COMMODITES UPDATE



September 14th, 2023



Burning Economic Issues



- US headline inflation climbs to 3.7% in August driven by higher energy prices
- Brent up 0.57% (\$92.46pb) on global supply concerns *Reuter*s
- LNG down 0.33% (\$2.73/MMBtu) despite looming labour strike in Australia Bloomberg
- Nigeria's cocoa quality lowered by heavy rainfall WSJ
 - Cocoa futures rose 1.73% (\$3712.00/mmt) on expectations of lower production in Ivory

 Coast
- Naira depreciates by 1.47% and 0.89% to N948/\$ (parallel market) and N807.15/\$ (I
 & E window) respectively





The Downers

Impact

The Goodies





- Lower LNG prices will reduce export earnings
 - 2nd largest export commodity accounts for
 9.24% of total export earnings
- Lower cocoa quality would reduce the attractiveness of cocoa's export and threaten its earnings
- Higher Brent price will increase Nigeria's oil proceeds, bolstering government revenue and foreign exchange earnings
- An increase in cocoa prices will boost non-oil revenue
 - Cocoa is Nigeria's 4th largest non-oil export commodity



Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N19,000	N19,000	\Leftrightarrow	N16,000	N28,000
Rice (50kg) short grain	N55,000	N60,000	1	N33,000	N60,000
Flour (50kg)	N35,000	N38,000	1	N28,500	N38,000
Beans (Oloyin)(50kg)	N36,000	N38,000	1	N30,000	N56,000
Cement (50kg)	N4,700	N5,500	1	N4,200	N5,500
Tomatoes (50kg)	N65,000	N40,000	1	N15,000	N110,000
Pepper (bag)	N40,000	N35,000	1	N15,000	N65,000
Onions (bag)	N55,000	N45,000	1	N25,000	N55,000

- The price of locally produced commodities falling due to the harvest
- Commodities with import content recorded price surge due to currency pressures and rising global food prices

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	1	N6,700	N8,000
New Yam (3 tubers)	N10,500	N12,000	1	N3,000	N12,000
Sugar (50kg)	N42,000	N42,000	\Leftrightarrow	N31,000	N42,000



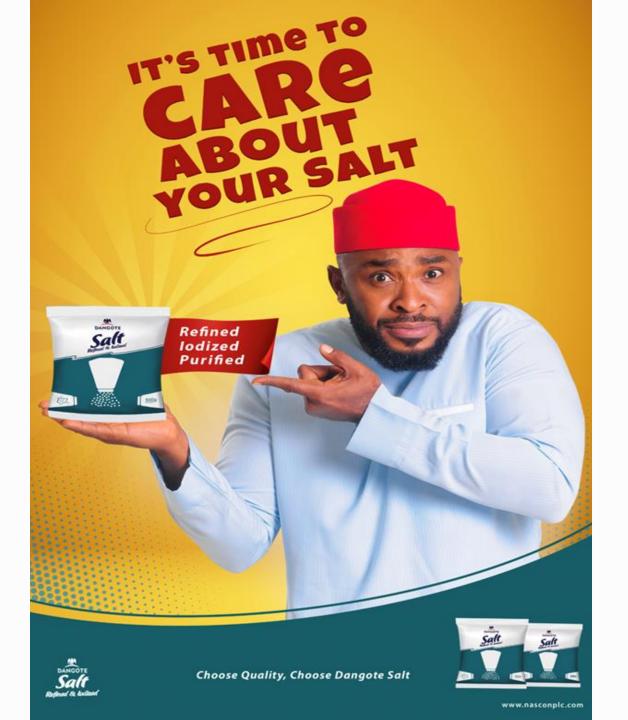
Consumer Goods — Current price



Goods	Street price	Supermarket price	% difference
		price	
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%











Stock Market

NSE ASI \uparrow 0.98% to close at 66,760.20 pts on September 13th 2023.

	Share Prices (N)	Daily % Change (September 13 th)	YTD (% Change)
Nestle	1050.00	0.00	4.55
Honeywell	3.23	0.00	38.00
Flour Mills	32.70	0.00	15.1
Cadbury	15.70	0.00	31.9
Dangote Sugar	57.20	5.20	224.00
Unilever	14.50	0.00	25.00
Ikeja Hotels	3.05	0.00	190.00



Oil Markets Today

COMMODITY

DAILY CHANGE
September 13th – September 14th

YTD

CURRENT PRICE

BRENT

WTI

NATURAL GAS

0.57%

0.64%

1.79%

7.62%

11.01%

39.19%

\$92.46pb

\$89.10pb

\$2.73MMBtu







Oil Prices



- Prent up 0.57% to \$92.46pb
- WTI rose 0.64% to \$89.10pb
- Bullish market sentiment largely due to a tighter supply outlook and OPEC optimism about

a robust global demand growth



Agricultural Commodities

Wheat



* Rose by 1.62% to \$597.00/bushel, despite increased Russian supply and lower global demand.

Corn



• Fell by 087% to \$479.75/bushel due to increased Brazilian supplies

Cocoa



• Increased by
1.73% to
\$3,712.00/mt,
driven by lower
production in
Ivory Coast and
increase in Ghana's
farm gate prices

Sugar



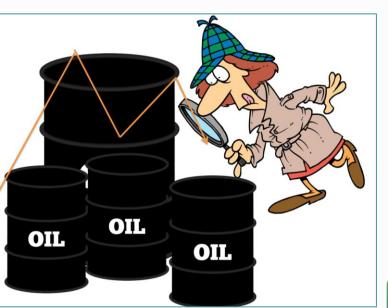
Decreased by

 0.55% to
 \$26.92/pound,
 despite lower
 Indian sugar
 supply



Outlook - Oil Prices

Oil prices to remain above \$90pb in the near term owing to tight global supply





Outlook – Agricultural Prices



GRAINS

- Increased Russian wheat supply and reduced global demand likely to taper wheat prices in the near term
- Corn prices to remain bearish due to increased Brazilian supplies

SOFTS

- Cocoa prices will remain elevated in the near future owing to tight global supply
- Lower Indian sugar output and bad weather conditions in Brazil to keep sugar prices elevated in the near term



