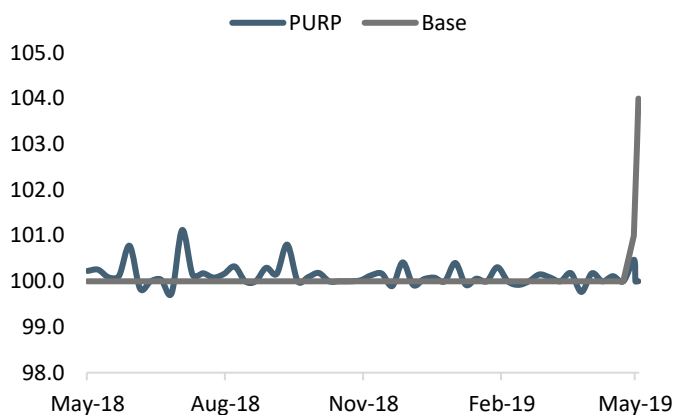


The PENTAD – Urban Retail Price Tracker

The PURP Index



Source: ARM Research

	Commodity	Consumer	Cement	Brewery	Oil
Weightings	30%	30%	10%	20%	10%
Price change (MoM)	0.21%	0.37%	2.0%	0.18%	0.47%
Standard deviation of prices	0	0	0	18	0

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.

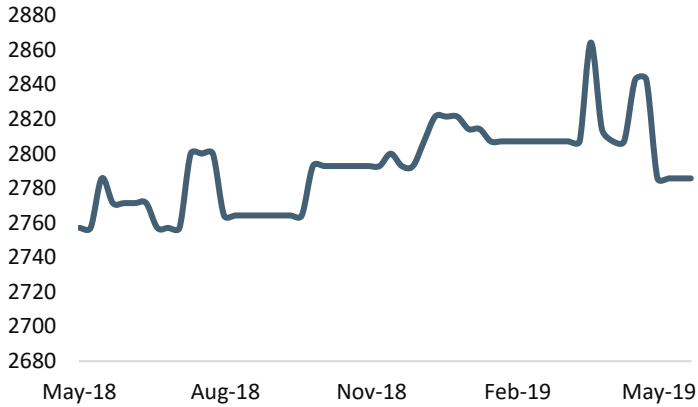
Across the sectors, price evolution is monitored on a weekly basis while we adopt 0.6%, 0.0%, and -0.6% as indicators for volume expansion from prior week, no change in volumes, and week on week output contraction (respectively) in a manner slightly akin to CBN's PMI methodology.

Upsurge in demand spur prices

- Retail prices ended the month of May on a higher note with our Urban Retail Price Tracker – the PURP index – recording an increase of 0.53% **MoM** to 112.6 pts (vs **0.20% MoM** in April). Price increases were more evident in the consumers, commodities and cement baskets.
- In the **consumer basket**, average prices inched higher by **1.69% MoM**, erasing last month's decline. The uptick was driven by increases in the price of *Milo* (+7.88% MoM), *Blueband* (+4.17% MoM), *Dangote Sugar* (+1.27% MoM and *Dettol soap* (+22.77%). These outweighed declines in *Maggi* (-7.69%), *Omo* (-6.58%), *Dangote salt* (-11%) and other commodities.
- Elsewhere, prices in the **brewery basket** moderated by **-1.39% MoM** following declines in the prices of *Star* (-0.95% MoM), *Malta Guinness* (-3.45% MoM), *Guinness* (-1.18% MoM) and *Trophy* (-6.80%) muting uptick in *Gulder* (+2.86%).
- Prices in the **commodities basket** increased at a faster in the month of May **0.83% MoM** when compared to the prior month, (**April: +0.21% MoM**). The uptick mirrors an expansion in the prices of *Rice* (+1.07%) and *Crude palm oil* (+1.79%). This can be alluded to the increase in demand for food products ahead of Ramadan. However, *Vegetable oil* price remained flat during the period under review.
- Prices of cooking gas and lubricants remained flat, hence leaving the **Oil & Gas sector** unchanged.
- In the month of May, **Cement prices** remained flat with, Wholesale and Retail prices printing at ₦2,550 and ₦2,700 respectively.

