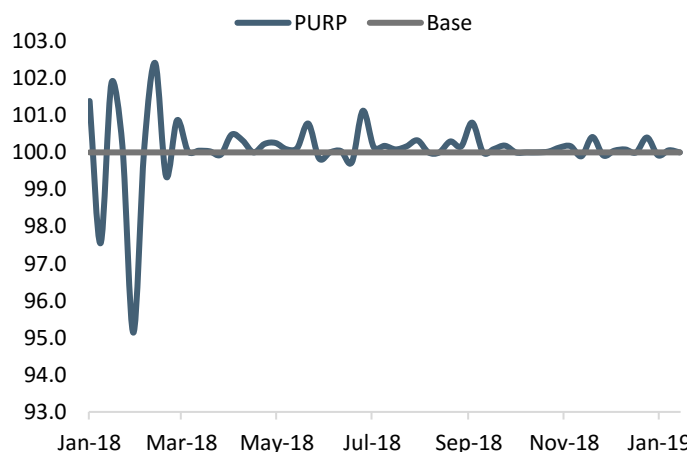


## The PENTAD – Urban Retail Price Tracker

### Prices take an inch back

#### The PURP Index



Source: ARM Research

	Commodity	Consumer	Cement	Brewery	Oil
Weightings	30%	30%	10%	20%	10%
Price change (MoM)	0.6%	2.2%	1.0%	-0.1%	-0.8%
Standard deviation of prices	7	0	25	4	0
Broad sales volume direction	flat	increasing	increasing	increasing	flat

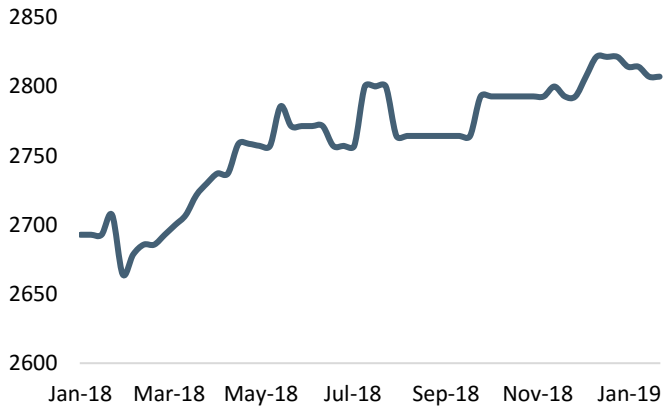
To determine how retail prices have moved on average, we fashioned out a Pentad Urban Retail Price Index (PURP) which adopts April 1st to April 8th as a base period. The PURP index accords 30% weightings apiece to consumer and commodities prices, 20% weighting to the brewery basket with a further 20% 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 modest pace of price increase of **0.42% MoM** to 111.3 pts in January (vs **0.45% MoM** in December). Price pressure remained more evident in the commodities and consumer basket, with the increase in the latter driven largely by reversal of price discounts following weeks of discount sales. On other fronts, prices were lower across the brewery and oil & gas sectors.
- In the **consumer basket**, average prices increased by **2.2% MoM** largely due to reversal of price discounts following weeks of discount sales. Elsewhere, we noted increases in price of *Close Up* (+8.1%) and *Dangote Pasta* (+4.6%) which was not linked to any reversal of price discounts. Current price of *Close Up* now match the price of its closest competitor, *Oral B*. On the other hand, the increase in price of *Dangote pasta* now places it at a premium to *Honeywell* and *Golden penny* pasta.
- Prices in the **brewery basket** moderated slightly by **0.10% MoM** as competition remained stiff in the sector. Price moderation was more evident in *Goldberg* (-1.2% MoM) and *Satzenbrau* (-0.6% MoM).
- Average price in the **commodities basket** remained elevated over January with prices rising by **0.57% MoM**. Importantly, *Palm Oil* prices extended its rally into the month following festive period induced price hike. Nonetheless, prices are almost 10% lower compared to same period in the prior year. Similarly, *vegetable oil* prices were during the period. In a different trend, average price of *rice* moderated over January. Despite incessant floods, bumpy harvest continued to support crop production and supply during the period.
- Prices in the **oil & gas sector** witnessed moderated over January with average prices down by **0.78% MoM** largely on the back of lower *Cooking Gas* price (-2.3% MoM). We believe this is largely due to increased domestic and foreign supply.
- Prices in the **cement sector** increased by **1.0% MoM** following a decline in the previous month. On other fronts, activities in the cement sector picked up slightly relative to December gauged by demand for cements over the period.

