



Major Oil Marketers
Association of Nigeria

NEWSLETTER

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THE WEEKLY POST

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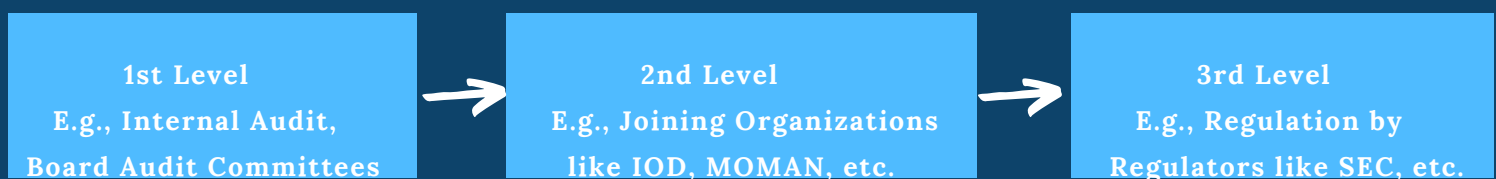
CORPORATE GOVERNANCE: SELF-REGULATION

By Ogechi Nkwoji; Head Economic Intelligence Research & Regulation, MOMAN

Whenever one speaks to corporate governance, it has to be with the knowledge that businesses and organizations have duties and responsibilities towards their shareholders and stakeholders - duties to provide precise and accurate information on the financial, operational and other aspects of the company. The reason for governance structures and regulations is to ensure and build confidence of all stakeholders such as shareholders, employees, customers, the general public, etc. As such, businesses and organizations must be governed in accordance with the law. In directing and controlling the business, it is crucial that it is well managed, meaning that the processes, procedures and policies are ethically implemented according to the principles of transparency and accountability. Effective corporate governance is not only about the people appointed to carry out specific roles within an organization, it also encompasses the existence of effective procedures and processes. For example, are the roles of Board or the Audit Committees clear? What is the Management's response to the Company structure? Are there visible penalties or sanctions for any breeches?

The frequency of corporate scandals has led to the need to reform business practices and increase regulation. Maintaining the status quo is no longer the rule of the day as what is being demanded now is accountability and responsibility in corporate behaviour, restoration of corporate integrity and market confidence, without inhibiting the dynamics of a nation's economy. Lenient regulatory standards and enforcements have significant negative implications for businesses and the economy. So, what or who should play a central role in regulation? The Government or the Industry (through effective self-regulation arrangements) or both (co-regulation)?

SELF-REGULATION



Three levels of the regulatory process



MOMAN

UPDATE

In Nigeria, laws have been established giving powers to some regulatory organizations such as the Financial Reporting Council of Nigerian (FRCN), Securities and Exchange Commission Nigeria (SEC), Standard Organization of Nigeria (SON), National Agency for Food and Drug Administration and Control (NAFDAC), Nigerian Stock Exchange (NSE), Corporate Affairs Commission (CAC), the Central Bank of Nigeria (CBN), the Nigerian Communications Commission (NCC), etc., to police or regulate corporate behaviour. These are visible regulatory bodies that intervene in the governance structures in the organizations they regulate. They are entrusted with developing, establishing, promoting and ensuring general compliance of high standards of operation and corporate governance. However, it should be noted that not every regulator intervenes. Neither the Department of Petroleum Resources (DPR) nor the Petroleum Products Pricing Regulatory Agency (PPPRA) intervene in the governance structure of the downstream petroleum sector. However, with the current situation of the world in which we operate in, we have to wonder if this structure is adequate.

Another level of regulation exists where self-regulatory associations such as the Institute of Directors (IOD), the Nigerian Bar Association (NBA), Institute of Chartered Accountants of Nigeria (ICAN), Lagos Chamber of Commerce and Industry (LCCI), the Major Oil Marketers Association of Nigeria (MOMAN), etc., are established to promote good corporate governance, principles, standards and practices in specific sectors, through advocacy, research and training. Constant regulatory reform is crucial in overcoming market failures and in building of a nation's future. This level of regulation: self-regulation is a show of 'good stewardship' of whichever industry an organization represents. It is the best form of regulation as it is able to fill in the gaps in addressing any industry's non-adherence to international standards and best practices – all with the aim of ensuring safety within sectors of the economy, building self-confidence and trust within the industry.