Retail price sub-index

Brewery Sector



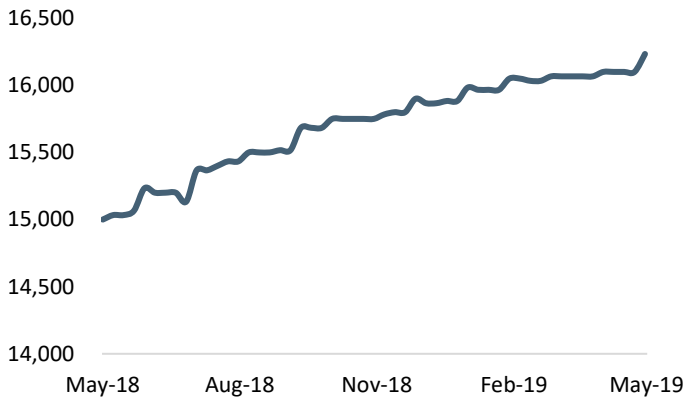
Source: ARM Research

Consumer Sector



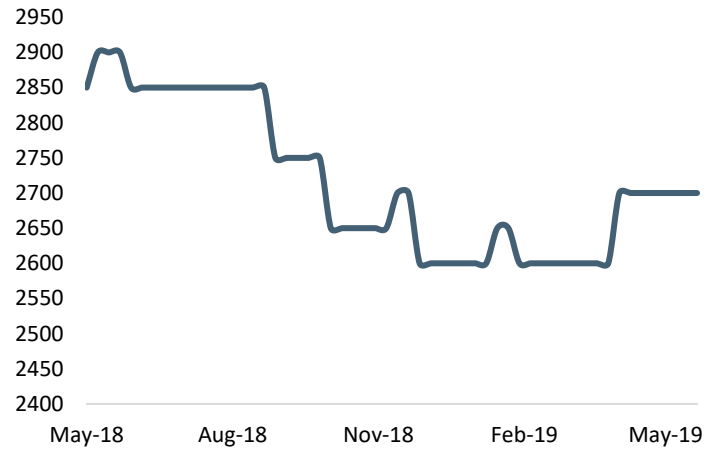
Source: ARM Research

Commodity Sector



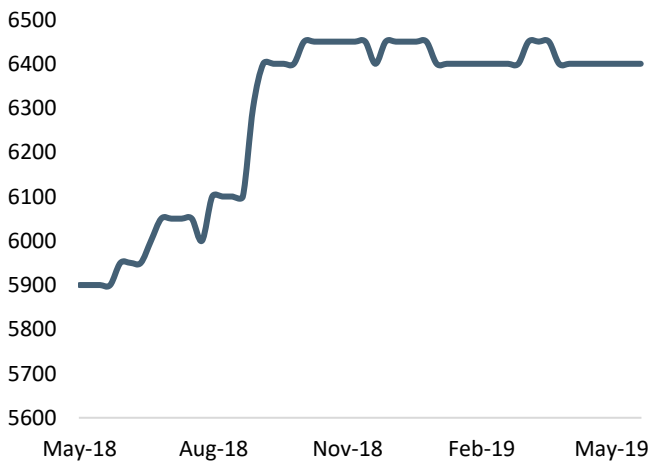
Source: ARM Research

Cement Sector



Source: ARM Research

Oil & Gas Sector



Source: ARM Research

Retail price trends

Breweries

	May-19	Apr-19	Mar-19	Feb-19	Q1 19	Q4 18
Star (N/crate)	2600	2625	2620	2600	2607	2563
<i>MoM/QoQ change</i>	-0.95%	0.19%	0.77%	0.00%	1.69%	1.22%
Gulder (N/crate)	2700	2625	2610	2600	2603	2600
<i>MoM/QoQ change</i>	2.86%	0.57%	0.38%	0.00%	0.13%	0.16%
Malta Guinness (N/crate)	2800	2900	2920	2900	2907	2900
<i>MoM/QoQ change</i>	-3.45%	-0.68%	0.69%	0.00%	0.23%	1.90%
Goldberg (N/crate)	2500	2500	2510	2500	2503	2514
<i>MoM/QoQ change</i>	0.00%	-0.40%	0.40%	0.00%	-0.43%	3.32%
Satzenbrau (N/crate)	2300	2300	2310	2300	2312	2313
<i>MoM/QoQ change</i>	0.00%	-0.43%	0.43%	-1.08%	-0.07%	1.76%
Guinness (N/crate)	4200	4250	4220	4200	4207	4200
<i>MoM/QoQ change</i>	-1.18%	0.71%	0.48%	0.00%	0.16%	-2.14%
Trophy (N/crate)	2400	2575	2550	2550	2550	2510
<i>MoM/QoQ change</i>	-6.80%	0.98%	0.00%	0.00%	1.59%	2.48%

