

A central graphic featuring a black oil barrel with a flame on top, surrounded by stacks of gold and silver coins, a blue bar chart, and a line graph with red dots and a yellow coin.

COMMODITIES

UPDATE

April 11, 2023



Burning Economic Issues



- Brent up 0.18% (\$84.86pb) on expectations of increased demand from emerging markets - ***Reuters***
- LNG prices fell 0.37% (\$2.16/bushel) due to reduced demand from Asia and high gas inventories in Europe- ***Bloomberg***
- Sugar prices rose 0.13% (\$23.21/Pound) owing to lower production in India amid rising demand- ***Reuters***
- Impairment on the N1.4trn Anchor Borrowers' Program hit 75.6%
- This month, the naira has appreciated by 0.27% to N743/\$ due to the subdued demand for the US dollar
- Month-to-date, the NGX has lost 2.28% to close at 52,994.13pts on April 6th

The Downers



Impact

- Higher sugar prices will increase Nigeria's import bill as well as the risk of imported inflation.
- A fall in LNG price will reduce export earnings and increase fiscal deficit.

The Goodies



- The 0.18% increase in oil prices will help boost the country's oil earnings and increase fiscal revenue.
- The appreciation of the naira will reduce inflationary pressures in the country.





Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change
Garri (50kg) Yellow	N20,000	N20,000	↔
Rice (50kg) short grain	N40,000	N38,000	↓
Flour (50kg)	N29,000	N29,000	↔
Beans (Oloyin)(50kg)	N56,000	N38,000	↓
Cement (50kg)	N4,300	N4,300	↔
Tomatoes (50kg)	N19,000	N25,000	↑
Pepper (bag)	N15,000	N20,000	↑
Onions (bag)	N32,000	N25,000	↓

- Food prices will begin to rise due to increased cash in circulation.

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	Directional Change	1-Year Low	1-Year High
Palm Oil (25l) 	N18,000	N18,000	↔	N9,000	N27,500
Semovita (10kg) 	N6,800	N6,800	↔	N2,800	N6,800
New Yam (medium size) 	N1,800	N1,500	↓	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  0.05% to close at 52,994.13pts on April 6th 2023

	Share Prices (₦)		Daily % Change (April 6 th)		YTD (% Change)
Nestle	1080.30		0.00		1.79
Honeywell	2.20		0.00		5.98
Flour Mills	29.50		0.00		3.87
Cadbury	11.30		0.00		5.04
Dangote Sugar	17.00		2.86		5.92
Unilever	13.05		0.00		12.50
Ikeja Hotels	1.19		0.00		13.33



Oil Markets Today

COMMODITY	DAILY CHANGE April 10 th – April 11 th	YTD	CURRENT PRICE
BRENT	↑ 0.18%	↓ 1.22%	\$84.86pb
WTI	↑ 0.90%	↑ 0.25%	\$80.46pb
NATURAL GAS	↓ 0.37%	↓ 51.89%	\$2.16MMBtu



Oil Prices



- Brent rose 0.18% to \$84.86pb
- WTI up 0.90% to \$80.46pb
- Oil prices gained on expectations of an increase in demand from emerging countries.

Agricultural Commodities

Wheat



Rose 0.37% to \$678.00/bushel, on renewed supply concerns spurred by Russia's threat to reduce grain supply.

Corn



Rose 0.78% to \$648.50/bushel, despite an improved weather outlook in the US

Cocoa



Dropped 0.14% to \$2,866.00/mt, against tight global supply

Sugar



Increased 0.13% to \$23.21/Pound, driven by lower output in India and rising demand.



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Outlook – Oil Prices

- Oil prices are expected to keep rising in the near term as OPEC's recent output cut spurs supply concerns.



Outlook – Agricultural Prices



GRAINS

- Wheat prices are expected to fall as the weather outlook in the US improves.
- Corn prices will remain high as supply concerns persists

SOFTS

- Cocoa prices will begin a downward trend, driven by improved supply prospects in Ivory Coast.
- Sugar prices would surge further due to lower production in India