# Retail price sub-index

## Brewery Sector



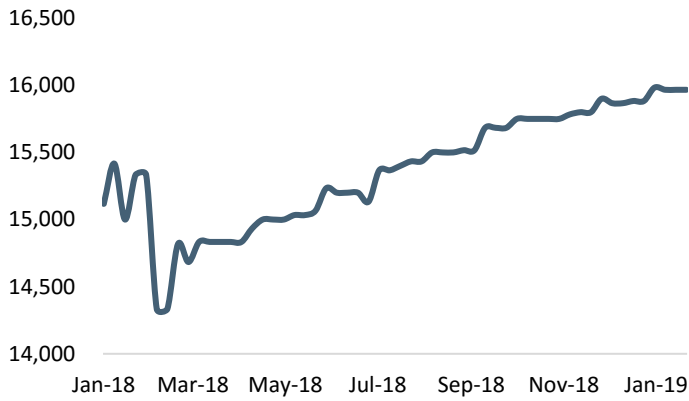
Source: ARM Research

## Consumer Sector



Source: ARM Research

## Commodity Sector



Source: ARM Research

## Cement Sector



Source: ARM Research

## Oil & Gas Sector



Source: ARM Research

## Retail price trends

	Jan-19	Dec-18	Nov-18	Q2 18	Q3 18	Q4 18
<b>Breweries</b>						
<b>Star (₹/crate)</b>	<b>2600</b>	<b>2590</b>	<b>2550</b>	<b>2592</b>	<b>2531</b>	<b>2565</b>
<i>MoM/QoQ change</i>	<i>0.39%</i>	<i>1.57%</i>	<i>0.00%</i>	<i>1.97%</i>	<i>-2.37%</i>	<i>1.37%</i>
<b>Gulder (₹/crate)</b>	<b>2600</b>	<b>2600</b>	<b>2600</b>	<b>2577</b>	<b>2596</b>	<b>2600</b>
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>3.17%</i>	<i>0.74%</i>	<i>0.16%</i>
<b>Malta Guinness (₹/crate)</b>	<b>2900</b>	<b>2900</b>	<b>2900</b>	<b>2829</b>	<b>2846</b>	<b>2900</b>
<i>MoM/QoQ change</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.00%</i>	<i>0.89%</i>	<i>0.59%</i>	<i>1.90%</i>
<b>Goldberg (₹/crate)</b>	<b>2500</b>	<b>2530</b>	<b>2512.5</b>	<b>2292</b>	<b>2433</b>	<b>2514</b>
<i>MoM/QoQ change</i>	<i>-1.19%</i>	<i>0.70%</i>	<i>0.50%</i>	<i>0.92%</i>	<i>6.18%</i>	<i>3.32%</i>
<b>Satzenbrau (₹/crate)</b>	<b>2325</b>	<b>2340</b>	<b>2300</b>	<b>2379</b>	<b>2273</b>	<b>2313</b>
<i>MoM/QoQ change</i>	<i>-0.64%</i>	<i>0.65%</i>	<i>0.00%</i>	<i>1.89%</i>	<i>-4.45%</i>	<i>1.76%</i>
<b>Guinness (₹/crate)</b>	<b>4200</b>	<b>4200</b>	<b>4200</b>	<b>4370</b>	<b>4292</b>	<b>4200</b>
<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>
<b>Trophy (₹/crate)</b>	<b>2550</b>	<b>2530</b>	<b>2500</b>	<b>2283</b>	<b>2449</b>	<b>2510</b>
<i>MoM/QoQ change</i>	<i>0.79%</i>	<i>1.20%</i>	<i>0.00%</i>	<i>8.99%</i>	<i>7.26%</i>	<i>2.48%</i>

	Jan-19	Dec-18	Nov-18	Q2 18	Q3 18	Q4 18
<b>Consumers</b>						
<b>Close up (₹/160g)</b>	<b>320</b>	<b>296</b>	<b>283</b>	<b>293</b>	<b>293</b>	<b>280</b>
<i>MoM/QoQ change</i>	<i>8.11%</i>	<i>4.78%</i>	<i>0.89%</i>	<i>-1.65%</i>	<i>0.00%</i>	<i>-4.33%</i>
<b>Maggi (₹/400g)</b>	<b>506</b>	<b>510</b>	<b>507.5</b>	<b>534</b>	<b>537</b>	<b>509</b>
<i>MoM/QoQ change</i>	<i>-0.78%</i>	<i>0.49%</i>	<i>-0.49%</i>	<i>3.05%</i>	<i>0.53%</i>	<i>-5.18%</i>
<b>Milo (₹/500g)</b>	<b>998</b>	<b>989</b>	<b>984.5</b>	<b>867</b>	<b>919</b>	<b>988</b>
<i>MoM/QoQ change</i>	<i>0.91%</i>	<i>0.46%</i>	<i>-0.46%</i>	<i>-23.25%</i>	<i>6.00%</i>	<i>7.49%</i>
<b>Blueband (₹/250g)</b>	<b>293</b>	<b>288.2</b>	<b>282.5</b>	<b>383</b>	<b>292</b>	<b>285</b>
<i>MoM/QoQ change</i>	<i>1.67%</i>	<i>2.02%</i>	<i>-0.88%</i>	<i>-11.84%</i>	<i>-23.91%</i>	<i>-2.21%</i>
<b>Omo (₹/400g)</b>	<b>380</b>	<b>380</b>	<b>385</b>	<b>400</b>	<b>393</b>	<b>382</b>
<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>-2.97%</i>
<b>Lipton (₹/100 tea bags)</b>	<b>237</b>	<b>219</b>	<b>216</b>	<b>214</b>	<b>202</b>	<b>217</b>
<i>MoM/QoQ change</i>	<i>8.22%</i>	<i>1.27%</i>	<i>0.58%</i>	<i>-7.48%</i>	<i>-5.60%</i>	<i>7.13%</i>
<b>Dangote Salt (₹/250g)</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>43</b>	<b>45</b>	<b>45</b>
<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>
<b>Dangote Sugar (₹/500g)</b>	<b>237</b>	<b>224.4</b>	<b>216</b>	<b>247</b>	<b>231</b>	<b>221</b>
<i>MoM/QoQ change</i>	<i>5.61%</i>	<i>3.89%</i>	<i>-2.70%</i>	<i>-2.95%</i>	<i>-6.22%</i>	<i>-4.55%</i>
<b>Dettol (₹/70g - pack of 6)</b>	<b>850</b>	<b>819</b>	<b>812.5</b>	<b>628</b>	<b>746</b>	<b>816</b>
<i>MoM/QoQ change</i>	<i>3.79%</i>	<i>0.80%</i>	<i>-0.31%</i>	<i>0.35%</i>	<i>18.78%</i>	<i>9.27%</i>
<b>Goldenmorn (₹/500g)</b>	<b>854</b>	<b>824.6</b>	<b>807</b>	<b>730</b>	<b>837</b>	<b>812</b>
<i>MoM/QoQ change</i>	<i>3.57%</i>	<i>2.15%</i>	<i>0.53%</i>	<i>8.42%</i>	<i>14.61%</i>	<i>-2.99%</i>
<b>Golden penny sugar (₹/500g)</b>	<b>245</b>	<b>244</b>	<b>237.5</b>	<b>246</b>	<b>239</b>	<b>242</b>