Consumers

	May-19	Apr-19	Mar-19	Feb-19	Q1 19	Q4 18
Close up (N/160g)	298	320	320	320	320	286
<i>MoM/QoQ change</i>	-7.03%	0.00%	0.00%	0.00%	7.59%	-10.57%
Maggi (N/400g)	480	520	508	508	507	509
<i>MoM/QoQ change</i>	-7.69%	2.36%	0.00%	0.40%	-2.12%	0.36%
Milo (N/500g)	993	920	938	938	958	988
<i>MoM/QoQ change</i>	7.88%	-1.92%	0.00%	-6.01%	-15.16%	3.08%
Blueband (N/250g)	313	300	300	300	298	285
<i>MoM/QoQ change</i>	4.17%	0.00%	0.00%	2.39%	-31.54%	-4.18%
Omo (N/400g)	355	380	380	380	380	382
<i>MoM/QoQ change</i>	-6.58%	0.0%	0.00%	0.00%	-7.32%	0.44%
Lipton (N/100 tea bags)	230	225	205	205	216	217
<i>MoM/QoQ change</i>	2.22%	9.76%	0.00%	-13.50%	-6.91%	0.50%
Dangote Salt (N/250g)	40	45	45	45	45	45
<i>MoM/QoQ change</i>	-11.11%	0.00%	0.00%	0.00%	-22.30%	0.00%
Dangote Sugar (N/500g)	240	237	237	237	237	221
<i>MoM/QoQ change</i>	1.27%	0.00%	0.00%	0.00%	-6.75%	-6.84%
Dettol (N/70g - pack of 6)	1170	953	953	953	919	816
<i>MoM/QoQ change</i>	22.77%	0.00%	0.00%	12.12%	46.71%	-11.23%
Goldenmorn (N/500g)	783	750	750	750	785	812
<i>MoM/QoQ change</i>	4.33%	0.00%	0.00%	-12.18%	16.53%	3.43%
Golden penny sugar (N/500g)	210	245	245	245	245	241
<i>MoM/QoQ change</i>	-14.29%	0.00%	0.00%	0.00%	-17.99%	0.63%
Knorr (N/400g)	645	681	671.6	677	669	664

	May-19	Apr-19	Mar-19	Feb-19	Q1 19	Q4 18
<i>MoM/QoQ change</i>	-5.29%	1.40%	-0.80%	2.89%	-5.52%	0.65%
Golden penny pasta (N/500g)	230	230	230	230	213	180
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	27.78%	-17.15%	-15.63%
Honey well pasta (N/500g)	198	220	220	220	213	196
<i>MoM/QoQ change</i>	-10.23%	0.00%	0.00%	10.00%	0.04%	-7.97%
Dangote pasta (N/500g)	230	200	200	200	210	193
<i>MoM/QoQ change</i>	15.00%	0.00%	0.00%	-13.04%	-4.15%	-7.94%
Golden penny noodles (N/70g)	50	45	45	45	45	45
<i>MoM/QoQ change</i>	11.11%	0.00%	0.00%	0.00%	-10.00%	0.00%
Indomie noodles (N/70g)	50	50	50	50	50	50
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	0.00%	-9.09%	0.00%
Honeywell noodles (N/70g)	45	35	35	35	35	35
<i>MoM/QoQ change</i>	28.57%	0.00%	0.00%	0.00%	-22.22%	0.00%
Premier soap (N/70g)	60	90	90	90		
<i>MoM/QoQ change</i>	-33.33%	0.00%	0.00%			
Supreme soap (N/65g)	70	70	70	70		
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%			
Imperial leather soap (N/75g)	88	90	90	90		
<i>MoM/QoQ change</i>	-2.78%	0.00%	0.00%			
Morning fresh (N/1L)	595	600	600	600		
<i>MoM/QoQ change</i>	-0.83%	0.00%	0.00%			

	May-19	Apr-19	Mar-19	Feb-19	Q1 19	Q4 18
Commodities						
Crude palm oil	11400	11300	11500	11500	11433.33	11358
<i>MoM/QoQ change</i>	0.88%	-1.74%	0.00%	0.88%	0.66%	0.29%
Vegetable oil	18400	18400	18225	18100	18241.67	17798
<i>MoM/QoQ change</i>	0.00%	0.96%	0.69%	1.00%	2.49%	0.94%
Rice	18900	18500	18400	18312.5	18404.17	18257
<i>MoM/QoQ change</i>	2.16%	0.54%	0.48%	-0.04%	0.81%	4.13%
Banga oil - Okomu (N/2L)	2900	2900	2900	2900		
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%			
Golden penny oil (N/2.75L)	2095	2130	2130	2130		
<i>MoM/QoQ change</i>	-1.64%	0.00%	0.00%			
Mamador oil (N/2.5L)	2280	2060	2060	2060		
<i>MoM/QoQ change</i>	10.68%	0.00%	0.00%			
Power oil (2.5L)	2110	2390	2390	2390		
<i>MoM/QoQ change</i>	-11.72%	0.00%	0.00%			

Cement (₦/50kg)*MoM/QoQ change*

May-19	Apr-19	Mar-19	Feb-19	Q1 19	Q4 18
2700	2700	2600	2600	2607.692	2638
<i>0.00%</i>	<i>3.85%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>-1.17%</i>	<i>-6.16%</i>

