oil</b>	59	35.15	67.85%	<b>BUY</b>
<b>Conoil</b>	40.18	31.8	26.35%	<b>BUY</b>
<b>MRS</b>	38.07	34.25	11.15%	<b>NEUTRAL</b>
<b>Total</b>	206.67	201.7	2.46%	<b>SELL</b>
<b>Seplat</b>	957.27	740.0	29.36%	<b>STRONG BUY</b>
<b>Okomu</b>	102.33	80.0	27.91%	<b>BUY</b>
<b>Presco</b>	70.44	75.0	-6.08%	<b>SELL</b>