	Jan-19	Dec-18	Nov-18	Q2 18	Q3 18	Q4 18
<i>MoM/QoQ change</i>	0.41%	2.74%	-1.04%	-17.71%	-1.31%	1.32%
<b>Knorr (₹/400g)</b>	<b>658</b>	<b>660</b>	<b>663</b>	<b>633</b>	<b>660</b>	<b>664</b>
<i>MoM/QoQ change</i>	-0.36%	-0.32%	-1.12%	-10.54%	-0.65%	0.65%
<b>Golden penny pasta (₹/500g)</b>	<b>180</b>	<b>180</b>	<b>180</b>	<b>216.6667</b>	<b>180</b>	<b>180</b>
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	-15.86%	-16.92%	0.00%
<b>Honey well pasta (₹/500g)</b>	<b>200</b>	<b>199</b>	<b>195</b>	<b>203</b>	<b>195</b>	<b>196</b>
<i>MoM/QoQ change</i>	0.50%	-0.50%	0.00%	-4.65%	-4.10%	0.68%
<b>Dangote pasta (₹/500g)</b>	<b>230</b>	<b>220</b>	<b>180</b>	<b>201.6667</b>	<b>180</b>	<b>193</b>
<i>MoM/QoQ change</i>	4.55%	22.22%	0.00%	-7.95%	-10.74%	7.41%
<b>Golden penny noodles (₹/70g)</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	-10.00%	0.00%	0.00%
<b>Indomie noodles (₹/70g)</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>	<b>50</b>
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	-0.090909	0.00%	0.00%
<b>Honeywell noodles (₹/70g)</b>	<b>35</b>	<b>35</b>	<b>35</b>	<b>45</b>	<b>35</b>	<b>35</b>
<i>MoM/QoQ change</i>	0.00%	0.00%	0.00%	0	-22.22%	0.00%

## Commodities

	Jan-19	Dec-18	Nov-18	Q2 18	Q3 18	Q4 18
<b>Crude palm oil</b>	<b>11500</b>	<b>11400</b>	<b>11325</b>	<b>10773.33</b>	<b>11325</b>	<b>11358</b>
<i>MoM/QoQ change</i>	0.88%	0.66%	-0.22%	-7.16%	5.12%	0.29%
<b>Vegetable oil</b>	<b>18100</b>	<b>17920</b>	<b>17775</b>	<b>17385</b>	<b>17633</b>	<b>17798.333</b>
<i>MoM/QoQ change</i>	1.00%	0.82%	0.42%	1.49%	1.43%	0.94%
<b>Rice</b>	<b>18312.5</b>	<b>18320</b>	<b>18250</b>	<b>17010</b>	<b>17533</b>	<b>18257</b>
<i>MoM/QoQ change</i>	-0.04%	0.38%	0.27%	6.37%	3.08%	4.13%

## Cement (₹/50kg)

	Jan-19	Dec-18	Nov-18	Q2 18	Q3 18	Q4 18
<b>Cement</b>	<b>2625</b>	<b>2600</b>	<b>2675</b>	<b>2853.846</b>	<b>2812</b>	<b>2638</b>
<i>MoM/QoQ change</i>	0.96%	-2.80%	0.94%	2.84%	-1.48%	-6.16%