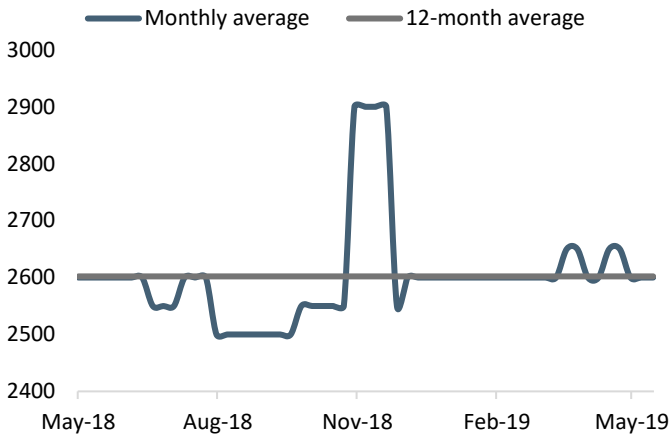
Oil & Gas**Cooking gas (₦/12.5kg)***MoM/QoQ change***Lubricants (₦/4L)***MoM/QoQ change*

May-19	Apr-19	Mar-19	Feb-19	Q1 19	Q4 18
4200	4200	4200	4200	4200	4285
	<i>0.00%</i>	<i>0.00%</i>	<i>-2.33%</i>	<i>-1.97%</i>	<i>10.52%</i>
8600	8675	8600	8600		
<i>-0.86%</i>	<i>0.87%</i>	<i>0.00%</i>	<i>0.00%</i>		