Self-regulation is the best approach to protect against reputational risks – risks which penalize a business's cost of funds. As the more confidence the public has in a company, i.e., the stronger their corporate governance structure, the more value is placed on the company. This 'value' reflects in the company's share price, sales/revenue and ultimately the company's bottom line.

The private sector relies heavily on self-regulation to address the myriad of industry issues, from establishing industry standards to developing and applying codes of professional ethics, to ensure consumer confidence. It is also important to note that effective self-regulation is always complimentary to existing laws governing the State.



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ADVANTAGES OF SELF-REGULATION

Self-regulation might generate a higher level of industry compliance. The greater the involvement of industry in setting the rules, the higher the adherence.

Self-regulation harnesses the collective interests of the industry, where companies work together and engage in self-policing activities to enforce standards internally and among peers.

Self-regulation can be more efficient for businesses, thereby creating an opportunity to pass on potential savings to consumers.

Rule-making, monitoring, enforcement and remediation processes can also be faster using self-regulation which means consumer issues are addressed faster and consumers are protected sooner.

Self-regulation also helps to internalize ethical behaviour and principles. It also helps to promote rules to govern when and if government regulations fail to act.

Self-regulation ultimately benefits government (by reducing regulatory overload), industries, taxpayers and the economy, by creating a better positioned global market.

Sources:

-The Management Study Guide

-The Role of Government in Corporate Governance (John F. Kennedy School of Government, Harvard University)

-The Information Technology and Innovation Foundation (ITIF)



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MACROECONOMIC INDICES

INFLATION

	JAN 2021	FEB 2021	MAR 2021
Year on Year % Change	16.47%	17.33%	18.17%
12 Month % Change	13.62%	14.05%	14.55%
Month on Month % Change	1.49%	1.54%	1.55%

CRUDE OIL PRICES

	APR 19	APR 20	APR 21	APR 22	APR 23
Brent Crude (USD/bbl)	67.05	66.57	65.32	65.40	66.11
WTI Crude (USD/bbl)	63.38	62.44	61.35	61.43	62.14

EQUITIES MARKET UPDATE

SECTOR	APR 16	APR 23	WEEKLY CHANGE	WTD	MTD	YTD
NSE 30	1,541.39	1,566.66	25.27	1.64	0.69%	-4.48%
Consumer Goods	552.65	558.45	5.80	1.05	2.86%	-2.60%
Oil & Gas	264.88	265.65	0.77	0.29	-0.08%	17.44%
Banking	343.03	359.57	16.54	4.82	-2.73%	-8.51%
Industrial	1,893.27	1,902.76	9.49	0.50	0.69%	-7.29%
Insurance	193.34	194.12	0.78	0.40	-5.09%	2.44%

Sources: NBS, NSE,
Reuters & Bloomberg
*Year - 2021



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FOREX RATES - CBN I/E WINDOW

=N=	APR 19	APR 20	APR 21	APR 22	APR 23
USD	407.00-410.00	407.00-410.00	407.00-410.00	407.00-410.00	407.00-410.00

**The CBN began sale of USD to the BDC segment, selling \$10,000 to each BDC*

Source: CBN
*Year - 2021



FOREX RATES - CBN INTERBANK RATE

=N=	APR 19	APR 20	APR 21	APR 22	APR 23
USD	380.50/381.00	380.50/381.00	380.50/381.00	380.50/381.00	380.50/381.00

Source: CBN
*Year - 2021



FOREX RATES - PARALLEL MARKET

=N=	APR 19	APR 20	APR 21	APR 22	APR 23
USD	478 / 482	480 / 486	480 / 486	480 / 485	480 / 485
GBP	660 / 670	662 / 672	662 / 670	663 / 670	662 / 672
EURO	563 / 570	565 / 575	570 / 577	570 / 578	570 / 577