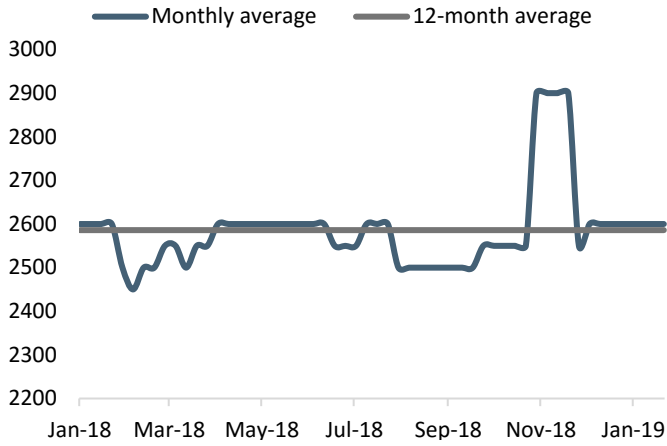
## Oil & Gas

	Jan-19	Dec-18	Nov-18	Q2 18	Q3 18	Q4 18
<b>Cooking gas (₹/12.5kg)</b>	<b>4200</b>	<b>4300</b>	<b>4250</b>	<b>3546.667</b>	<b>3853</b>	<b>4283</b>
<i>MoM/QoQ change</i>	-2.33%	1.18%	-1.16%	-2.39%	8.65%	11.16%
<b>Lubricants (₹/4L)</b>	<b>8600</b>	<b>8600</b>	<b>8625</b>			
<i>MoM/QoQ change</i>	0.00%	-0.29%	0.29%			