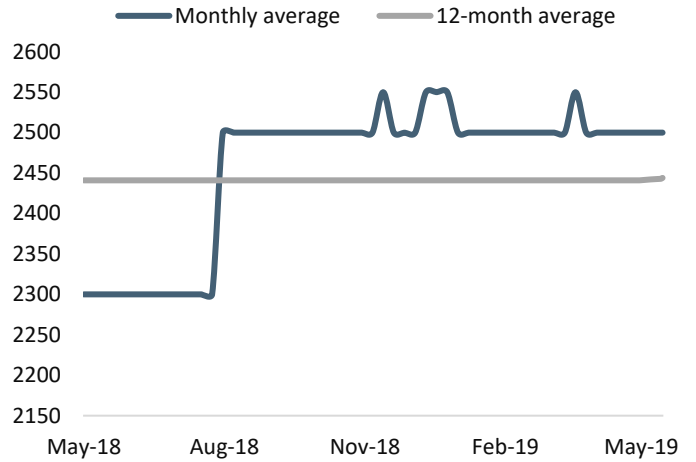
Retail price trends

Brewery products

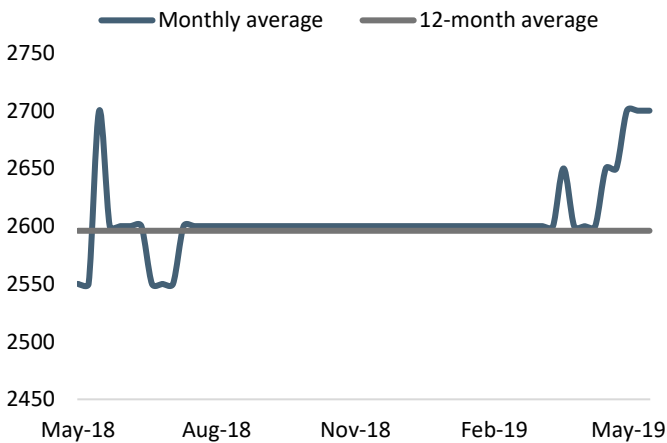
Star – ₦ per crate



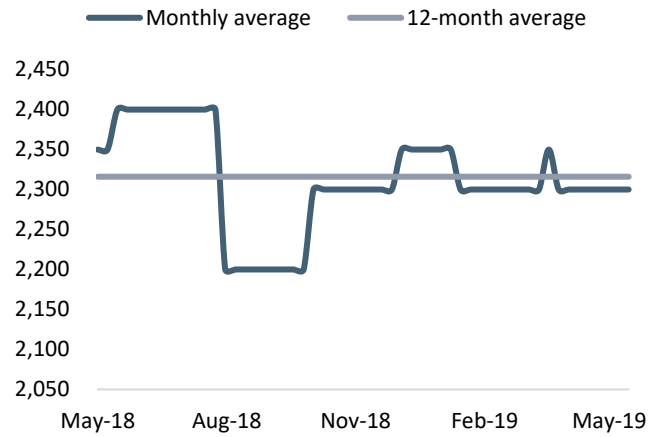
Goldberg – ₦ per crate



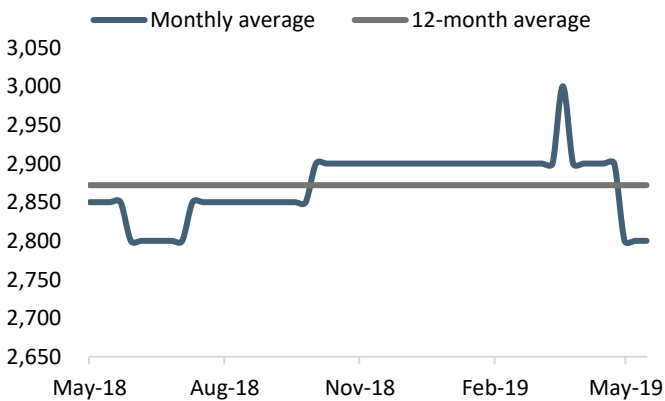
Gulder – ₦ per crate



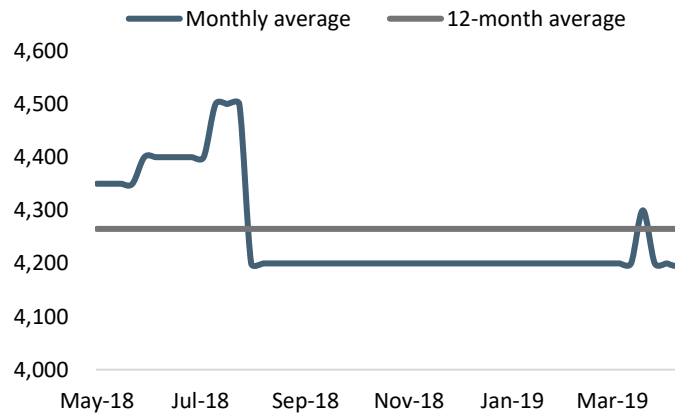
Satzenbrau – ₦ per crate



Malta Guinness – ₦ per crate

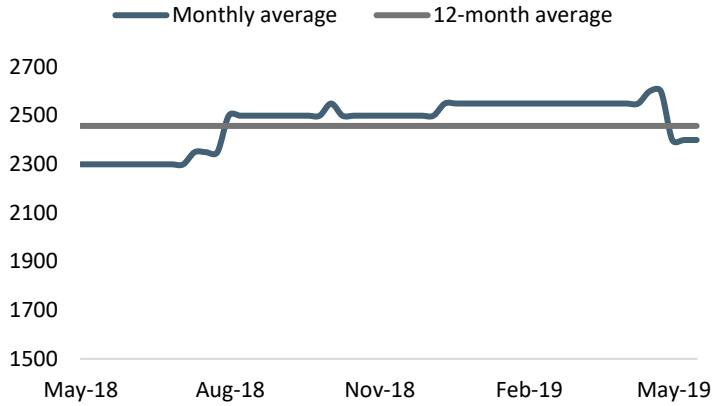


Guinness – ₦ per crate

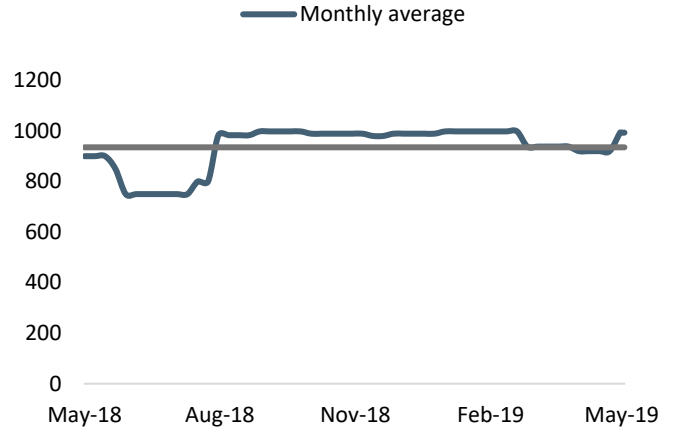


Retail price trends

Trophy – ₦ per crate

