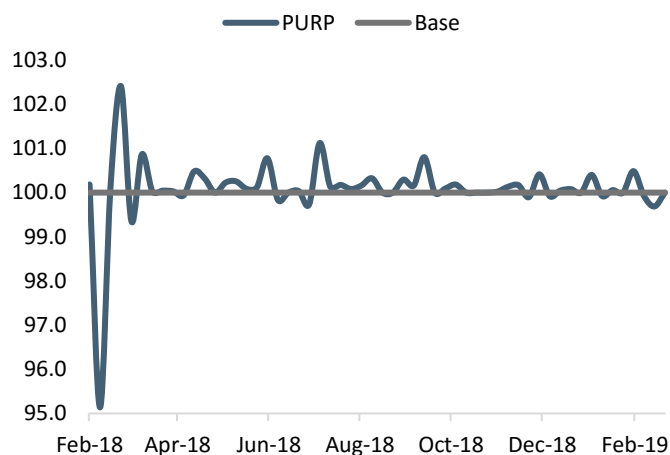


The PENTAD – Urban Retail Price Tracker

Prices on tepid rise

The PURP Index



Source: ARM Research

	Commodity	Consumer	Cement	Brewery	Oil
Weightings	30%	30%	10%	20%	10%
Price change (MoM)	0.4%	-0.4%	1.0%	0.1%	0.2%
Standard deviation of prices	7	0	25	4	0
Broad sales volume direction	flat	increasing	increasing	increasing	flat

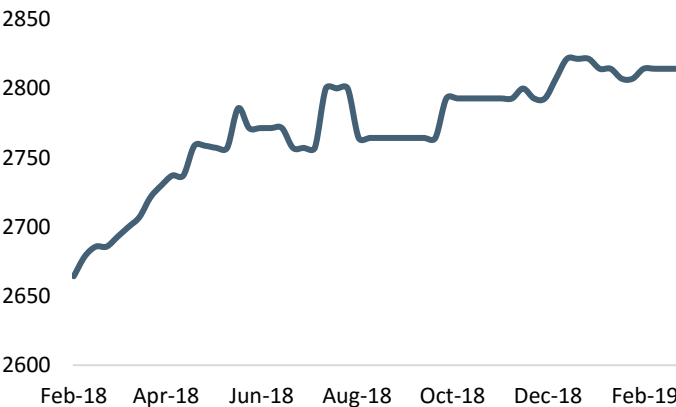
To determine how retail prices have moved on average, we fashioned out a Pentad Urban Retail Price Index (PURP) which adopts April 1st to April 8th as a base period. The PURP index accords 30% weightings apiece to consumer and commodities prices, 20% weighting to the brewery basket with a further 20% 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 a slight uptick of **0.28% MoM** to 111.6 pts in February (vs **0.42% MoM** in January). On an annual basis, prices were **8%** higher relative to same period in the prior year. The brewery and commodity basket took the center stage with prices rising 0.13% MoM and 0.39% MoM respectively. Elsewhere, prices across the consumer, cement and oil & gas retreated over the month.
- In the **consumer basket**, average prices moderated by **0.39% MoM**. We noted declines in price of *Milo* (-6.01%), *Lipton* (-13.5%) and *Dangote Pasta* (-13.0%). Across the pasta products, *Dangote Pasta* implemented price reversal during the month following a price hike in January. Meanwhile, we also saw price of Golden Penny pasta increase 28% placing it at a premium to *Dangote Pasta* and *Honeywell Pasta* which are the most demanded pasta. Elsewhere, in a bid to gain market share, we observed an increased supply in *Tastic Pasta* (another product from Dangote but not as popular as the major three). From our findings, *Tastic* presently sells at a premium to other pasta products with price point at ₦325.
- Prices in the **brewery basket** were slightly higher by **0.13% MoM**. Though prices were flat across most beer products under our coverage, we noted an increase in price of *Trophy* (+1.9% MoM).
- Average price in the **commodities basket** remained elevated but slowed over the month with prices rising by **0.42% MoM (January: 0.57%)**. Price increase was largely as a result of higher vegetable oil price. Elsewhere, *palm oil* price moderated 0.4% over the month after weeks of festivity induced price hike.
- Prices in the **oil & gas sector** moderated over February with average prices down by **0.18% MoM** largely on the back of lower *Cooking Gas* price (-1.3% MoM). We believe this is largely due to increased domestic and foreign supply.
- Prices in the **cement sector** eased by **1.0% MoM** following an increase in the previous month. On other fronts, activities in the cement sector remained lukewarm as a result of electioneering activities.