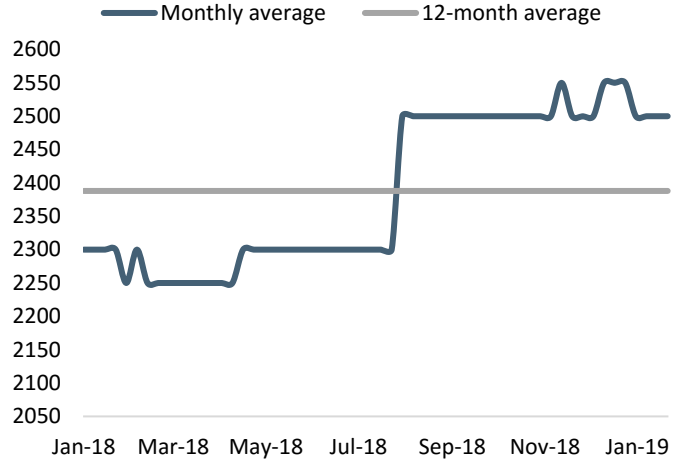
# Retail price trends

## Brewery products

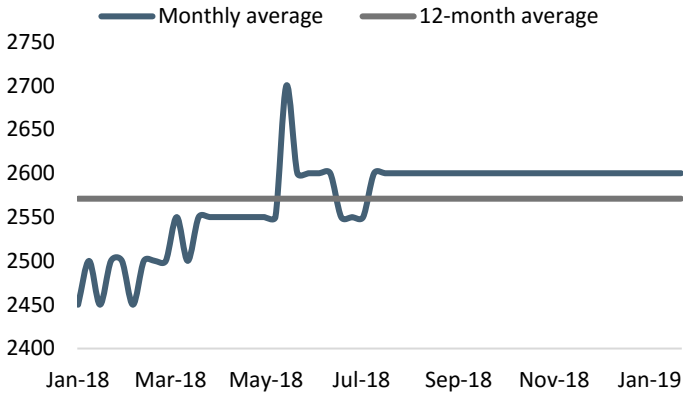
### Star – ₦ per crate



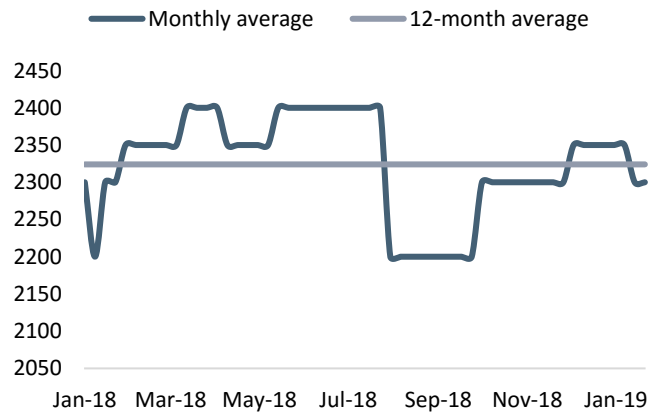
### Goldberg – ₦ per crate



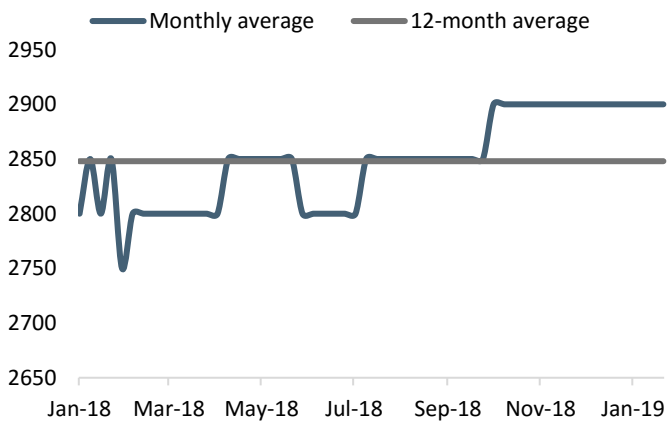
### Gulder – ₦ per crate



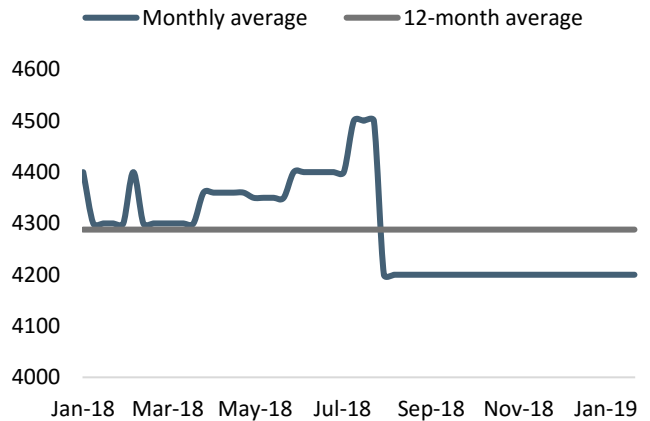
### Satzenbrau – ₦ per crate



### Malta Guinness – ₦ per crate

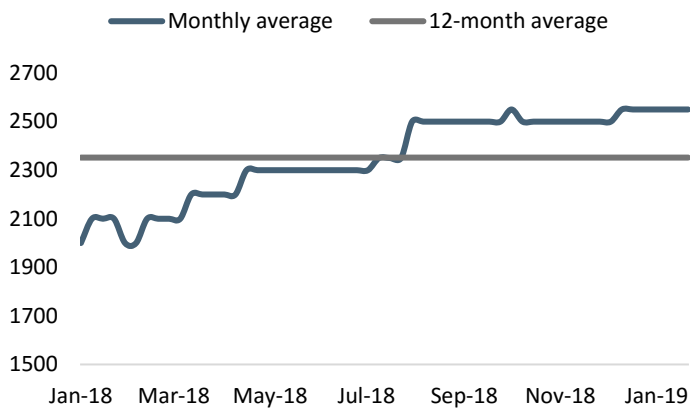


### Guinness – ₦ per crate

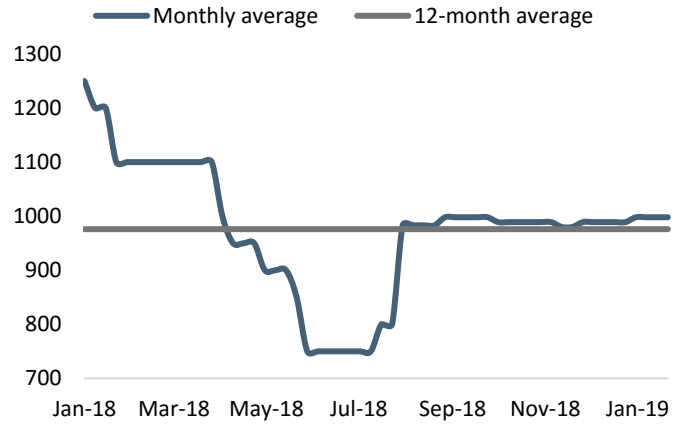


# Retail price trends

## Trophy – ₦ per crate

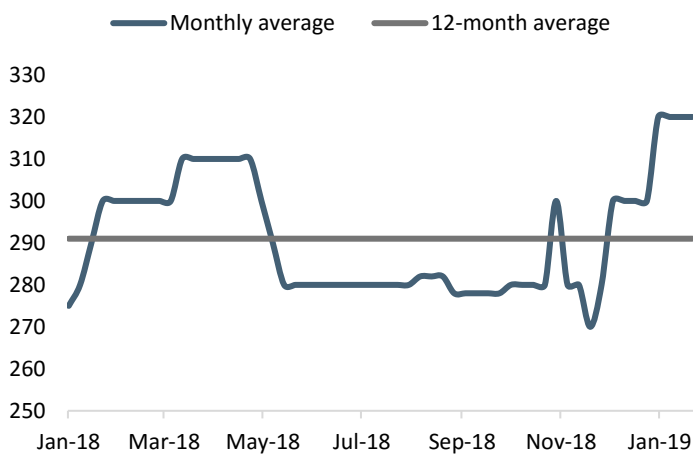


## Milo – ₦ per 500g

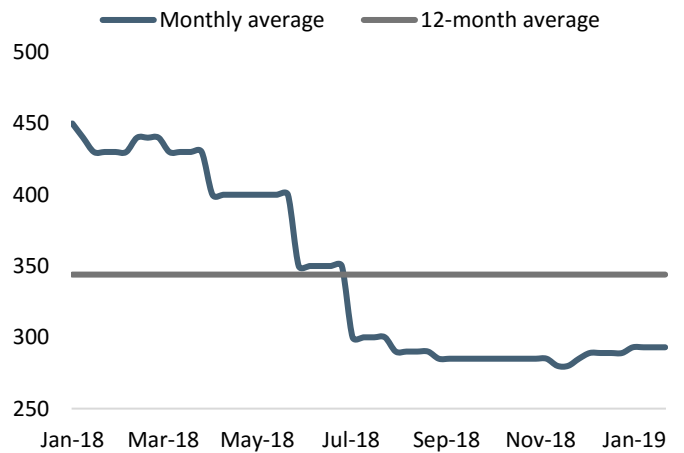


