

COMMODITIES UPDATE



July 13, 2023

Burning Economic Issues

- Brent up by 0.26% (\$80.32pb) as US inflation falls to 3% in June, the lowest inflation rate in 27 months - **Reuters**
- LNG down 0.81% (\$2.71/mmbtu) despite expectations of rise in demand from Europe
- Cocoa prices rise in Nigeria on currency depreciation- **WSJ**
 - Cocoa futures gained 0.33% (\$3,343.00/mt) as heavy rainfall in West Africa heightens supply concerns- **Reuters**
- Wheat futures dropped by 0.91% (\$654.50/bushel) on ample Russian supply- **Reuters**
- Nigeria's naira devaluation lures foreigners back into nation's stocks- **Bloomberg**
- Naira depreciates by 0.37% to close at N803/\$ (I & E window), 0.12% to close at N807/\$ (Parallel market), but traded flat at N776.50/\$ (IATA rate)

The Downers



Impact









- Lower LNG prices will worsen Nigeria's trade balance and fiscal deficit
- Exchange rate devaluation could raise the costs of custom duties further heighten the inflationary pressure

The Goodies







- An increase in oil prices by 0.31% to \$80.36pb will boost Nigeria's oil export earnings above \$57.17bn in 2023
- Rising cocoa prices will raise domestic cocoa production and increase farmers' income
- A fall in wheat prices could reduce import bills and inflationary pressures

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N19,000	N18,000		N16,000	N28,000
Rice (50kg) short grain	N33,000	N37,000		N33,000	N40,000
Flour (50kg)	N30,000	N31,500		N28,500	N29,000
Beans (Oloyin)(50kg)	N35,000	N34,000		N30,000	N56,000
Cement (50kg)	N4,300	N4,700		N4,200	N4,700
Tomatoes (50kg)	N55,000	N70,000		N15,000	N110,000
Pepper (bag)	N20,000	N65,000		N15,000	N65,000
Onions (bag)	N28,000	N45,000		N25,000	N45,000

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l) 	N22,500	N37,500	↑	N22,000	N37,500
Semovita (10kg) 	N6,800	N6,800	↔	N6,700	N6,800
New Yam (medium size) 	N3,500	N6,000	↑	N1,500	N6,000
Sugar (50kg) 	N35,000	N42,000	↑	N31,000	N42,000

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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	0.0%
Indomie (1 carton)	N4,000	N4,100	-2.50%
Gala (big size)	N100	N100	0%





Stock Market

NSE ASI  2.47% to close at 64,046.93 pts on July 12th 2023

	Share Prices (₦)		Daily % Change (July 12 th)		YTD (% Change)
Nestle	1,175.00		2.08		6.82
Honeywell	3.30		5.71		41.03
Flour Mills	34.00		0.00		19.72
Cadbury	16.75		9.95		40.76
Dangote Sugar	27.15		0.73		69.16
Unilever	16.00		5.88		37.93
Ikeja Hotels	2.84		17.92		170.48



Oil Markets Today

COMMODITY	DAILY CHANGE July 12 th – July 13 th	YTD	CURRENT PRICE
BRENT	↑ 0.26%	↓ 6.50%	\$80.32pb
WTI	↑ 0.20%	↓ 5.43%	\$75.90pb
NATURAL GAS	↓ 0.81%	↓ 39.37%	\$2.71MMBtu



Oil Prices



- Brent up 0.26% to \$80.32pb
- WTI gained 0.20% to \$75.90pb
- Oil prices rose due to reduced US inflation and supply cuts from major exporters

Agricultural Commodities

Wheat



Down 0.91% to \$654.50/bushel, owing to ample supply from Russia.

Corn



Rose 0.30% to \$503.00/bushel, driven by expectations of a drop in supply from the US.

Cocoa



Gained 0.33% to \$3,343.00/mt, despite sluggish global demand and bountiful harvest in Brazil.

Sugar



Dwindled 0.60% to \$23.39/pound, against less-than-expected output from top producer, Brazil.



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Outlook – Oil Prices

- Oil prices will remain elevated in the coming weeks owing to output cuts from Russia and Saudi Arabia



Outlook – Agricultural Prices



GRAINS

- Grain prices are likely to trend upwards as uncertainties surrounding the Black Sea export deal persist.

SOFTS

- Cocoa prices will continue to rise in the near term owing to tight supply from the world's top producers.
- Sugar prices is expected to be bullish in the coming weeks due to renewed supply concerns.