Source: abokiFX
*Year - 2021



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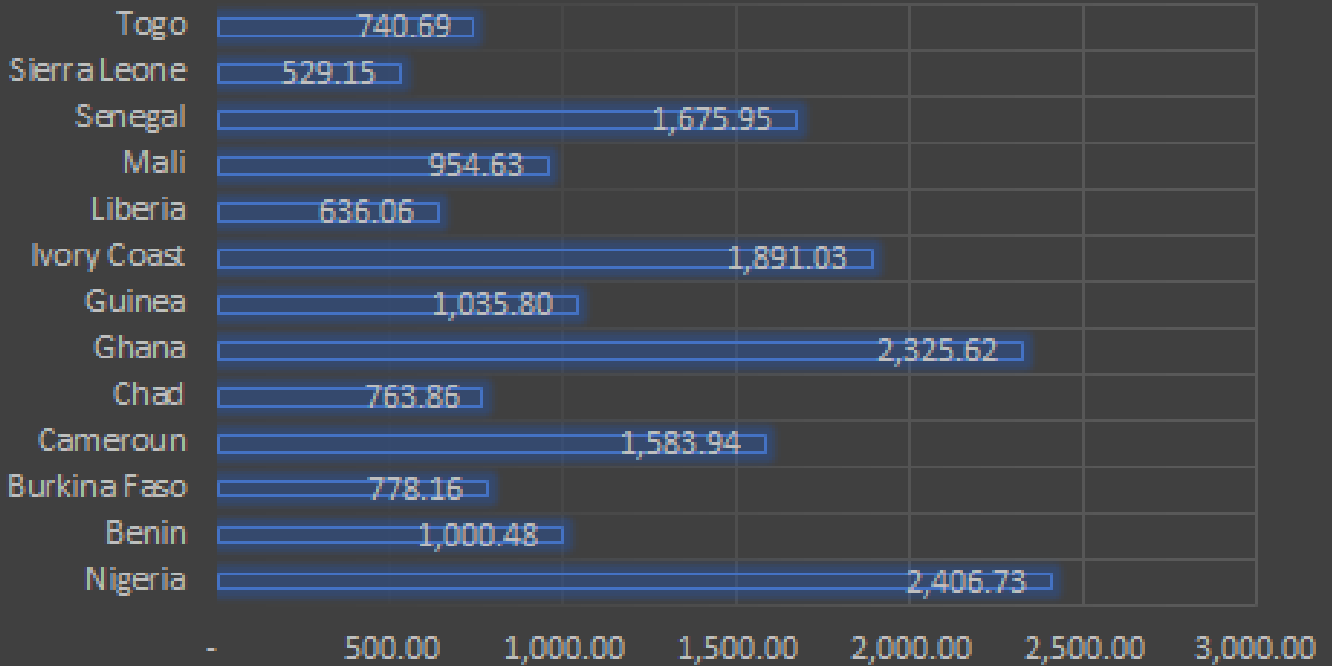
Industry WATCH



WEST AFRICA FOCUS



GDP PER CAPITA (\$)