Retail price sub-index

Brewery Sector



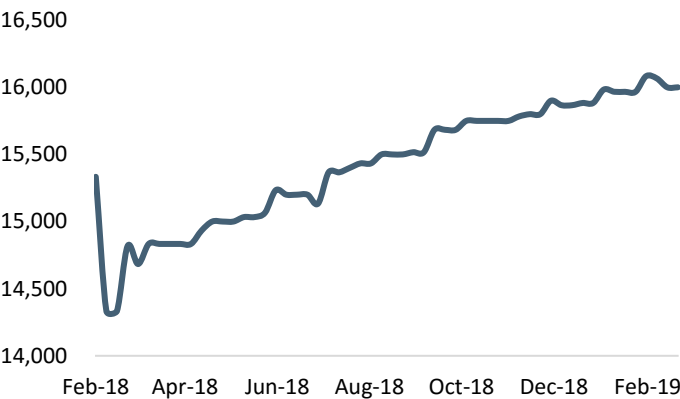
Source: ARM Research

Consumer Sector



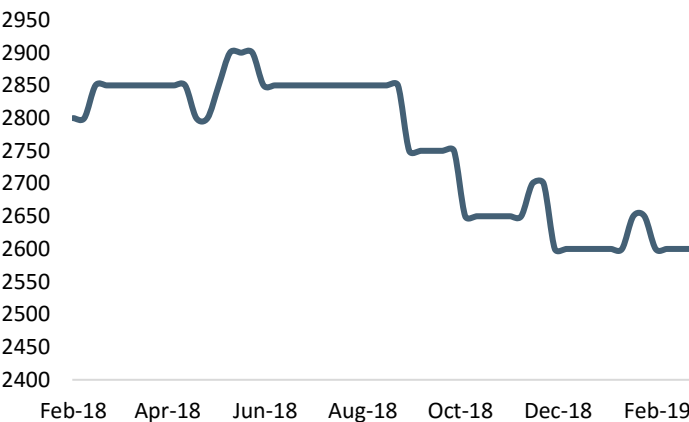
Source: ARM Research

Commodity Sector



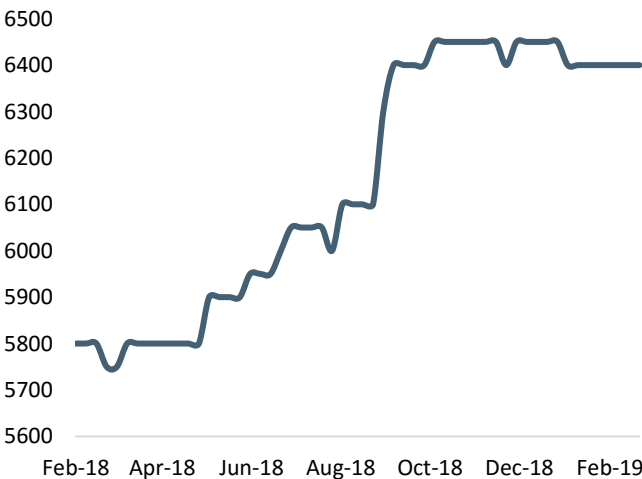
Source: ARM Research

Cement Sector



Source: ARM Research

Oil & Gas Sector



Source: ARM Research

Retail price trends

Breweries

	Feb-19	Jan-19	Dec-18	Q3 18	Q4 18	Q1 19
Star (₹/crate)	2600	2600	2590	2531	2565	2600
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.39%</i>	<i>1.57%</i>	<i>-2.37%</i>	<i>1.37%</i>	<i>1.35%</i>
Gulder (₹/crate)	2600	2600	2600	2596	2600	2600
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.74%</i>	<i>0.16%</i>	<i>0.00%</i>
Malta Guinness (₹/crate)	2900	2900	2900	2846	2900	2900
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.59%</i>	<i>1.90%</i>	<i>0.00%</i>
Goldberg (₹/crate)	2500	2500	2530	2292	2433	2500
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>-1.19%</i>	<i>1.20%</i>	<i>0.92%</i>	<i>6.18%</i>	<i>2.74%</i>
Satzenbrau (₹/crate)	2300	2325	2340	2379	2273	2313
<i>MoM/QoQ change</i>	<i>-1.08%</i>	<i>1.09%</i>	<i>1.74%</i>	<i>1.89%</i>	<i>-4.45%</i>	<i>1.72%</i>
Guinness (₹/crate)	4200	4200	4200	4370	4292	4200
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>1.53%</i>	<i>-1.79%</i>	<i>-2.14%</i>
Trophy (₹/crate)	2600	2550	2530	2283	2449	2575
<i>MoM/QoQ change</i>	<i>1.96%</i>	<i>0.79%</i>	<i>1.20%</i>	<i>8.99%</i>	<i>7.26%</i>	<i>5.14%</i>

