



COMMODITIES UPDATE

March 15, 2023

Burning Economic Issues



- Brent plunged 5.56% (\$74.65pb) as the collapse of Silicon Valley Bank spurred fears of a financial crisis -**Bloomberg**
- LNG prices fell 1.94% (\$2.53/MMBtu) due to a milder weather forecast and reduced demand from Europe-**Reuters**
- Nigeria exported N74.65 billion (\$161.6 million) worth of superior-quality cocoa beans in Q4 –**NBS**
 - ✓ Nigeria's 2022-2023 cocoa output forecast cut again- **WSJ**
 - ✓ Cocoa prices lost 0.64% (\$2,641.00/mmt) on expectations of increased supply from Ivory Coast–**Reuters**
- Soybean prices rose 0.22% (\$1,510.25/bushel) driven by lower crop yields in Argentina- **Reuters**
- Naira traded flat in the forex market at N752/\$ (parallel market) and N462/\$ (I & E window)
- NGX fell by 0.42% to close at 55,490.20pts as fears of another rate hike increased



The Downers



- A drop in oil prices will negatively affect Nigeria's export earnings and reduce fiscal revenue.
- A fall in LNG prices will aid in external reserves accretion.
- Lower cocoa prices will worsen the country's trade balance and decrease farmers' income.

Impact

The Goodies



- Higher soybean prices will increase the risk of imported inflation and worsen the cost of living crisis.





Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change
Garri (50kg) Yellow	N16,000	N20,000	↑
Rice (50kg) short grain	N40,000	N40,000	↔
Flour (50kg)	N29,000	N29,000	↔
Beans (Oloyin)(50kg)	N42,000	N56,000	↑
Cement (50kg)	N4,300	N4,300	↔
Tomatoes (50kg)	N15,000	N19,000	↑
Pepper (bag)	N17,000	N15,000	↓
Onions (bag)	N35,000	N32,000	↓

- Food prices will begin to taper as transport costs fall.

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l) 	N27,500	N18,000	↓	N9,000	N27,500
Semovita (10kg) 	N6,700	N6,800	↑	N2,800	N6,800
New Yam (medium size) 	N1,700	N1,800	↑	N400	N2,000
Sugar (50kg) 	N35,000	N35,000	↔	N13,000	N35,000

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Consumer Goods – Current price


















Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N200	N200	0%
Heineken beer (60cl)	N600	N630	-5.00%
Bread Loaf	N900	N900	-00.0%
Indomie (1 carton)	N4,000	N4,100	-2.50%
Gala (big size)	N100	N100	0%





Stock Market

NSE ASI  0.42% to close at 55,490.20pts on March 15th 2023

	Share Prices (₹)		Daily % Change (March 15 th)		YTD (% Change)
Nestle	1080.30		0.00		1.79
Honeywell	2.22		0.91		5.13
Flour Mills	31.00		5.92		9.15
Cadbury	12.00		0.00		0.84
Dangote Sugar	19.00		0.00		18.38
Unilever	14.00		3.70		20.69
Ikeja Hotels	1.26		0.00		20.00



Oil Markets Today

COMMODITY	DAILY CHANGE March 14 th – March 15 th	YTD	CURRENT PRICE
BRENT	↓ 5.56%	↓ 13.11%	\$74.65pb
WTI	↓ 5.47%	↓ 15.99%	\$67.43pb
NATURAL GAS	↓ 1.94%	↓ 43.40%	\$2.53MMBtu



Oil Prices



- Brent down 5.56% to \$74.65pb
- WTI lost 5.47% to \$67.43pb
- Oil prices fell due to increased crude supply from Russia and growing fears of a financial crisis.

Agricultural Commodities

Wheat



Fell 0.14% to \$695.25/bushel, despite strong demand and Black Sea export deal uncertainties.

Corn



Down 0.12% to \$620.00/bushel, on expectations of ample Brazilian supplies.

Cocoa



Lost 0.64% to \$2,641.00/mt, owing to a stronger US dollar and overall weakness in the commodity markets.

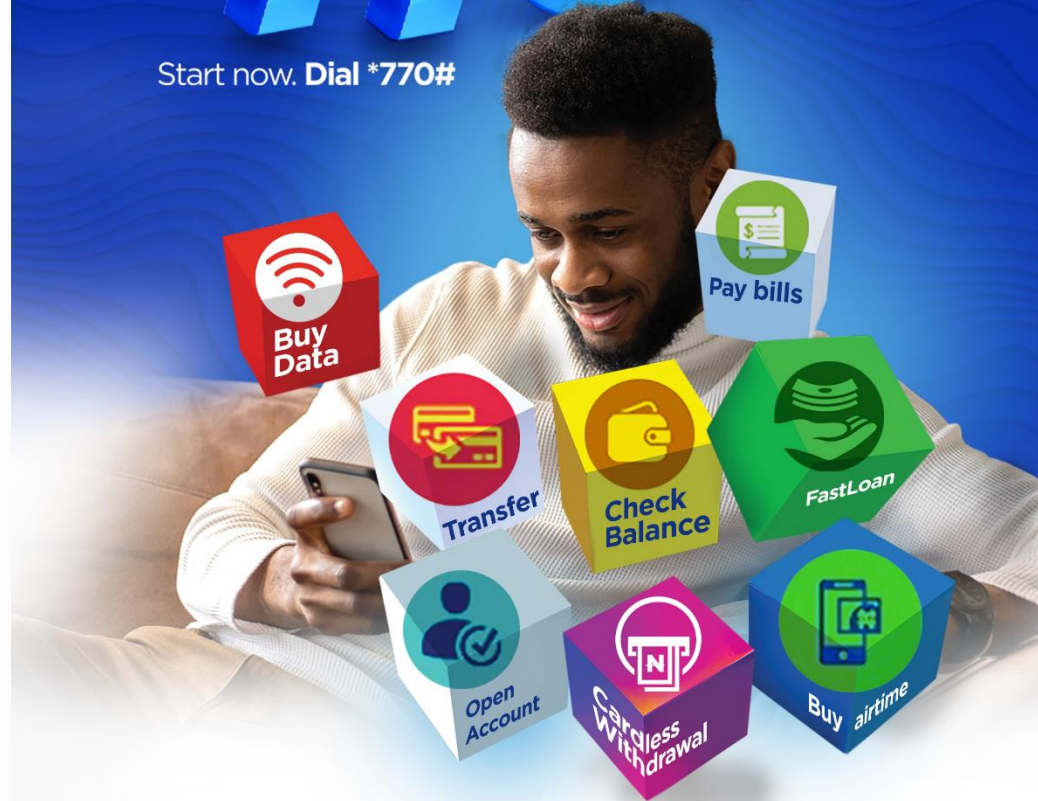
Sugar



Dropped by 1.11% to \$20.45/Pound, despite growing supply concerns from India, Thailand, China, and the European Union.



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Outlook – Oil Prices

- Oil prices are likely to maintain their downward trend on subdued demand as uncertainties in the oil market persist.



Outlook – Agricultural Prices



GRAINS

- Wheat prices are likely to fall on the prospect of improved Black Sea supplies.
- Corn prices would increase due to adverse weather conditions in Argentina.



SOFTS

- Cocoa prices will tend lower as rainfall in West Africa eases supply concerns.
- The reduction in India's sugar yield will increase sugar prices in the near future.