Source: globalpetrolprices.com
*Year - 2021



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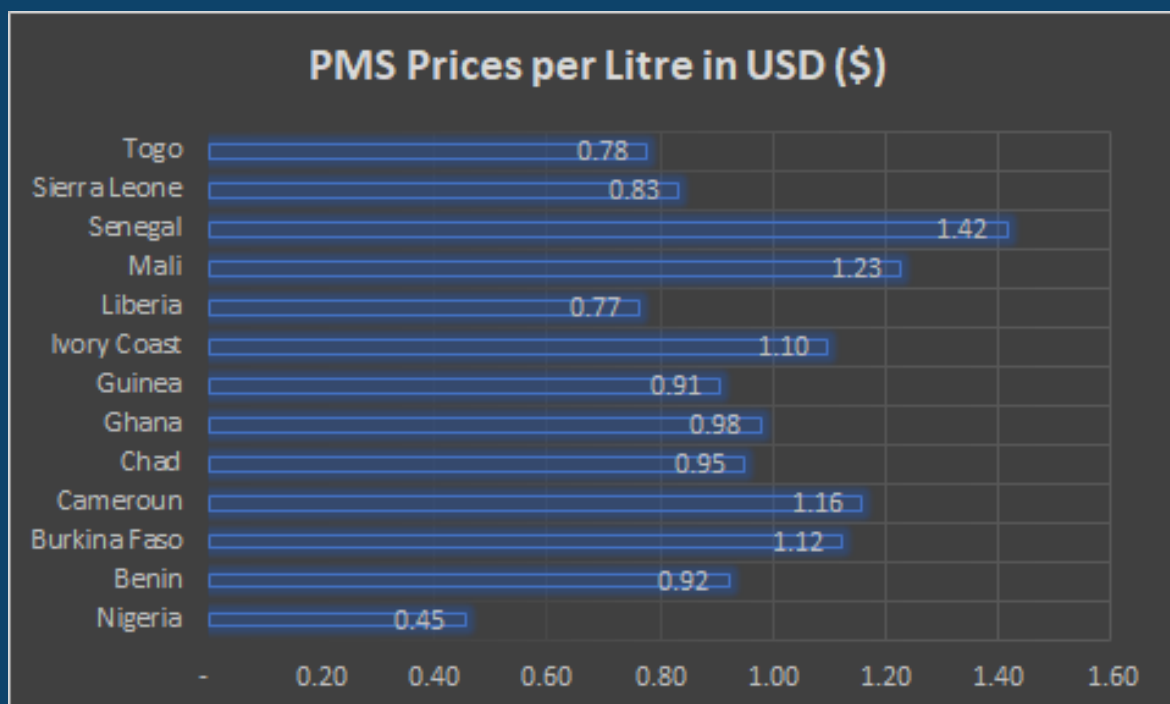
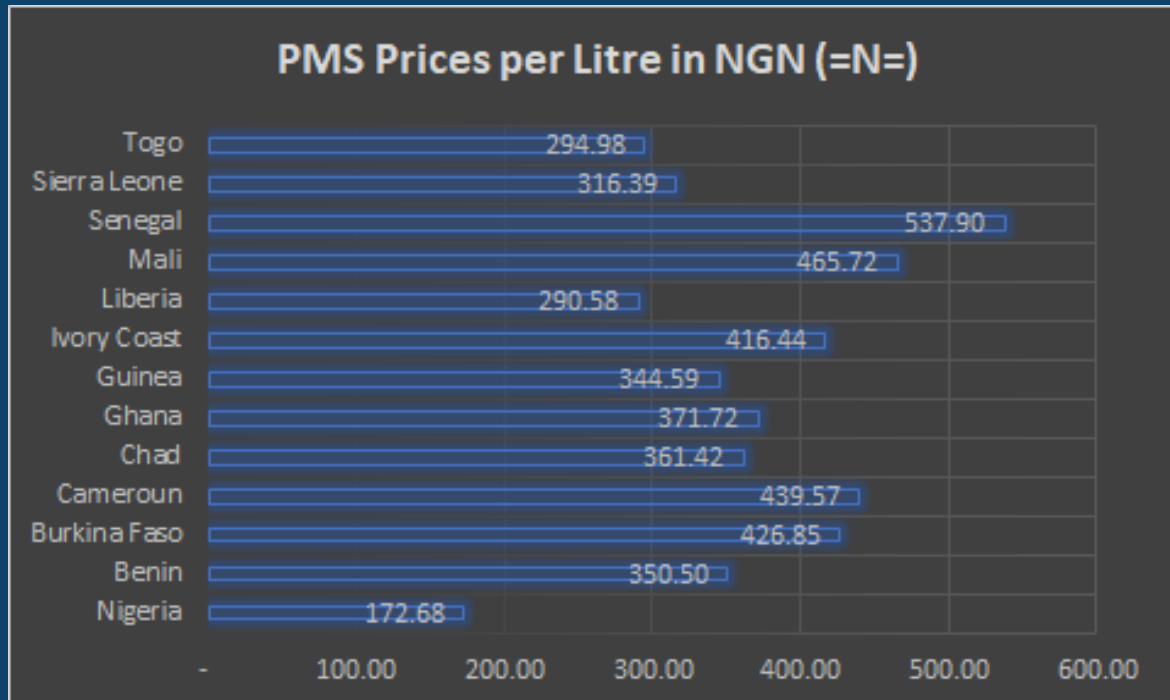
Industry WATCH