Consumers

	Feb-19	Jan-19	Dec-18	Q3 18	Q4 18	Q1 19
Close up (₹/160g)	320	320	296	293	293	320
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>8.11%</i>	<i>5.71%</i>	<i>-1.65%</i>	<i>0.00%</i>	<i>9.40%</i>
Maggi (₹/400g)	508	506	510	534	537	507
<i>MoM/QoQ change</i>	<i>0.40%</i>	<i>-0.78%</i>	<i>0.00%</i>	<i>3.05%</i>	<i>0.53%</i>	<i>-5.59%</i>
Milo (₹/500g)	938	998	989	867	919	968
<i>MoM/QoQ change</i>	<i>-6.01%</i>	<i>0.91%</i>	<i>0.00%</i>	<i>-23.25%</i>	<i>6.00%</i>	<i>5.37%</i>
Blueband (₹/250g)	300	293	288.2	383	292	297
<i>MoM/QoQ change</i>	<i>2.39%</i>	<i>1.67%</i>	<i>1.12%</i>	<i>-11.84%</i>	<i>-23.91%</i>	<i>1.66%</i>
Omo (₹/400g)	380	380	385	400	393	380
<i>MoM/QoQ change</i>	<i>0.0%</i>	<i>-1.30%</i>	<i>1.32%</i>	<i>-2.44%</i>	<i>-1.67%</i>	<i>-3.39%</i>
Lipton (₹/100 tea bags)	205	237	219	214	202	221
<i>MoM/QoQ change</i>	<i>-13.50%</i>	<i>8.22%</i>	<i>1.86%</i>	<i>-7.48%</i>	<i>-5.60%</i>	<i>9.23%</i>
Dangote Salt (₹/250g)	45	45	45	43	45	45
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>-25.46%</i>	<i>4.23%</i>	<i>0.00%</i>
Dangote Sugar (₹/500g)	237	237	224.4	247	231	237
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>5.61%</i>	<i>1.08%</i>	<i>-2.95%</i>	<i>-6.22%</i>	<i>2.45%</i>
Dettol (₹/70g - pack of 6)	953	850	819	628	746	902
<i>MoM/QoQ change</i>	<i>12.12%</i>	<i>3.79%</i>	<i>0.49%</i>	<i>0.35%</i>	<i>18.78%</i>	<i>20.79%</i>
Goldenmorn (₹/500g)	750	854	825	730	837	802
<i>MoM/QoQ change</i>	<i>-12.18%</i>	<i>3.57%</i>	<i>2.69%</i>	<i>8.42%</i>	<i>14.61%</i>	<i>-4.14%</i>
Golden penny sugar (₹/500g)	245	245	244	246	239	245

	Feb-19	Jan-19	Dec-18	Q3 18	Q4 18	Q1 19
<i>MoM/QoQ change</i>	0.00%	0.41%	1.67%	-17.71%	-2.45%	2.51%
Knorr (₹/400g)	677	658	660	633	660	668
<i>MoM/QoQ change</i>	2.89%	-0.36%	-1.43%	-10.54%	-1.12%	1.14%
Golden penny pasta (₹/500g)	230	180	180	217	180	205
<i>MoM/QoQ change</i>	27.78%	0.00%	0.00%	-15.86%	-16.92%	13.89%
Honey well pasta (₹/500g)	220	200	199	203	195	210
<i>MoM/QoQ change</i>	10.00%	-9.09%	2.05%	-4.65%	-4.10%	7.69%
Dangote pasta (₹/500g)	200	230	220	202	180	215
<i>MoM/QoQ change</i>	-13.04%	4.55%	22.22%	-7.95%	-10.74%	19.44%
Golden penny noodles (₹/70g)	45	45	45	45	45	45
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	-10.00%	0.00%	0.00%
Indomie noodles (₹/70g)	50	50	50	50	50	50
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	-0.00%	0.00%	0.00%
Honeywell noodles (₹/70g)	35	35	35	45	35	35
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	0	-22.22%	0.00%

Commodities

	Feb-19	Jan-19	Dec-18	Q3 18	Q4 18	Q1 19
Crude palm oil	11450	11500	11400	10773	11325	11475
<i>MoM/QoQ change</i>	-0.43%	0.88%	0.44%	-7.16%	5.12%	1.32%
Vegetable oil	18350	18100	17920	17385	17633	18225
<i>MoM/QoQ change</i>	1.38%	1.00%	1.24%	1.49%	1.43%	3.36%
Rice	18312.5	18312.5	18320	17010	17533	18313
<i>MoM/QoQ change</i>	0.00%	-0.04%	0.66%	6.37%	3.08%	4.44%

Cement (N/50kg)

	Feb-19	Jan-19	Dec-18	Q3 18	Q4 18	Q1 19
	2600	2625	2600	2853.846	2812	2613
<i>MoM/QoQ change</i>	-0.95%	0.96%	-1.89%	2.84%	-1.48%	-7.08%

