

Crude Oil

Comment on recent news – this page

Today's headlines – page two

Recommendations and valuations – page three

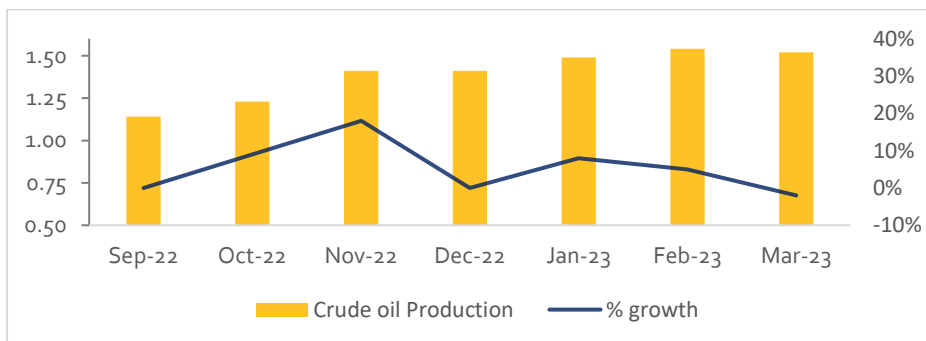
Nigeria's crude oil production declines to 1.51mbpd in March.

Based on data from the National Upstream Petroleum Regulatory Commission (NUPRC), Nigeria's oil production dropped month on month, down 2% to 1.517 million barrels per day (mbpd), in March 2023, from 1.547mbpd recorded in February 2023. The nation's output had risen by 3.5% in February 2023 to 1.54mbpd from 1.494mbpd recorded in January. Nigeria produced about 70% of its 1.8mbpd OPEC quota in Q1 2023. Despite the March drop, the Q1 performance is a significant improvement in crude oil production from last year when production was at an all-time low. When compared with the country's budget benchmark, actual crude oil production in Q1 2023 was c.75.6% of the 1.69mbpd day in the 2023 budget.

Production from the Forcados terminal dropped to 5.7mbpd from 6.9mbpd recorded in February. However, the Excravos terminal had a relatively stable output during the period, churning out 4.3 mbpd from 4.0mbpd in February. Qua Iboe did not also do badly, producing 4.2 mbpd in March from 4.1 mbpd in February. Bonny also improved with 3.2 mbpd from 2.1 mbpd in February. There was no production at all at the Aje, Asaramatoru, Ajapa, terminals as well as the Anambra basin. Oyo, Ukpokiti and Ima also did not produce any oil in the first quarter of 2023. No reason was given for this development by the NUPRC. At the Brass terminal in Bayelsa, production fell from 933,061 to 666,826 between February and March but rose at the Odudu terminal from 2.9 mbpd to 3.3 mbpd while Tulja-Okwuibome increased marginally from 1.0 million barrels to 1.1 million barrels between February and March.

Nigeria has been unable to meet its OPEC production quota for over two years, thereby hobbling the country's main source of foreign exchange and putting immense pressure on the country's foreign exchange. The low production has been mainly attributed to crude oil theft and massive pipeline vandalism in the Niger Delta as well as years of underinvestment in the oil and gas sector. Erstwhile Minister of State and Petroleum Resources, Chief Timipre Sylva, recently said Nigeria was working towards meeting its OPEC crude oil production quota of 1.8 million bpd by the end of May 2023. We remain hopeful that the Federal Government will sustain its reinforced pipeline surveillance and clampdown on oil theft.

Crude Oil Production (mbpd)



Source: CSL Research, CBN

MARKET UPDATE

Indicators	1 year	30-Dec-22	1 day
NSE - Index*	50,126.41	51,251.06	52,207.77
Naira / US\$	415.63	461.50	463.00
Brent, US\$/bbl	110.90	85.91	72.33
MPR %	11.14	16.50	18.00

Source: NGX Exchange, Central Bank of Nigeria, Bloomberg. *NGX Exchange All-Share Index

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News headlines:

Agenda 2050: FG projects \$33,000 per capita GDP: The President, Major General Muhammadu Buhari (retd.), on Wednesday, in Abuja, launched the Nigeria Agenda 2050, declaring that its implementation would “ensure that Nigeria attains a per capita GDP of \$33,328 per annum to place her among the top middle-income economies globally by 2050.” Buhari said the plan would also increase real GDP growth by seven per cent, create 165 million new jobs and reduce the number of Nigerians living in poverty to 2.1 million in 2050 from the 83 million estimated in 2020. The launch occurred shortly before this week’s Federal Executive Council meeting held at the Council Chambers of the Presidential Villa, Abuja. It comes about seven weeks after FEC approved the policy document on March 15 and nearly three months after the National Economic Council endorsed the agenda. Source: Punchng.com
<https://punchng.com/agenda-2050-fg-projects-33000-per-capita-gdp/>

At Last, Senate Approves N22.7tn CBN’s ‘Ways and Means’ Advances to FG: The Senate yesterday, approved the request of President Muhammadu Buhari to restructure the N22.7 trillion loans that the Central Bank of Nigeria (CBN) advanced to the federal government under its Ways and Means policy. The Ways and Means provision allows the government to borrow from the apex bank if it needs short-term or emergency finance to fund delayed government expected cash receipts of fiscal deficits. The Buhari government said it sought the loans when the country started experiencing a significant shortfall in revenue. It said it relied heavily on the central bank to finance its expenditure programmes via Ways and Means whose balance as of December 19, 2022, stood at N22.7 trillion. Source thisdaylive.com
<https://www.thisdaylive.com/index.php/2023/05/04/at-last-senate-approves-n22-7tn-cbns-ways-and-means-advances-to-fg/>

Forex: Turnover in I&E falls 46% to \$1.4bn: The volume of dollars traded (turnover) in the Investors and Exporters (I&E) window of the foreign exchange market fell by 46 per cent, month-on-month (MoM) to \$1.4 billion in April 2023 from \$2.6 billion in March. This sharply contradicts the sharp increase recorded in March when the I&E turnover rose by 52.9 per cent from \$1.7 billion in February. Vanguard analysis of monthly transactions in the window as published by FMDQ showed that turnover stood at \$2.22 billion in January and fell by 22 per cent to \$1.7 billion in February. Weekly analysis of transactions in April showed that turnover stood at \$411.73 million in the first week of April and fell by 28 per cent to \$293.25 million in the second week. In the third week of April, turnover rose by 27 percent to \$375.02 and down by 14 percent to \$320.47 million in the fourth week. Source: vanguardngr.com
<https://www.vanguardngr.com/2023/05/forex-turnover-in-ie-falls-46-to-1-4bn/>

FG disconnects discos from national grid over debt: Millions of electricity consumers may be plunged into darkness in the coming weeks as the Federal Government via the Transmission Company of Nigeria and the Market Operator have begun a massive disconnection of debtor electricity distribution companies from the national grid. PUNCH findings showed the development followed notices of disconnection from the grid served on some of the Discos by the Market Operator. The MO, a division of the Transmission Company of Nigeria had informed some Discos, including generating companies of the disconnection plan, due to failure to make remittances of ancillary services bills. Since the noticed by MO, The PUNCH observed that electricity supply had degenerated further across the country, with many areas complaining of either low or no supply. Source: punchng.com
<https://punchng.com/fg-disconnects-discos-from-national-grid-over-debt/>

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Coverage universe	17	10	5	3	35
% distribution	49%	29%	14%	9%	
Investment banking clients	0	1	1	0	2
% distribution	0%	50%	50%	0%	

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