GASOLINE PRICES

***Average gasoline prices around the Africa: =N=435.60 or \$1.15 USD as at 19 APR. 2021**

WEST AFRICA (PMS)



Source: globalpetrolprices.com

*Year - 2021



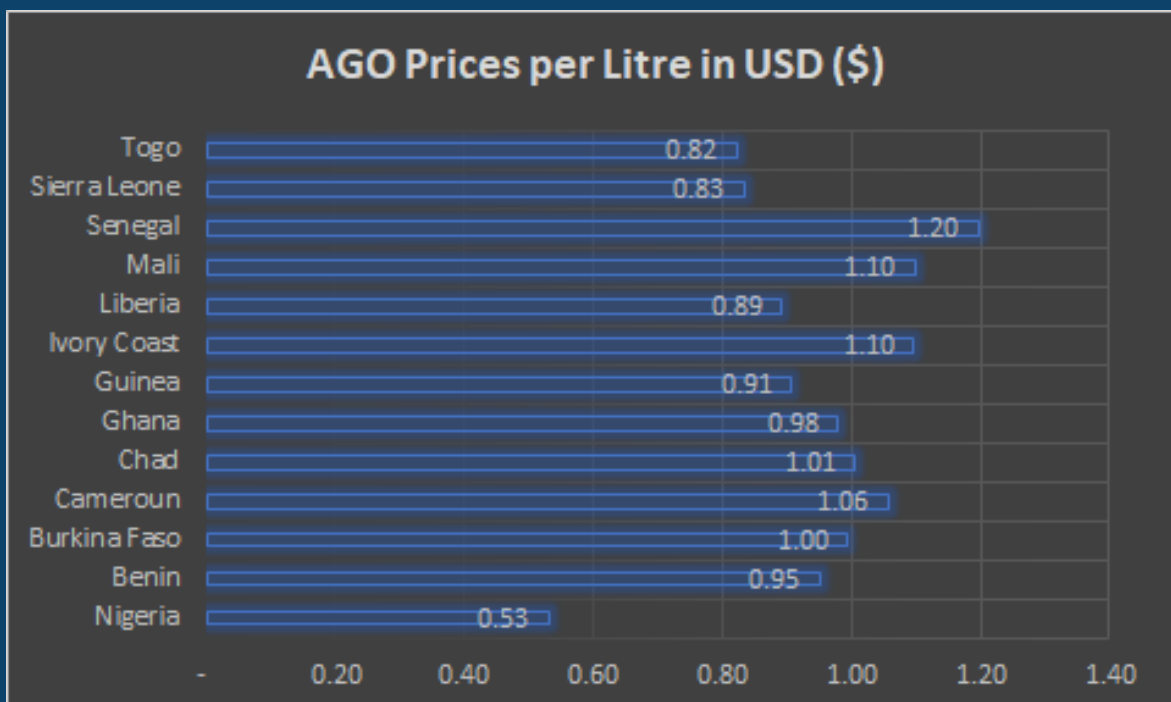
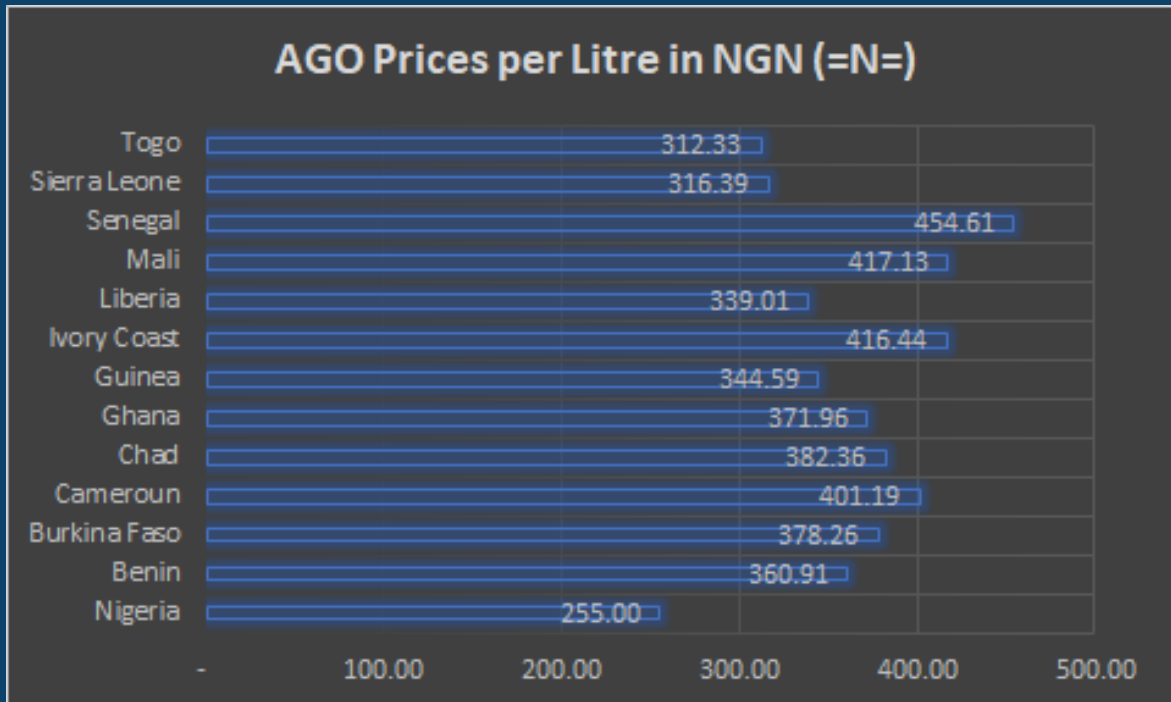
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DIESEL PRICES