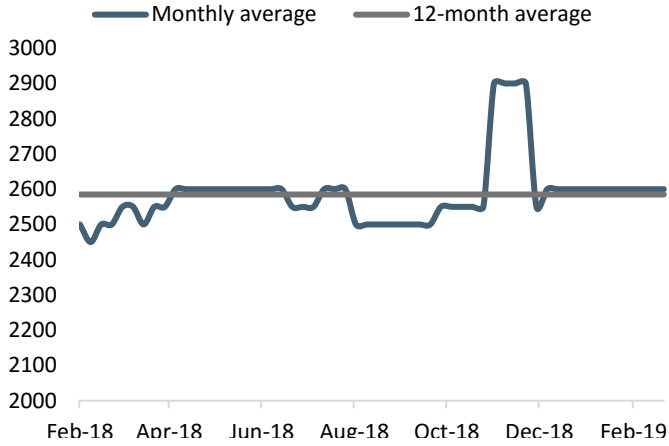
Oil & Gas

	Feb-19	Jan-19	Dec-18	Q3 18	Q4 18	Q1 19
Cooking gas (₹/12.5kg)	4200	4200	4300	3546.667	3853	4200
<i>MoM/QoQ change</i>	0.00%	-2.33%	0.00%	-2.39%	8.65%	9.00%
Lubricants (₹/4L)	8600	8600	8600			
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%			

