COMMODITIES UPDATE





Burning Economic Issues

- Election tribunal upholds APC's victory
- Brent down 0.43% (\$90.21pb) as demand concerns offset tight supply outlook- *Reuter*s
 - > Diesel prices soar globally buoyed by Saudi Arabia's output reductions- WSJ
- LNG fell 0.77% (\$2.56/MMBtu) due to subdued demand in Europe *Bloomberg*
- Heavy rainfall dampens main cocoa 2023-2024 harvest in Southwest Nigeria WSJ
 - Cocoa futures gained 1.22% (\$3649.00/mmt) driven by tighter global supplies *Reuter*
- Naira depreciates by 0.64% at the parallel market to N927/\$ but appreciates by 0.008% to N799.83/\$ at the I & E window



The Downers



- The decline in oil prices will worsen Nigeria's trade balance and reduce oil export revenue
- Lower LNG prices will reduce Nigeria's export earnings and increase fiscal deficit
- The drop in Nigeria's cocoa yield will threaten farmer's income and fiscal revenue

Impact

The Goodies



 Higher cocoa prices could mitigate the negative effect of lower cocoa production on Nigeria's export earnings



Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High	
Garri (50kg) Yellow	N19,000	N19,000	$ \Longleftrightarrow $	N16,000	N28,000	
Rice (50kg) short grain	N55,000	N60,000	1	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	1	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%









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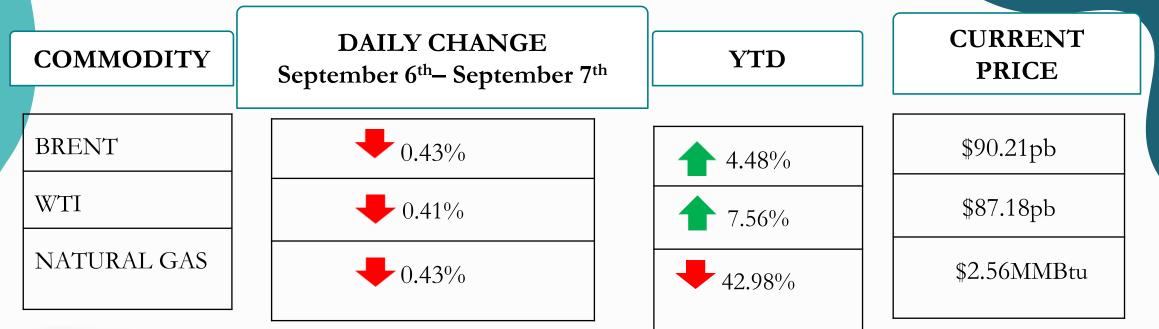
Stock Market

NSE ASI -0.07% to close at 68,334.68 pts on September 6th 2023.

	Share Prices (ℕ)	Daily % Change (September 6 th)	YTD (% Change)
Nestle	1090.00 🕇	0.10	0.91
Honeywell	3.25	0.00	38.9
Flour Mills	31.20	0.20	9.15
Cadbury	14.20	0.40	16.00
Dangote Sugar	66.65	3.35	336.00
Unilever	14.00	0.20	19.00
Ikeja Hotels	2.80	0.00	167.00



Oil Markets Today









Oil Prices

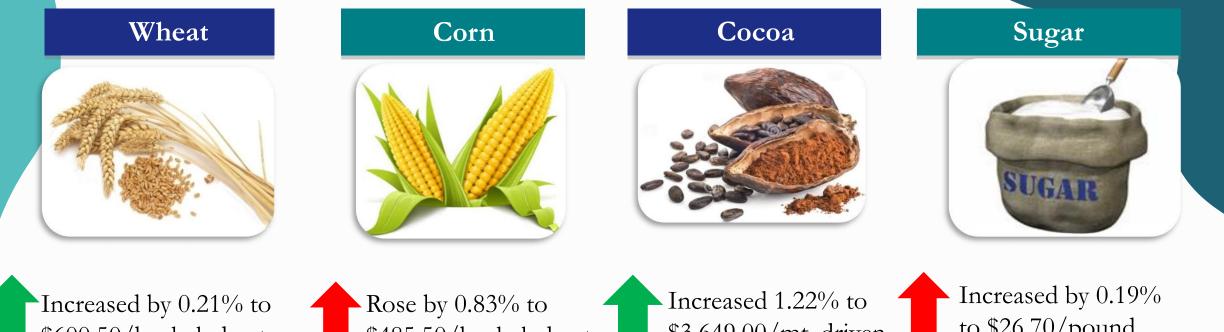


- Brent lost 0.43% to \$90.21pb
- WTI down 0.41% to \$87.18pb

Oil prices down as seasonal slowdown during winter season stoke demand worries.



Agricultural Commodities

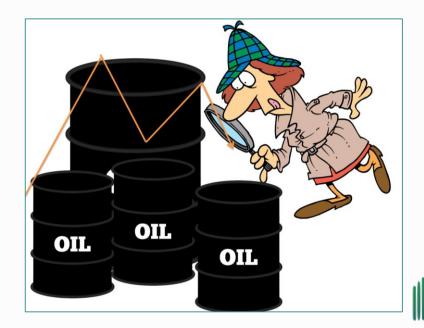


Increased by 0.21% to \$600.50/bushel, due to bad weather conditions affecting supply. Rose by 0.83% to \$485.50/bushel, due to dry weather conditions. Increased 1.22% to \$3,649.00/mt, driven by tighter global supplies. Increased by 0.19% to \$26.70/pound, amid production concerns from India.



Outlook – Oil Prices

- Oil prices are expected to remain bullish as Goldman Sachs forecast oil price to reach
- a high of \$107bp in 2024



Outlook – Agricultural Prices

GRAINS

- Wheat prices will increase due to bad weather conditions affecting its 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 tighter global supplies
 - Sugar price would remain on the increase amid production concerns in India