***Average diesel prices around the Africa: =N=386.95 or \$1.02 USD as at 19 APR. 2021
WEST AFRICA (AGO)**



Source: globalpetrolprices.com
*Year - 2021



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Industry WATCH

PLATTS

PMS

\$ (USD)	APR 19	APR 20	APR 21	APR 22	APR 23	MAR. AVERAGE
FOB ROTTERDAM	644.750	629.750	628.750	625.750	628.750	617.359
FOB MED	631.250	617.500	616.500	613.500	618.000	616.761
CIFNWE	660.250	647.500	636.750	632.750	637.250	626.891

AGO

\$ (USD)	APR 19	APR 20	APR 21	APR 22	APR 23	MAR. AVERAGE
CIFNWE	527.750	517.750	519.000	519.750	523.250	521.359

ATK

\$ (USD)	APR 19	APR 20	APR 21	APR 22	APR 23	MAR. AVERAGE
CIFNWE	552.000	541.500	541.750	542.000	547.500	539.543

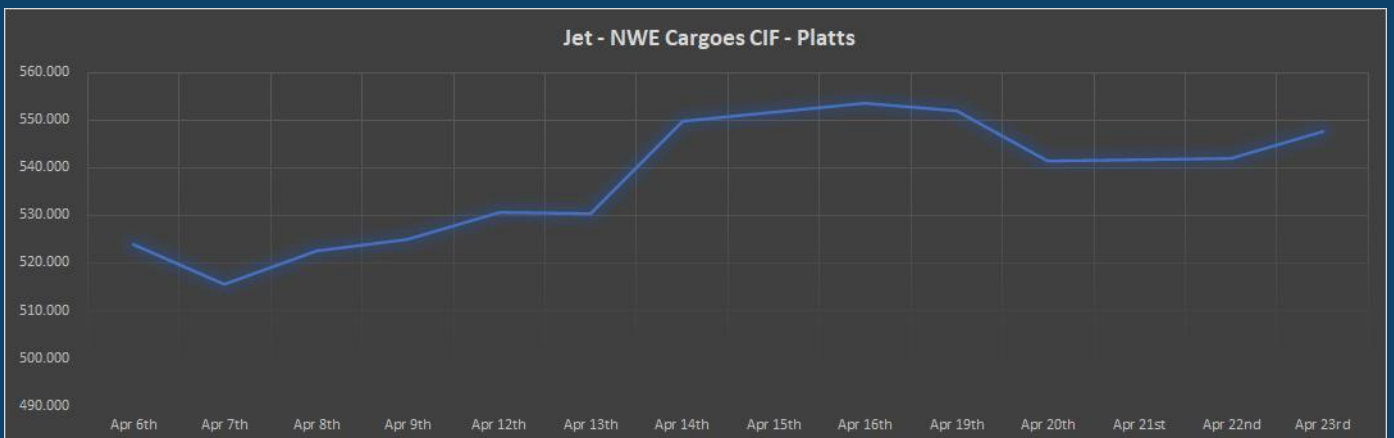
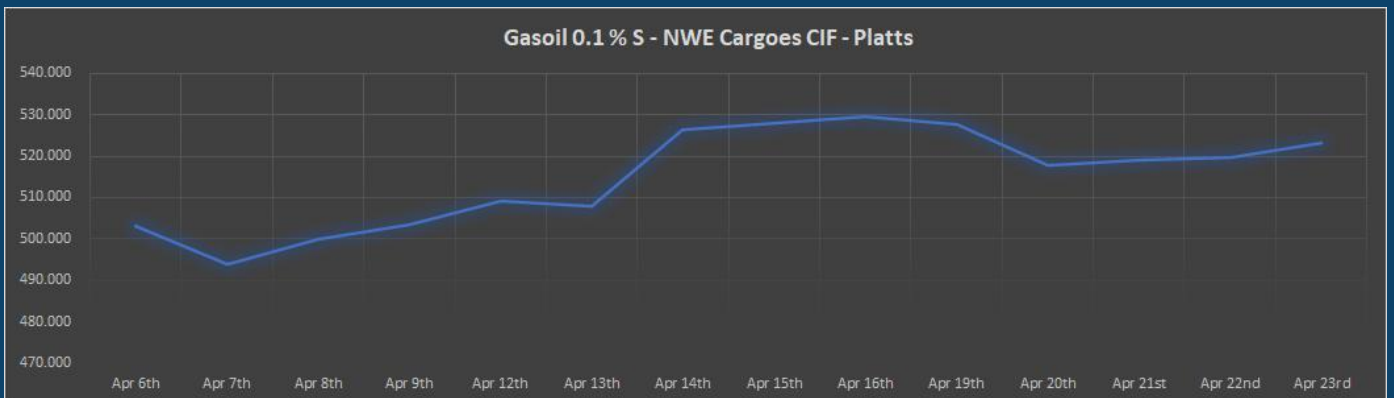
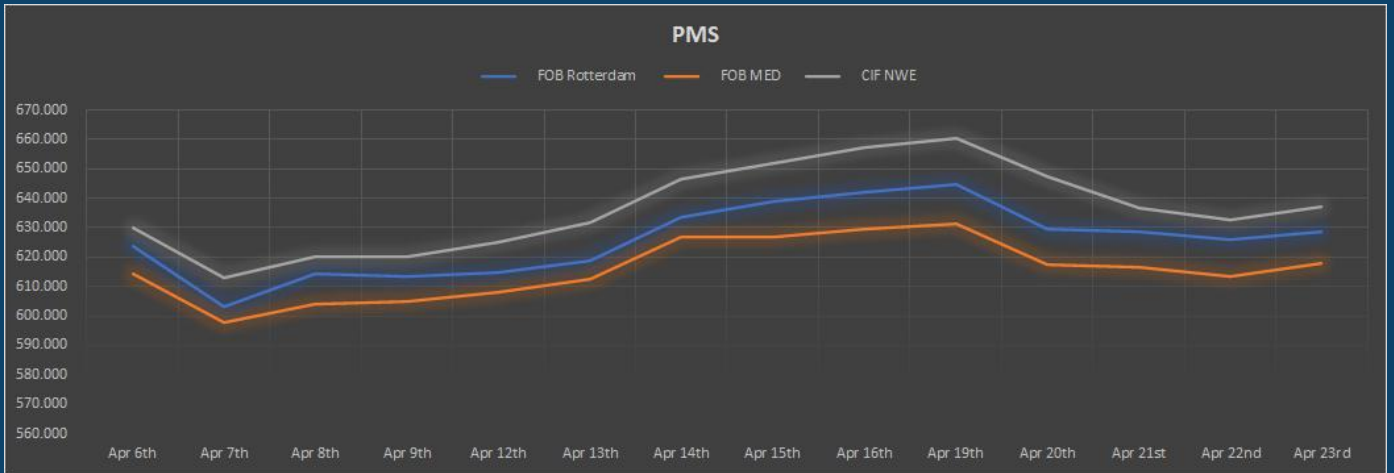
\$/BBL	APR 19	APR 20	APR 21	APR 22	APR 23
ICE GASOIL (USD/MT)	531.50	525.50	515.25	522.25	525.00