## Consumer products

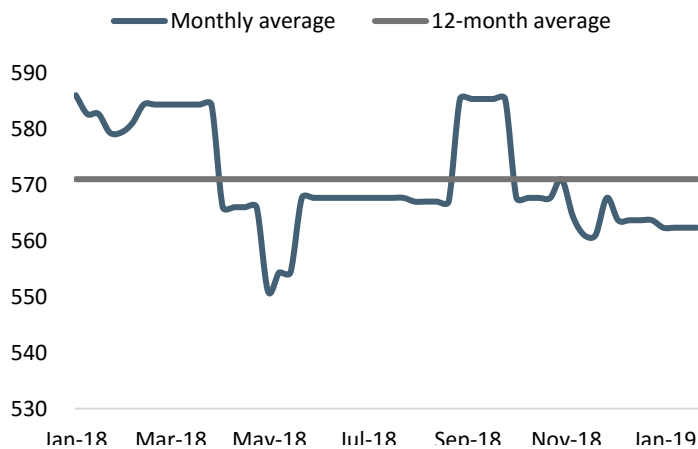
### Close up – ₦ per 240g



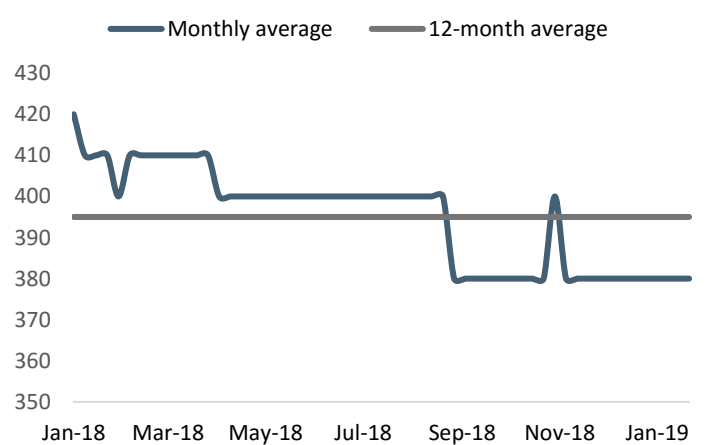
### Blue band – ₦ per 250g



### Maggi – ₦ per 100 cubes

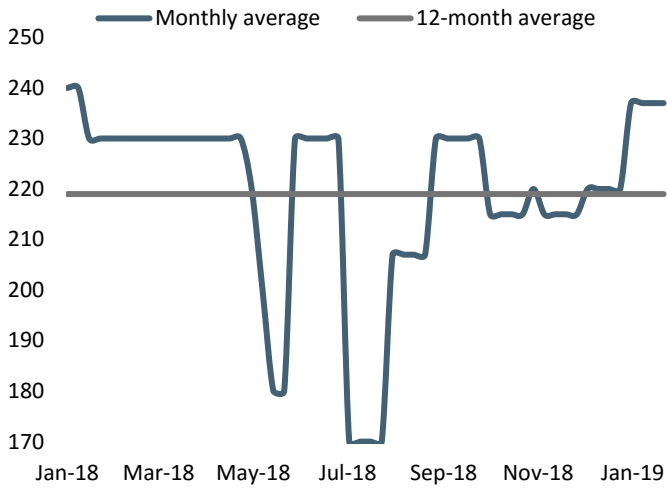


### Omo – ₦ per 400g

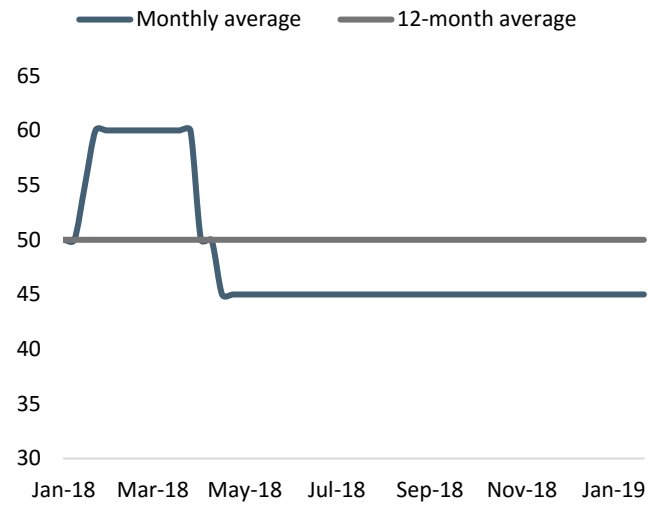


# Retail price trends

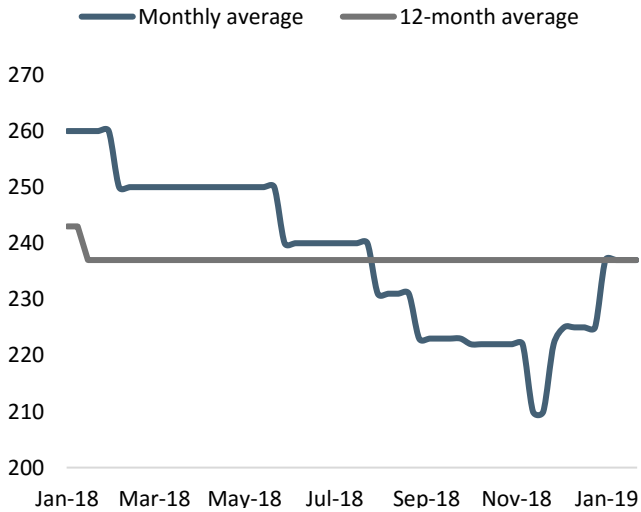
## Lipton – ₦ per 25 tea bag



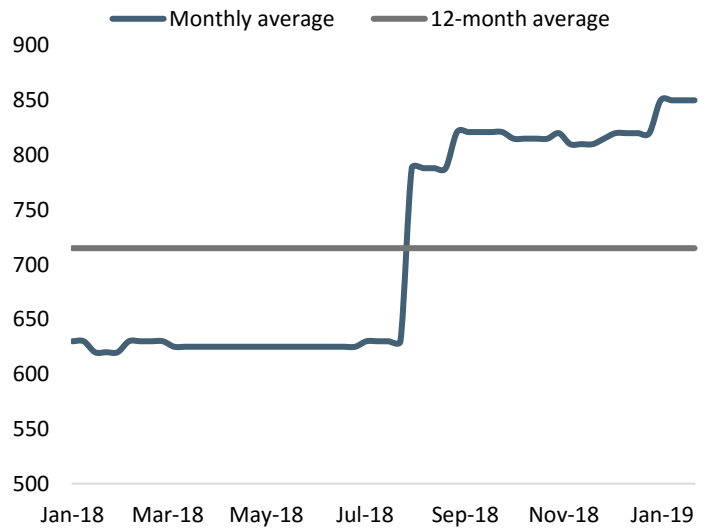
## Dangote salt – ₦ per 250g



## Dangote sugar – ₦ per 250g



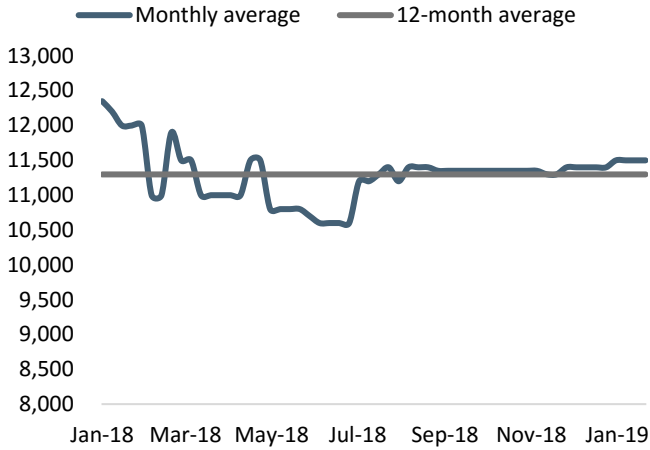
## Dettol – ₦ per 70g



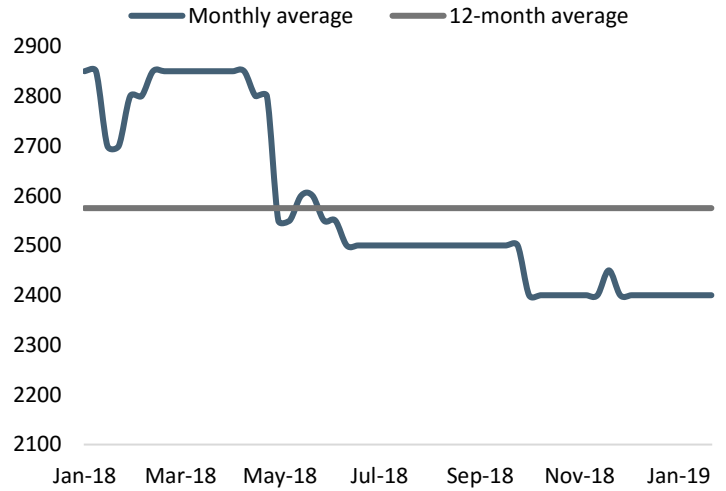
