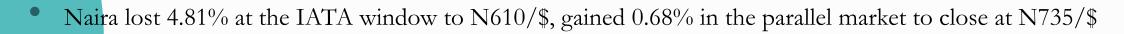
## **Commodities Update**



April 28, 2023



## Burning Economic Issues



- Naira tickets are now 25% more expensive in 2023 at the peak of summer season
- The price of a British Airways one-way economy ticket from Lagos to London is now N920,593 (\$1,509.30)

Brent plunged 2.19% (\$79.00pb) as weak US consumer confidence deepened recessionary fears- Reuters

- LNG lost 4.35% (\$2.20/bushel) despite Australia's plan to extend its price cap on natural gas to 2025- *Bloomberg*
- Cocoa gained 1.13% (\$2,961.00/mmt) on tightening global supply-Reuters

Sugar futures rose 0.19% (\$26.02/pound) as erratic weather conditions in India hindered crop yield-*Reuters* 

Year-to-date, the domestic price of sugar (50kg) has surged by over 35% to N42,000 per bag in April



#### The Downers

#### Impact



- The fall in oil prices below \$80pb will significantly weigh on export earnings which is estimated at \$57.06bn in 2023.
- Falling LNG prices will worsen Nigeria's trade balance and increase fiscal deficit.
- Higher sugar prices will increase the country's import bill and production costs for confectionaries.
- A higher exchange rate will raise the price of naira tickets, discourage the demand for air travel and affect the performance of the aviation industry.

#### The Goodies



- Lower oil prices will reduce the country's subsidy bill.
- Rising cocoa prices will bolster export earnings as well as farmers' income.



### Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change
Garri (50kg) Yellow	N20,000	N20,000	$ \Longleftrightarrow $
Rice (50kg) short grain	N40,000	N38,000	↓
Flour (50kg)	N29,000	N29,000	$ \Longleftrightarrow $
Beans (Oloyin)(50kg)	N56,000	N38,000	
Cement (50kg)	N4,300	N4,300	$ \Longleftrightarrow $
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 (251)	N18,000	N18,000	$ \Longleftrightarrow $	N9,000	N27,500
Semovita (10kg)	N6,800	N6,800	$ \Longleftrightarrow $	N2,800	N6,800
New Yam (medium size)	N1,800	N1,500	<b>I</b>	N400	N2,000
Sugar (50kg)	N35,000	N42,000		N31,000	N42,000



# Dangote Sugar has a **NEW LOOK**



#### **Same Great Quality!**



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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%







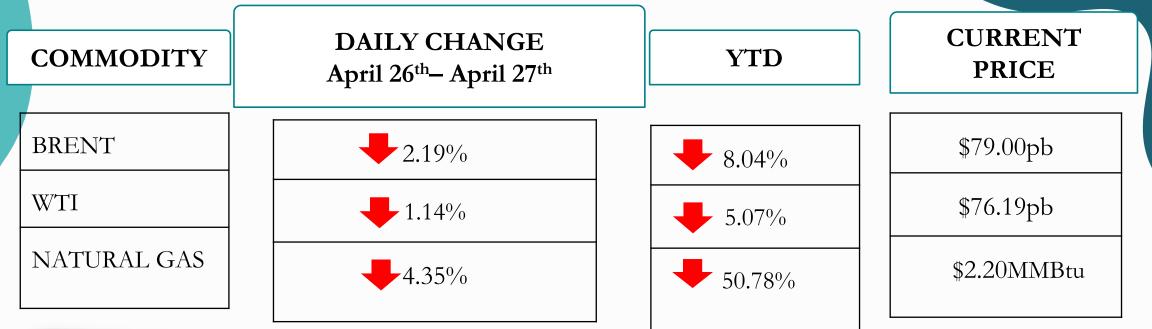
## Stock Market

NSE ASI 10.95% to close at 52,097.62 pts on April 26<sup>th</sup> 2023

	Share Prices ( <del>ℕ</del> )	Daily % Change (April 26 <sup>th</sup> )	YTD (% Change)
Nestle	1043.80	0.00	5.38
Honeywell	2.80	9.80	19.66
Flour Mills	29.70	↔ 0.00 1	4.58
Cadbury	11.20	9.80	5.88
Dangote Sugar	17.20	4.86	14.33
Unilever	12.65	0.00	9.05
Ikeja Hotels	1.65	8.55	57.14



## Oil Markets Today









## Oil Prices



- Brent down 2.19% to \$79.00pb
- WTI fell 1.14% to \$76.19pb
- •Oil prices lost due to renewed banking jitters and fears of an economic slowdown.



## Agricultural Commodities





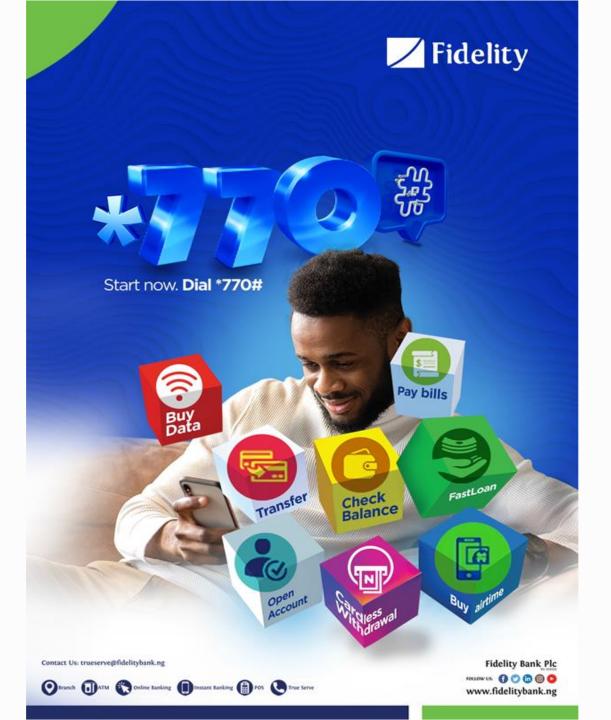




Rose 0.46% to \$656.00/bushel, owing to a weaker US dollar and expectations of a fall in Black Sea supply Down 0.16% to \$606.75/bushel, as rainfall in the US improves production prospects.

Gained 1.13% to \$2,961.00/mmt, driven by tightening global supply as dry weather in Ivory Coast hinders crop yield. Rose 0.19% to \$26.02/Pound, on growing supply concerns owing to adverse weather conditions in top producer, India.



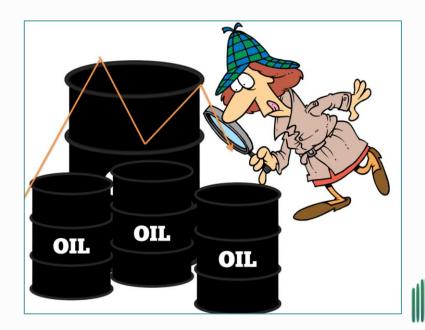




## Outlook — Oil Prices

Oil prices are likely to rise in the coming weeks as China's demand prospects

improves.





Outlook – Agricultural Prices

#### **GRAINS**

- Wheat prices will rise in the near term due to Russia's threat to halt Black Sea supply.
- Corn prices will continue to fall on expectations of record output from the US

- **SOFTS** Adverse weather conditions in top cocoa producer, Ivory Coast, will support cocoa prices further in the near future.
  - Sugar prices would adopt a bullish trend due to tight global supply.