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Source: S & P Global Platts
*Year - 2021





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EX-DEPOT PRICES

LAGOS, NIGERIA

=N=/Litre	APR 23
PMS	152.00-154.00
AGO	245.00-248.00

*Year - 2021

PORT-HARCOURT, NIGERIA

=N=/Litre	APR 23
PMS	155.00
AGO	251.00

*Year - 2021



DELTA, NIGERIA

=N=/Litre	APR 23
PMS	155.00-156.00
AGO	250.00

*Year - 2021

CALABAR, NIGERIA

=N=/Litre	APR 23
PMS	155.00
AGO	247.00

*Year - 2021



PREVENT THE SPREAD OF COVID-19

25-04-2021

#TakeResponsibility #COVID19Nigeria

S/N	STATE	Number of Cases
1	Lagos	58,291
2	FCT	19,765
3	Plateau	9,049
4	Kaduna	9,040
5	Rivers	7,098
6	Oyo	6,850
7	Edo	4,898
8	Ogun	4,647
9	Kano	3,954
10	Ondo	3,242
11	Kwara	3,120
12	Delta	2,620
13	Osun	2,575
14	Nasarawa	2,382
15	Enugu	2,345
16	Katsina	2,097
17	Gombe	2,034
18	Ebonyi	2,030
19	Anambra	1,909
20	Akwa Ibom	1,850
21	Abia	1,689
22	Imo	1,657
23	Bauchi	1,548
24	Borno	1,337
25	Benue	1,188
26	Adamawa	1,063
27	Taraba	974
28	Niger	930
29	Bayelsa	886
30	Ekiti	870
31	Sokoto	775
32	Jigawa	527
33	Kebbi	450
34	Cross River	394
35	Yobe	390
36	Zamfara	240
37	Kogi	5
	TOTAL	164,719

@NCDCgov



COVID19.NCDC.GOV.NG



NPHCDA
National Primary Health Care Development Agency

To register for COVID-19 vaccination in Nigeria, visit the website of the National Primary Health Care Development Agency (NPHCDA) nphcda.gov.ng and click on



'COVID-19 Vaccination e-registration' and follow the steps.



If you have any health concerns

DIAL **6232**

SAVE

MONEY ✓ TIME ✓ LIVES ✓

@NCDCgov

COVID19.NCDC.GOV.NG

Sources: NCDC & NPHCDA

Better together

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