

COMMODITIES UPDATE



September 5th, 2023

Burning Economic Issues

- FDC projects Nigeria's headline inflation to climb to 25.47% in August 2023, the highest recorded level of inflation in 18 years.
- Diesel price in the country spiked by 23.6% to N890/litre in September
- Naira flat at the parallel market at N920/\$ and appreciates to N800.89/\$ at the I & E window
- Brent up 0.32% (\$88.91pb) on expectations of tighter OPEC+ supply - **Reuters**
- LNG plunged 4.30% (\$2.65/MMBtu) despite supply risks in Europe - **Bloomberg**
- Nigeria to set up a solid minerals corporation to attract investment – **Reuters**
- Soybean exporters in Togo request support from banks amidst sector's slowdown– **WSJ**

The Downers



- A drop in the global price of LNG will lower Nigeria's fiscal revenue and trade balance
- The higher price of diesel in the country will further stoke inflationary pressures and reduce consumer spending
- A rise in Nigeria's inflation rate will worsen the cost of living crisis

Impact

The Goodies







- An increase of 0.32% in the global oil market will have a positive impact on Nigeria's oil revenue and foreign exchange reserves.
- Higher level of investment in the country would boost economic growth and reduce fiscal deficit.

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N19,000	N19,000	↔	N16,000	N28,000
Rice (50kg) short grain	N55,000	N60,000	↑	N33,000	N60,000
Flour (50kg)	N35,000	N38,000	↑	N28,500	N38,000
Beans (Oloyin)(50kg)	N36,000	N38,000	↑	N30,000	N56,000
Cement (50kg)	N4,700	N5,500	↑	N4,200	N5,500
Tomatoes (50kg)	N65,000	N40,000	↓	N15,000	N110,000
Pepper (bag)	N40,000	N35,000	↓	N15,000	N65,000
Onions (bag)	N55,000	N45,000	↓	N25,000	N55,000

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l)		N22,500	N31,000	↑	N22,000	N37,500
Semovita (10kg)		N7,200	N8,000	↑	N6,700	N8,000
New Yam (3 tubers)		N10,500	N12,000	↑	N3,000	N12,000
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%



Driving World-Class Enterprise...

DANGOTE

MOST ADMIRABLE AFRICAN BRAND #1
2018 - 2020

BRAND AFRICA: 100
BRAND LEADERSHIP SA

TOP 50 BRANDS NIGERIA

DANGOTE GROUP

MOST VALUABLE BRAND IN NIGERIA #1
2018 - 2019

2018 ✓
2019 ✓
2020 ✓



Touching the Lives of the People, Empowering Africa.


@DangoteGroup www.dangote.com















Cement | Sugar | Salt | Rice | Oil & Gas | Fertilizer | Petrochemicals | Automotive | Polysacks | Logistics | Real Estate | Maritime | Mining | Energy | Infrastructure





Stock Market

- NSE ASI  0.96% to close at 68,279.14 pts on September 4th 2023 .

	Share Prices (₹)		Daily % Change (September 4 th)		YTD (% Change)
Nestle	1,100.00		0.00		0.00
Honeywell	3.25		1.56		36.80
Flour Mills	32.60		0.00		14.80
Cadbury	13.80		0.00		16.00
Dangote Sugar	66.55		10.00		227.00
Unilever	13.75		1.85		16.4
Ikeja Hotels	3.10		3.33		186.00



Oil Markets Today

COMMODITY	DAILY CHANGE September 4 th – September 5 th	YTD	CURRENT PRICE
BRENT	↑ 0.32%	↑ 3.49%	\$88.91pb
WTI	↑ 0.16%	↑ 6.77%	\$85.69pb
NATURAL GAS	↓ 4.30%	↓ 40.98%	\$2.65MMBtu



Oil Prices



- Brent up 0.32% to \$88.91pb
- WTI up 0.16 to \$85.69pb

Oil prices rose marginally owing to a tight supply outlook from major producers.

Agricultural Commodities

Wheat



Increased by 0.38% to \$597.75/bushel, due to weak global demand

Corn



Rose by 0.26% to \$481.50/bushel, despite expectations of higher crop yields from the US

Cocoa



Decreased 0.91% to \$3,605.00/mt, in spite of tigher global supply.

Sugar



Increased by 2.99% to \$25.81/pound, as unfavourable weather conditions dampen supply outlook.

Outlook – Oil Prices

- Oil prices are expected to remain bullish in the near term owing to prospects of a further supply cut by OPEC+.



Outlook – Agricultural Prices



GRAINS

- Wheat prices will taper due to reduced consumption and an increase in supply.
- Corn prices would sustain an upward trend as dry weather conditions in the US dampen the supply outlook.

SOFTS

- Cocoa prices will likely remain bullish, driven by global supply deficit.
- Sugar price would increase further due to lower output driven by bad weather conditions in India.