# Retail price trends

## Commodity products

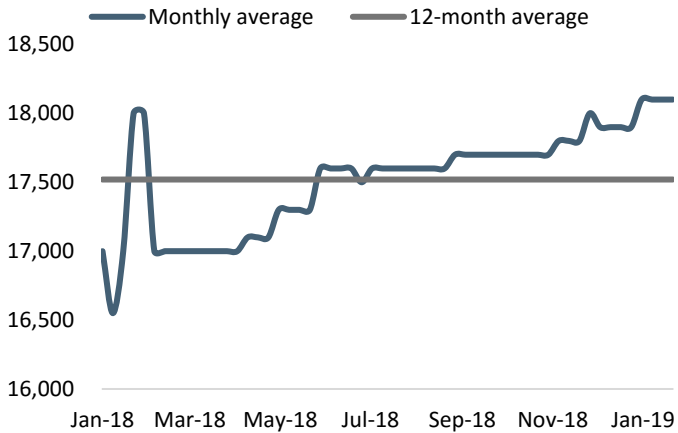
### Crude palm oil – ₦ per 25kg gallon



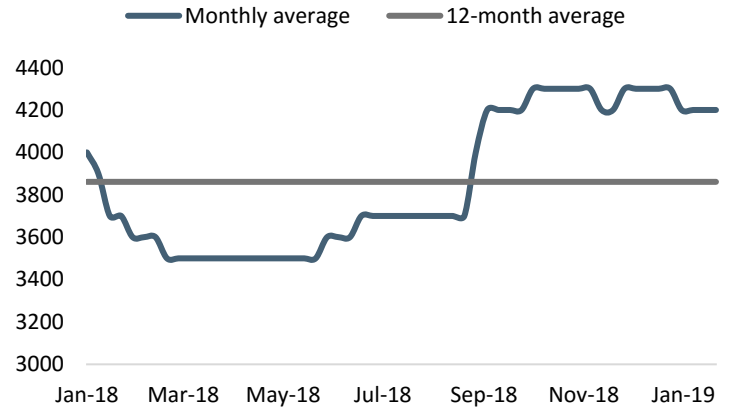
### Cement – ₦ per 50kg bag



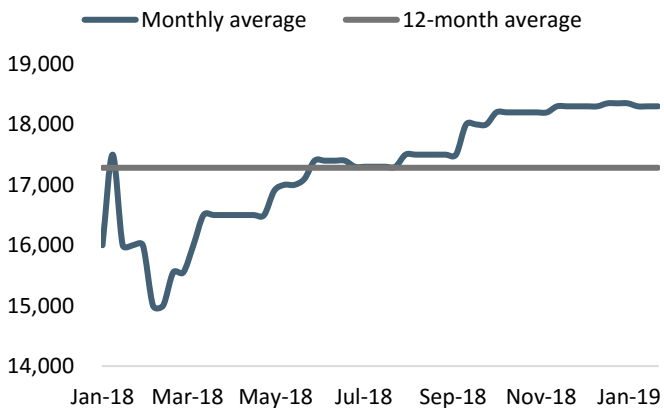
### Vegetable oil – ₦ per 20kg gallon



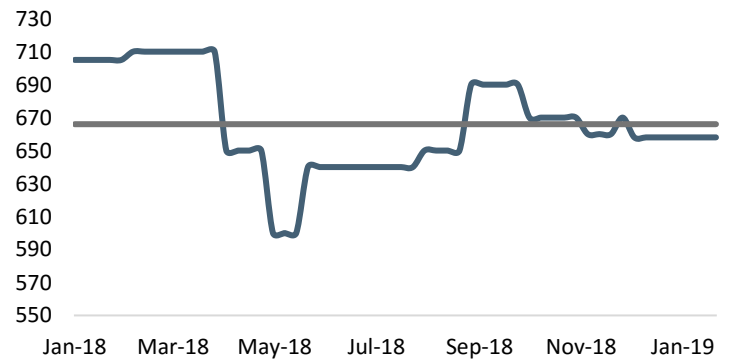
### Cooking gas – ₦ per 12.5kg



### Rice – ₦ per 50kg



### Knorr – ₦ per 100 cubes





## Valuation of Coverage companies

	<b>FVE (₦)</b>	<b>Market Price (₦)</b>	<b>Upside (Downside)</b>	<b>Recommendation</b>
<b>Guinness</b>	73.96	71	4.17%	<b>NEUTRAL</b>
<b>Nigeria Breweries</b>	76.58	79.9	<b>-4.16%</b>	<b>SELL</b>
<b>Nestle</b>	1330.35	1450	<b>-8.25%</b>	<b>SELL</b>
<b>Unilever</b>	49.19	36.55	34.58%	<b>BUY</b>
<b>Dangote Sugar</b>	17.01	14.5	17.31%	<b>OVERWEIGHT</b>
<b>Dangote Cement</b>	253.03	194	30.43%	<b>STRONG BUY</b>
<b>Lafarge</b>	18.07	12.5	44.56%	<b>BUY</b>
<b>CCNN</b>	16.96	24	-29.33%	<b>SELL</b>
<b>Forte Oil</b>	34.35	29.5	16.44%	<b>NEUTRAL</b>
<b>MRS</b>	39.2	28.55	37.30%	<b>BUY</b>
<b>Total</b>	244.28	214.5	13.88%	<b>OVERWEIGHT</b>
<b>Seplat</b>	975.27	540	80.61%	<b>STRONG BUY</b>
<b>Okomu</b>	97.75	82	19.21%	<b>OVERWEIGHT</b>
<b>Presco</b>	67.47	60	12.45%	<b>NEUTRAL</b>

Click [here](#) for our Ratings, Disclosure & Recommendation