

COMMODITIES UPDATE



August 22, 2023

Burning Economic Issues



- Brent down 0.26% (\$84.24pb) owing to concerns about China's economic recovery- **Reuters**
- LNG surged by 3.84% (\$2.65/mmbtu) on lingering strike concerns in Australia- **Bloomberg**
- Cocoa futures lost 0.35% (\$3,436.00/mt) despite growing supply concerns in West Africa- **Reuters**
- The prices of rice, beans, flour and onions in the country rose in August while that of pepper, tomatoes, and garri fell
- Tanzania's gold export volume rose by 3.9% to 9,531.7kg in Q2'23
- Naira loses its gaining streak, depreciates by 2.84% to N880/\$ at the parallel market



The Downers



- Lower oil prices will reduce Nigeria's oil export earnings and fiscal revenue
- The fall in cocoa prices will lower Nigeria's cocoa export earnings as well as farmers' income
- The sharp depreciation of the naira will worsen the cost of living crisis and increase Nigeria's import bill.

Impact

The Goodies



- The surge in LNG prices will increase the country's gas export earnings and improve its trade balance





Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N26,500	N19,000	↓	N16,000	N28,000
Rice (50kg) short grain	N41,000	N55,000	↑	N33,000	N55,000
Flour (50kg)	N31,500	N35,000	↑	N28,500	N31,500
Beans (Oloyin)(50kg)	N34,000	N36,000	↑	N30,000	N56,000
Cement (50kg)	N4,700	N4,700	↔	N4,200	N4,700
Tomatoes (50kg)	N90,000	N65,000	↓	N15,000	N110,000
Pepper (bag)	N65,000	N40,000	↓	N15,000	N65,000
Onions (bag)	N40,000	N55,000	↑	N25,000	N55,000

- Prices of commodities begin to taper as the harvest season begins

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l)		N37,500	N22,500	↓	N22,000	N37,500
Semovita (10kg)		N6,800	N7,200	↑	N6,700	N7,200
New Yam (3 tubers)		N6,000	N10,500	↑	N3,000	N10,500
Sugar (50kg)		N42,000	N42,000	↔	N31,000	N42,000

Consumer Goods – Current price



Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N250	N250	0%
Heineken beer (60cl)	N630	N650	-3.17%
Bread Loaf	N1000	N1000	0%
Indomie (1 carton)	N4,300	N4,300	0%
Gala (big size)	N150	N150	0%



IT'S TIME TO
CARE
ABOUT
YOUR SALT

Refined, Iodized & Purified



CHOOSE QUALITY, CHOOSE DANGOTE SALT















www.nasconplc.com





Stock Market

NSE ASI  0.74% to close at 64,743.96pts on August 21th 2023

	Share Prices (₹)		Daily % Change (August 21 th)		YTD (% Change)
Nestle	1,170.00		0.00		6.36
Honeywell	3.12		2.50		36.80
Flour Mills	29.50		0.00		3.87
Cadbury	13.80		0.73		15.10
Dangote Sugar	36.00		2.86		118.00
Unilever	14.50		0.00		25.00
Ikeja Hotels	3.13		0.00		198.00



Oil Markets Today

COMMODITY	DAILY CHANGE August 21 st – August 22 nd	YTD	CURRENT PRICE
BRENT	↓ 0.26%	↓ 1.94%	\$84.24pb
WTI	↓ 0.09%	↑ 0.35%	\$80.54pb
NATURAL GAS	↑ 3.84%	↓ 40.98%	\$2.65MMBtu



Oil Prices



- Brent down 1.17% to \$84.24pb
- WTI lost 0.09% to \$80.54pb
- Oil prices fell as China's slow economic recovery weighed on demand prospects

Agricultural Commodities

Wheat



Dropped 1.41% to \$630.00/bushel, despite escalating conflict between Russia and Ukraine

Corn



Increased 0.25% to \$494.25/bushel, as crop conditions in the US worsen

Cocoa



Gained 0.09% to \$3,436.00/mt, driven by crop concerns in West Africa

Sugar



Increased by 0.13% to \$23.79/pound, on forecast of lower production from India

Outlook – Oil Prices

- Oil prices are likely to be influenced by China's efforts in stimulating its growth and US Fed's decision on rates.



Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to remain volatile due to rising tensions between Russia and Ukraine and expectations of increased supply

SOFTS

- Cocoa prices will remain elevated in the near term, buoyed by strong global demand
- Sugar price is likely to remain bullish in the short term as cane production remains subdued