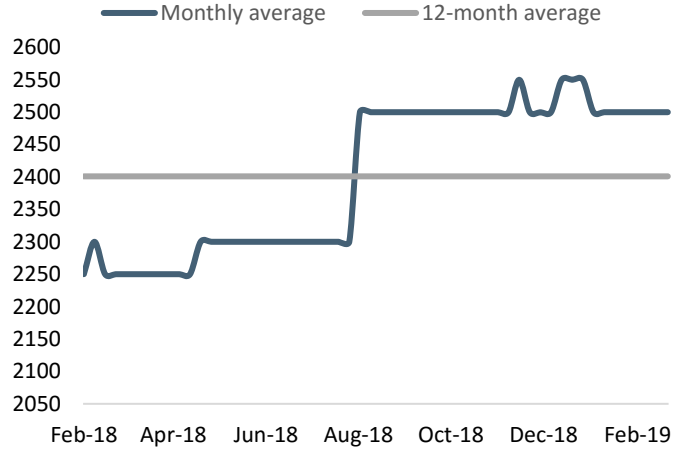
Retail price trends

Brewery products

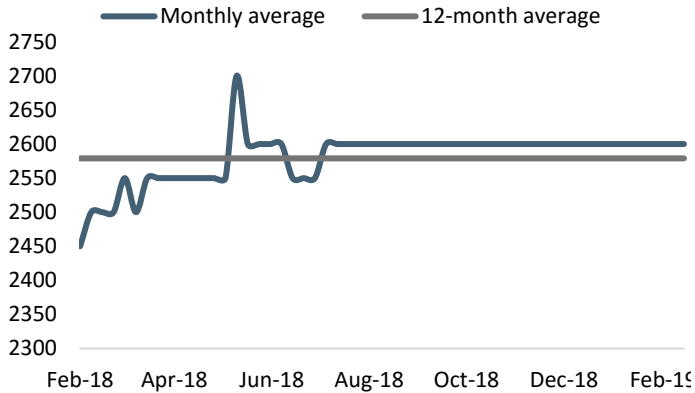
Star – ₦ per crate



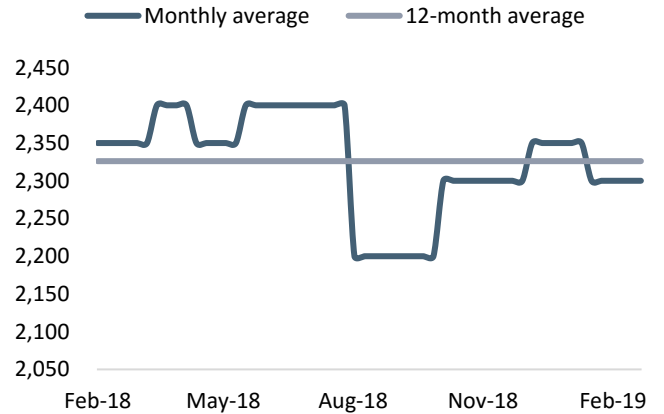
Goldberg – ₦ per crate



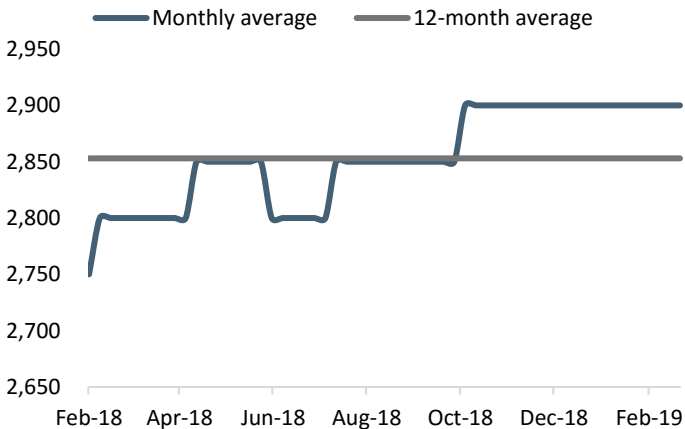
Gulder – ₦ per crate



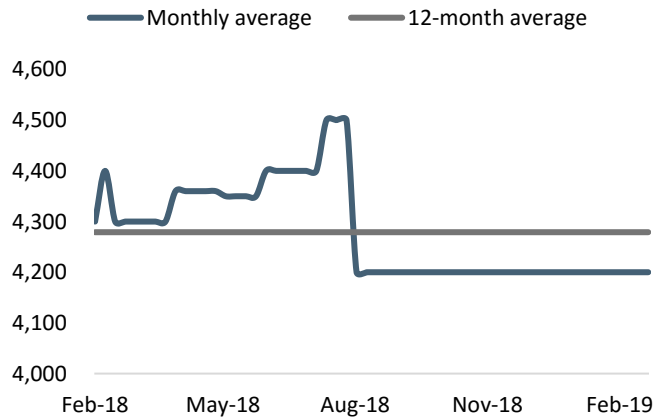
Satzenbrau – ₦ per crate



Malta Guinness – ₦ per crate

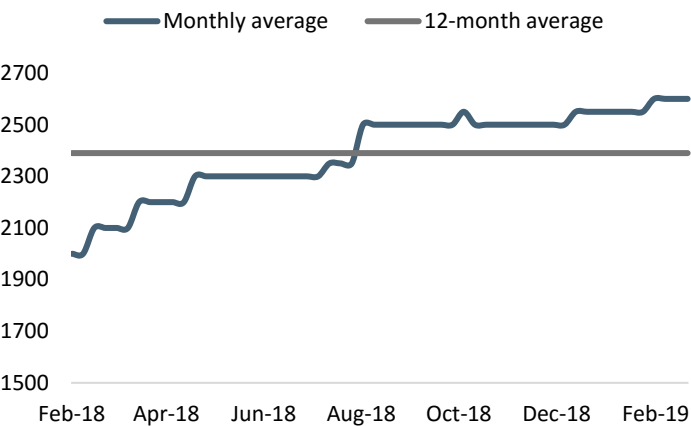


Guinness – ₦ per crate

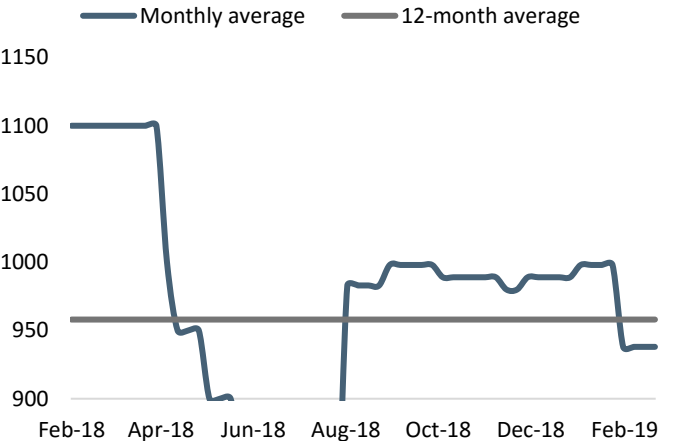


Retail price trends

Trophy – ₦ per crate

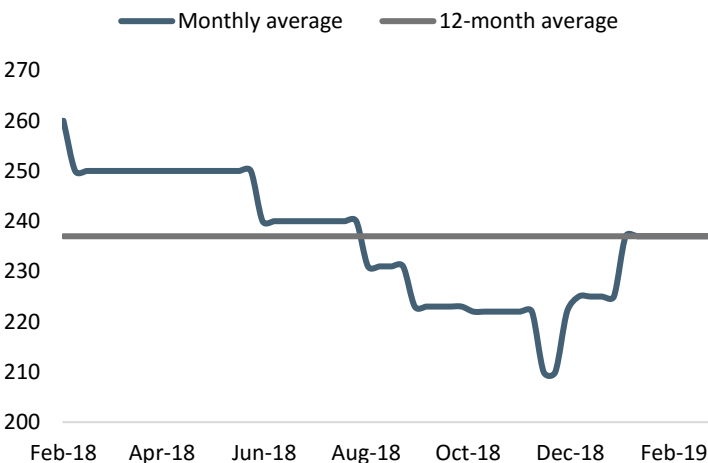