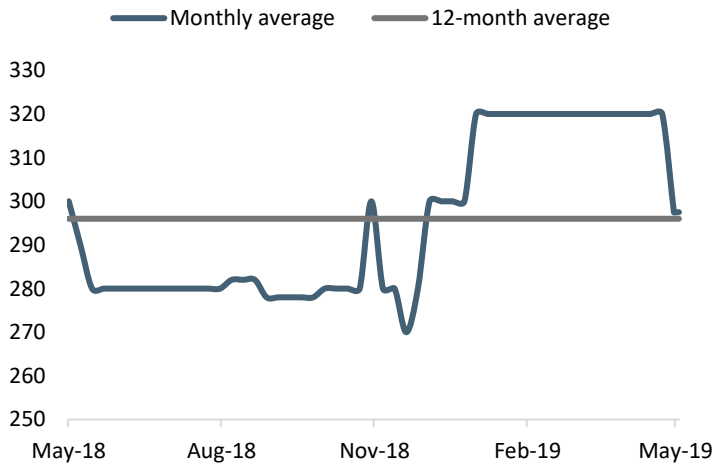


Milo – ₦ per 500g

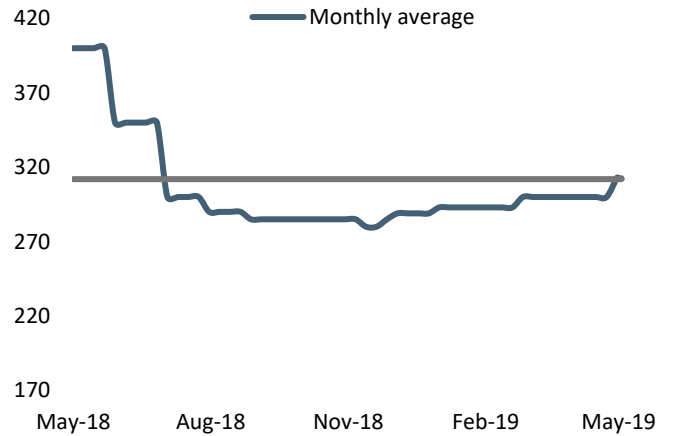


Consumer products

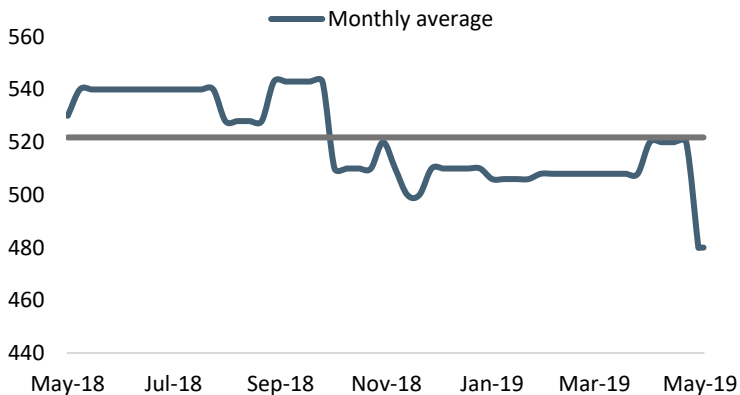
Close up – ₦ per 240g



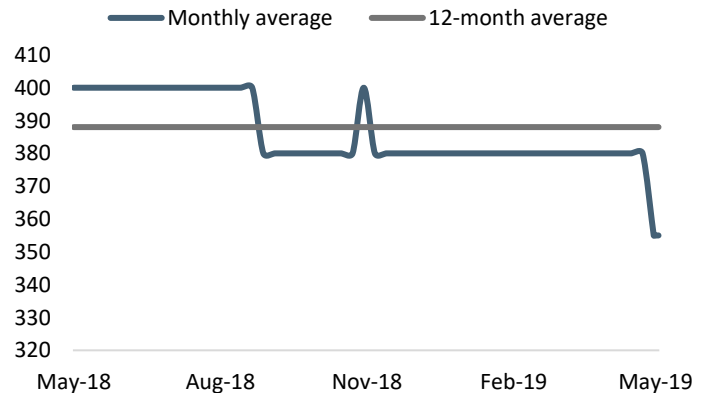
Blue band – ₦ per 250g



Maggi – ₦ per 100 cubes

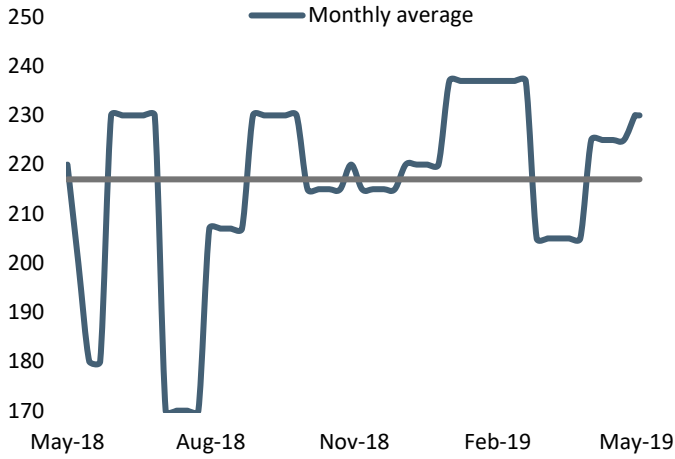


Omo – ₦ per 400g

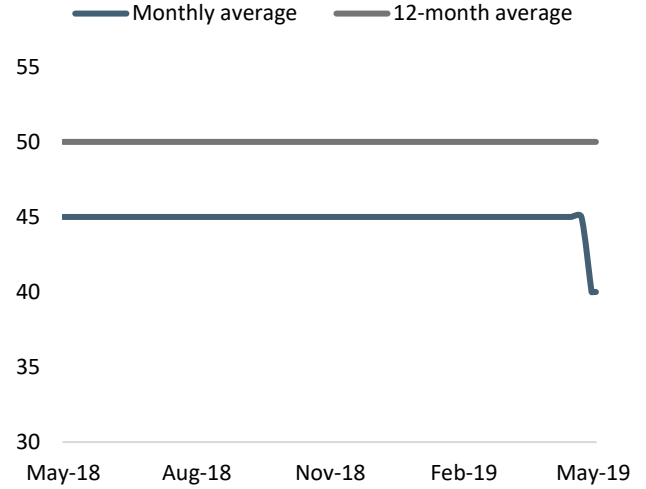


Retail price trends

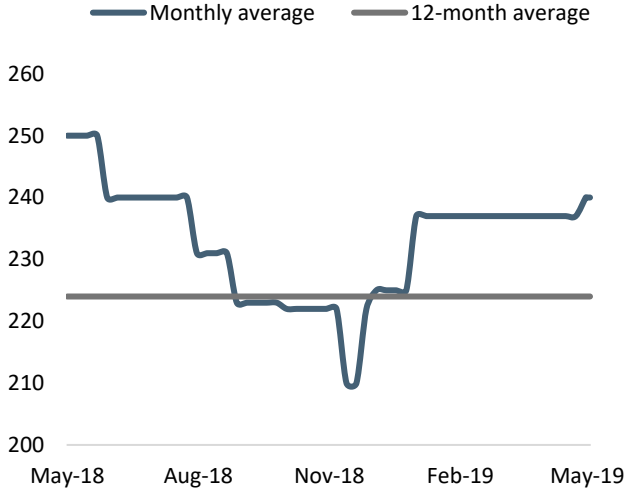
Lipton – ₦ per 25 tea bag



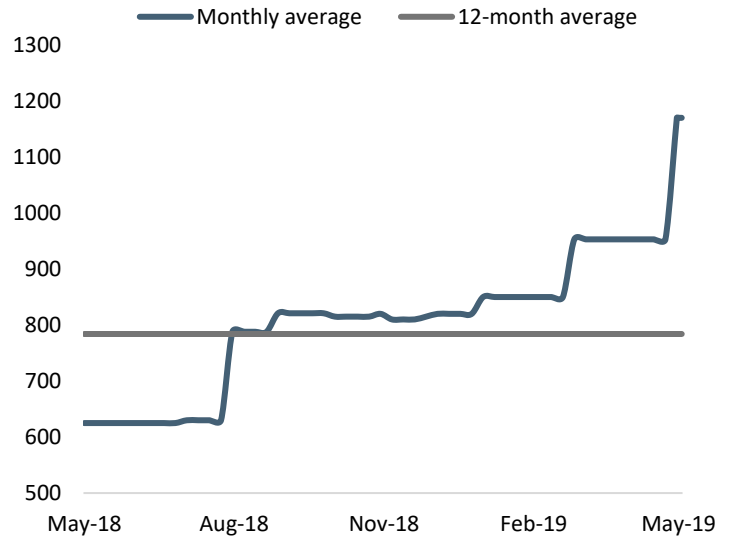
Dangote salt – ₦ per 250g



Dangote sugar – ₦ per 250g