Milo – ₦ per 500g

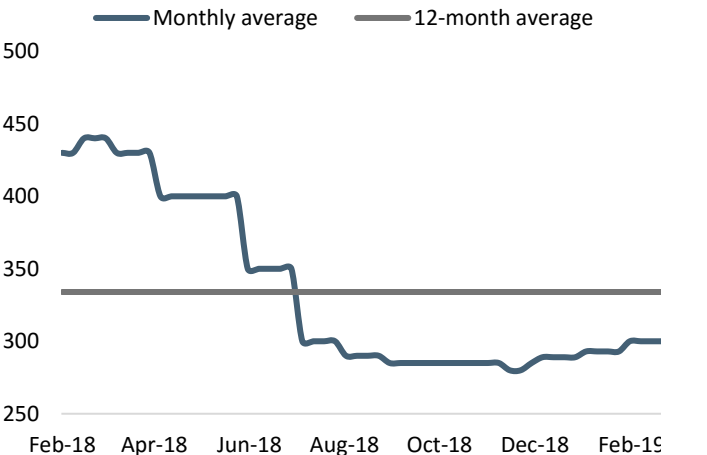


Consumer products

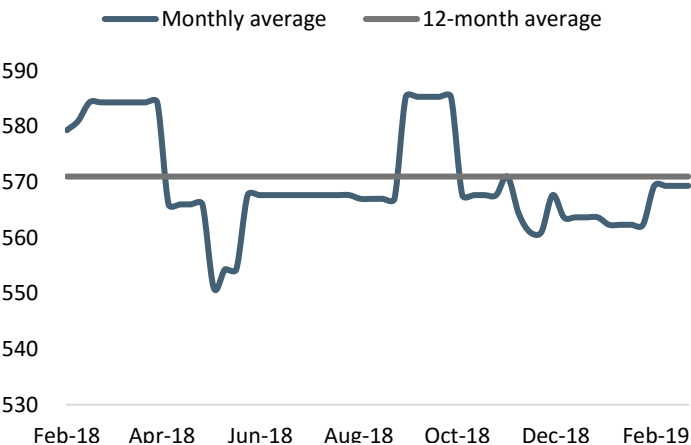
Close up – ₦ per 240g



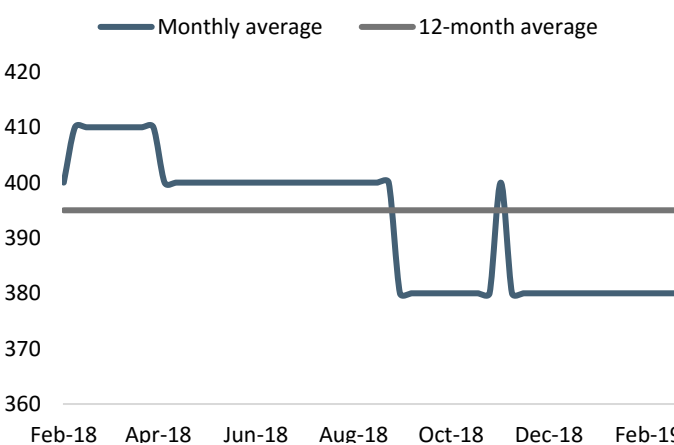
Blue band – ₦ per 250g



Maggi – ₦ per 100 cubes

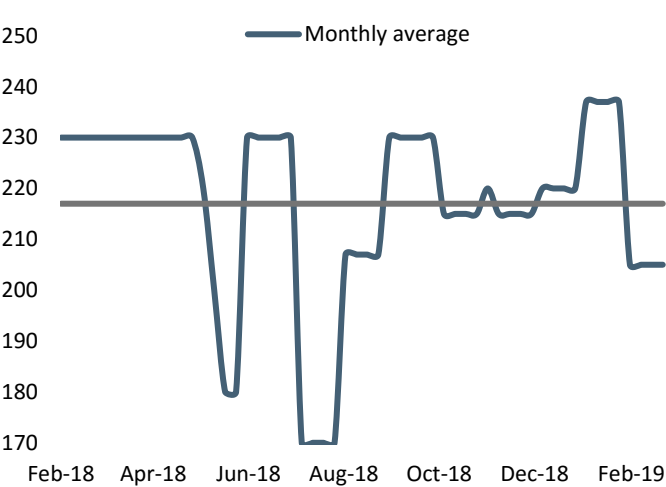


Omo – ₦ per 400g

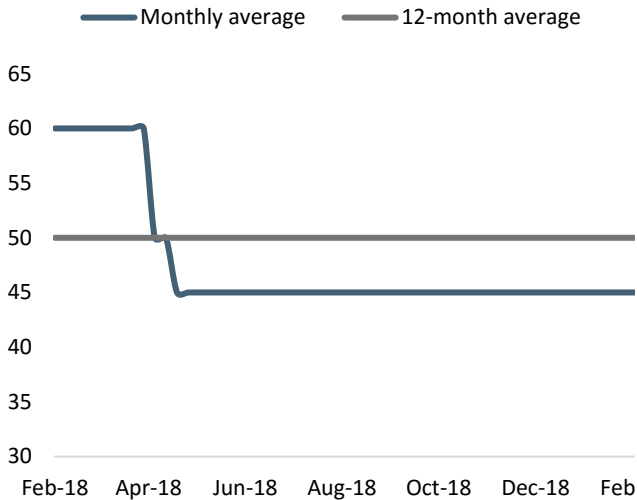


Retail price trends

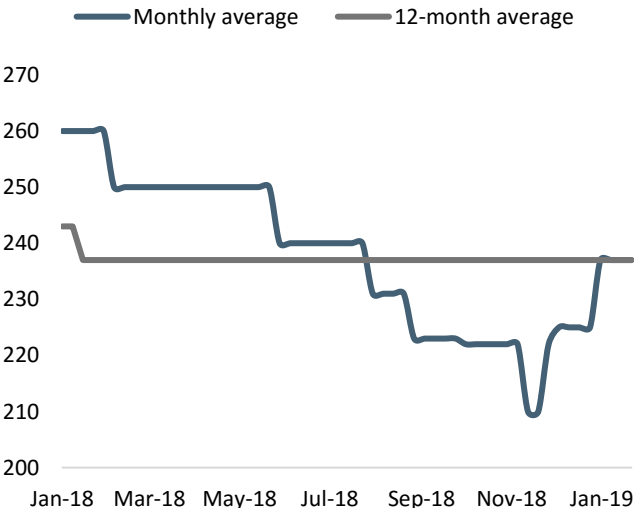
Lipton – ₦ per 25 tea bag



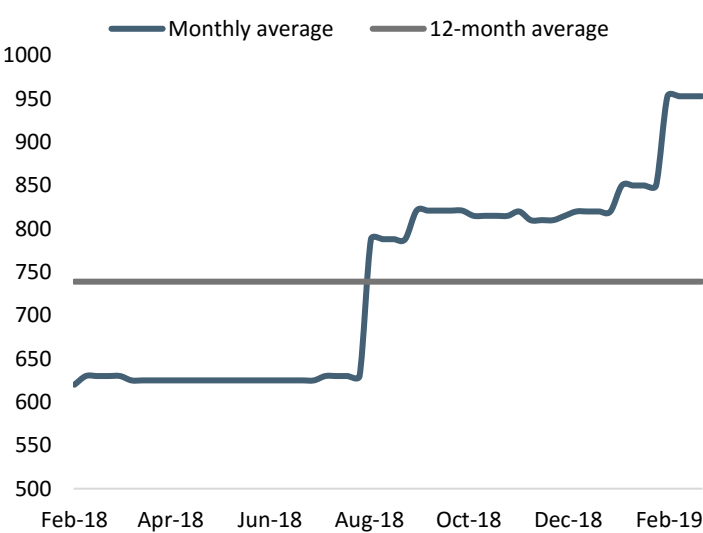
Dangote salt – ₦ per 250g



Dangote sugar – ₦ per 250g



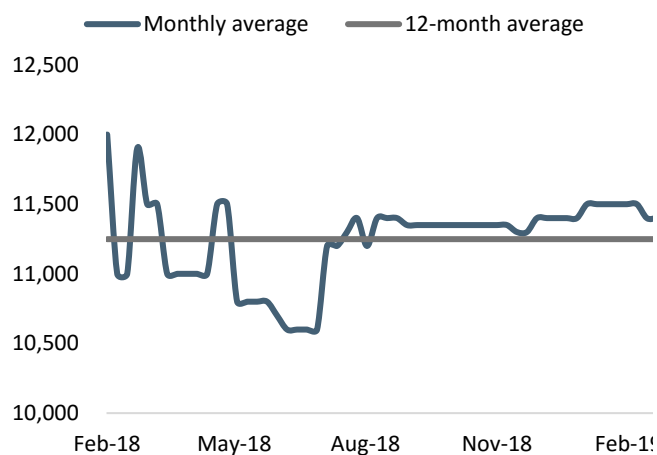
Dettol – ₦ per 70g



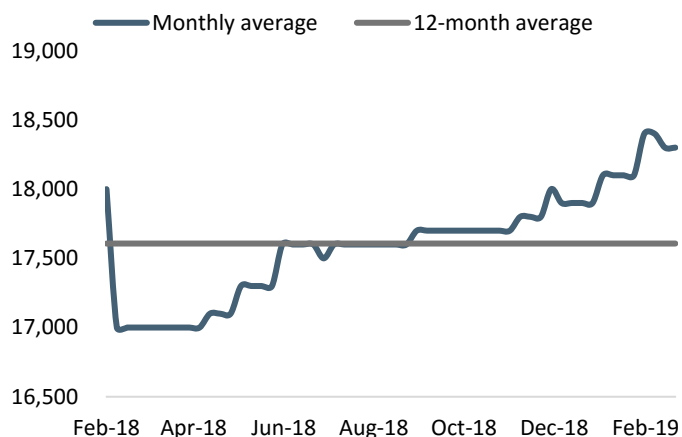
Retail price trends

Commodity products

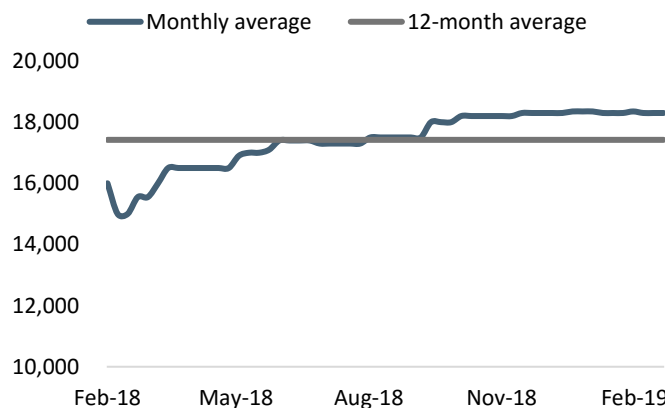
Crude palm oil – ₦ per 25kg gallon



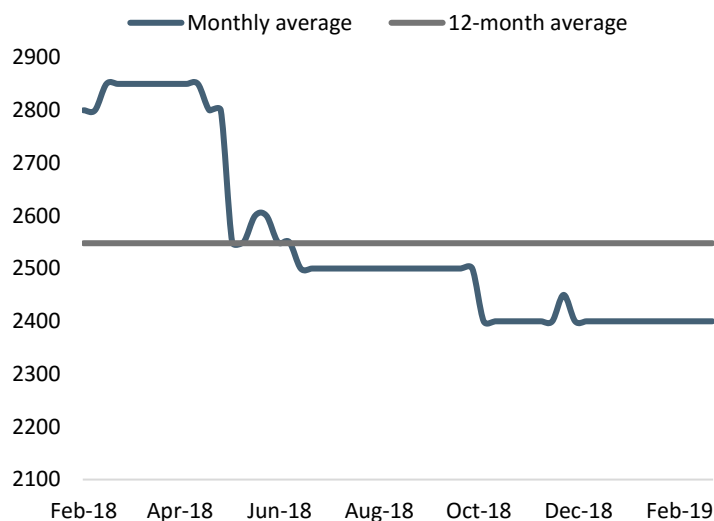
Vegetable oil – ₦ per 20kg gallon



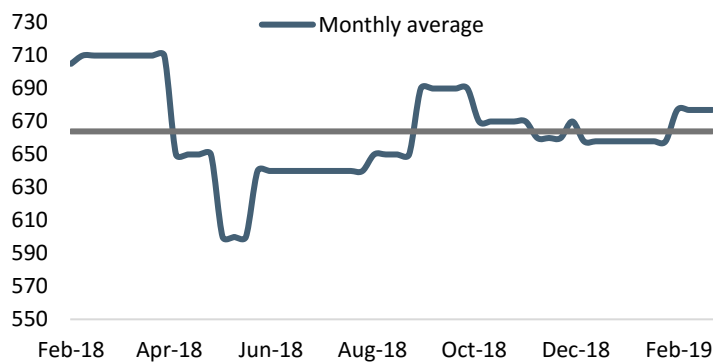
Rice – ₦ per 50kg



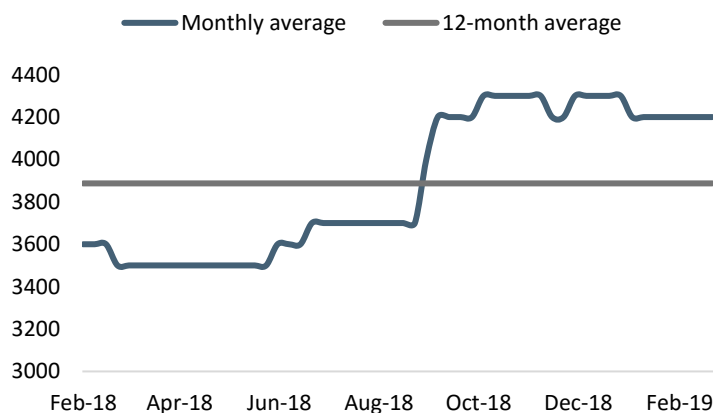
Cement – ₦ per 50kg bag



Cooking gas – ₦ per 12.5kg



Knorr – ₦ per 100 cubes



Valuation of Coverage companies

	FVE (₦)	Market Price (₦)	Upside (Downside)	Recommendation
Guinness	77.31	67.15	15.13%	OVERWEIGHT
Nigeria Breweries	76.58	78.15	-2.01%	UNDERWEIGHT
Nestle	1287.54	1510	-14.73%	SELL
Unilever	49.19	38.7	27.11%	BUY
Dangote Sugar	17.01	14.6	16.51%	OVERWEIGHT
Dangote Cement	253.03	195	29.76%	STRONG BUY
Lafarge	18.07	13	39.00%	BUY
CCNN	16.68	19	-12.21%	SELL
Forte Oil	34.35	28	22.68%	BUY
MRS	39.2	20.85	88.01%	BUY
Total	244.28	200	22.14%	BUY
Seplat	975.27	596	63.64%	STRONG BUY
Okomu	97.75	80	22.19%	STRONG BUY
Presco	67.47	75	-10.04%	SELL

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