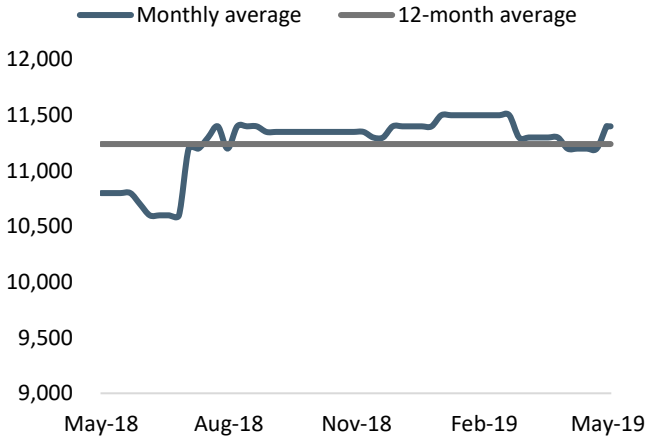
Dettol – ₦ per 70g



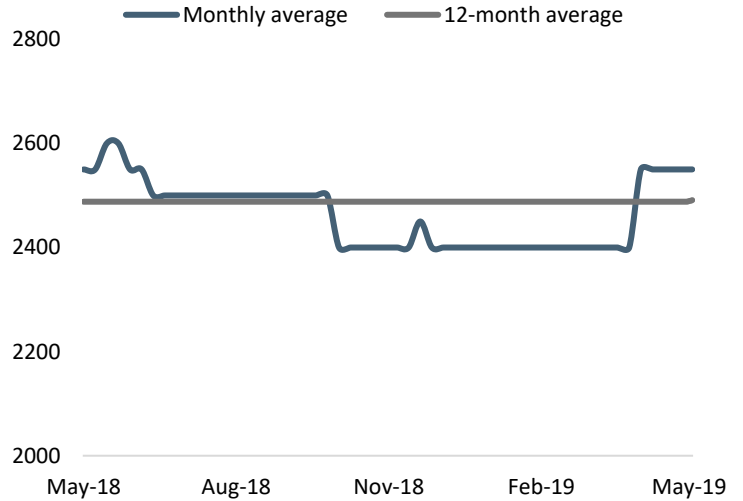
Retail price trends

Commodity products

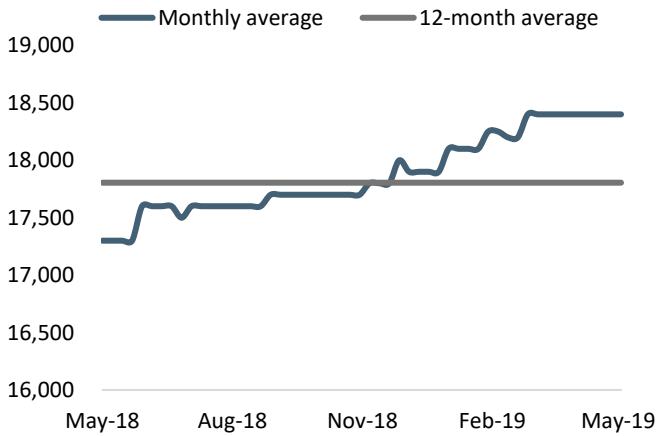
Crude palm oil – ₦ per 25kg gallon



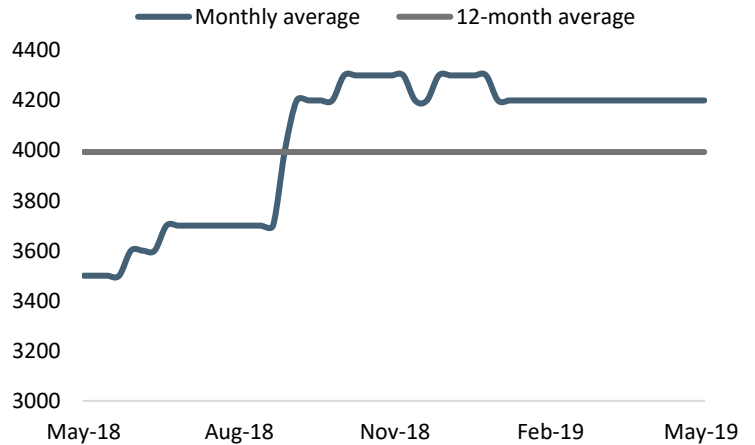
Cement – ₦ per 50kg bag



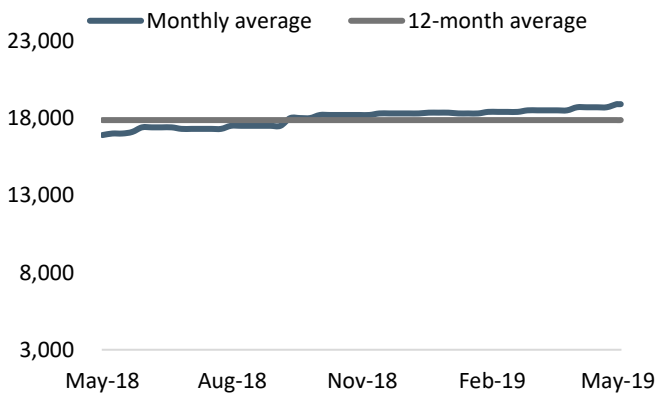
Vegetable oil – ₦ per 20kg gallon



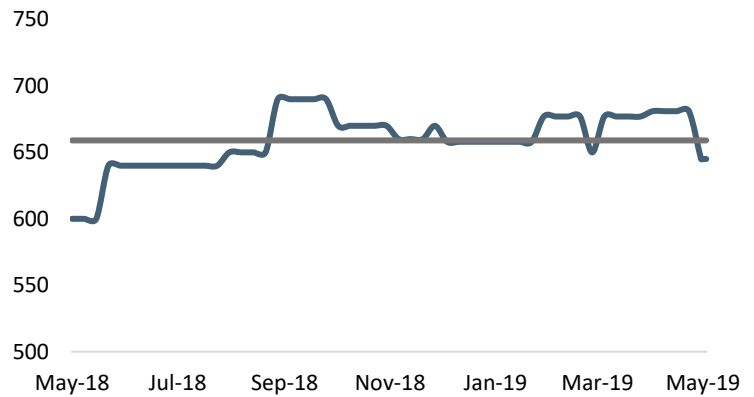
Cooking gas – ₦ per 12.5kg



Rice – ₦ per 50kg



Knorr – ₦ per 100 cubes



Valuation of Coverage companies

	FVE (₦)	Market Price (₦)	Upside (Downside)	Recommendation
Guinness	77.31	47.5	62.76%	STRONG BUY
Nigeria Breweries	75.82	58	30.72%	STRONG BUY
Nestle	1411.29	1460	-3.34%	UNDERWEIGHT
Unilever	35.82	30.95	15.74%	OVERWEIGHT
Dangote Sugar	14.44	12.00	20.33%	STRONG BUY
Dangote Cement	248.14	189	31.29%	STRONG BUY
Lafarge	UR	10	NA	UR
CCNN	22.87	15	52.47%	BUY
Forte Oil	UR	25.75	NA	UR
MRS	UR	28.55	NA	UR
Total	UR	162	NA	UR
Seplat	782.15	590.00	32.57%	STRONG BUY
Okomu	75.60	74.00	2.16%	NEUTRAL
Presco	UR	58	NA	UR

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