

# COMMODITIES UPDATE



November 21st, 2023

# Burning Economic Issues

- MPC postpones meeting until further notice
- Nigeria stock market closes 0.15% down as investors sentiment weakens due to the suspension of MPC meeting
- Brent declined 0.37% (\$81.83) despite expectations of additional output cuts by OPEC+—***Bloomberg***
- LNG down 1.28% (\$2.92/MMBtu) against cold weather forecast in Europe- ***Reuters***
- Nigeria's cocoa industry seeks a functional cocoa regulatory body
  - Cocoa futures slid 1.14% (\$4061.00/mmt) as supply in top producers Ivory Coast & Ghana increased-  
***Reuters***
- Domestic price of rice spiked by 37% to N59,000 (50kg bag) year to date owing to reduced production in the country
- Naira falls by 0.26% to N1,140/\$ at the parallel market but appreciates by 1.79% to N1,120/\$ at the official window

## The Downers



## Impact

- A fall in LNG price will reduce Nigeria's external reserve and put additional pressure on the naira
- Falling cocoa prices will limit Nigeria's export earnings and farmers income
- Rising price of rice in the country will reduce consumers' disposable income and worsen the cost of living crisis
- Lower investors sentiment will limit foreign inflows to the country and stunt economic growth
- An decrease in Brent price will shrink oil revenue and worsen Nigeria's trade balance

## The Goodies







# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N20,000	N26,000	↑	N16,000	N28,000
Rice (50kg) short grain	N55,000	N59,000	↑	N33,000	N60,000
Flour (50kg)	N39,500	N46,000	↑	N28,500	N46,000
Beans (Oloyin)(50kg)	N30,000	N46,000	↑	N30,000	N56,000
Cement (50kg)	N5,500	N5,700	↑	N4,200	N5,700
Tomatoes (50kg)	N35,000	N50,000	↑	N15,000	N110,000
Pepper (bag)	N35,000	N40,000	↑	N15,000	N65,000
Onions (bag)	N45,000	N125,000	↑	N25,000	N125,000

- *The price of locally produced commodities rise on higher logistics costs*
- *Commodities with import content recorded price surge due to currency pressures*

# Domestic Commodities Price Movement

## Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l) 	N31,000	N30,000	↓	N22,000	N37,500
Semovita (10kg) 	N8,500	N9,800	↑	N6,700	N9,800
New Yam (3 tubers) 	N9,000	N10,500	↑	N3,000	N12,000
Sugar (50kg) 	N42,000	N61,500	↑	N31,000	N61,500

# 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	N1200	-20%
Indomie (1 carton)	N4,300	N4,700	-9.30%
Gala (big size)	N150	N150	0%





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# Stock Market

NSE ASI  0.15% to close at 71,008.7pts on November 20<sup>th</sup> 2023.

	Share Prices (₦)		Daily % Change (November 20 <sup>th</sup> )		YTD (% Change)
Nestle	1050.00		0.00		4.55
Honeywell	3.13		0.00		33.76
Flour Mills	32.00		0.00		12.68
Cadbury	13.80		0.00		15.97
Dangote Sugar	61.00		0.00		280.06
Unilever	14.20		1.79		22.41
Ikeja Hotels	4.72		0.00		349.52





# Oil Markets Today

COMMODITY	DAILY CHANGE November 20 <sup>th</sup> – November 21 <sup>st</sup>	YTD	CURRENT PRICE
BRENT	↓ 0.37%	↓ 4.75%	\$81.83pb
WTI	↑ 2.44%	↓ 3.14%	\$77.74pb
NATURAL GAS	↓ 1.18%	↓ 34.45%	\$2.93MMBtu



# Oil Prices



- Brent futures dropped 0.37% to \$81.83pb
- WTI increased by 2.44% to \$77.74pb
- Oil prices were mixed amid expectations of another supply cut by OPEC+

# Agricultural Commodities

## Wheat



Gained 0.30% to \$577.50/bushel, due to supply concerns stemming from China

## Corn



Corn fell 0.41% to \$483.25/bushel, on forecast of increased rainfall in Brazil

## Cocoa



Down 0.12% to \$4,103.00/mt, due to an increase in supply from top cocoa producer Ivory Coast.

## Sugar



Surged by 0.88% to \$27.42/pound, driven by tight supplies from top cane producers, Thailand & Indian

# Outlook – Oil Prices

- We expect oil prices to rise on expectations of a tighter oil market owing to a possible supply cut by OPEC+



# Outlook – Agricultural Prices



## GRAINS

- Grain prices are likely to drop as increased rainfall in Brazil boosts crop yields

## SOFTS

- Cocoa prices will likely decline further owing to increased production in top cocoa producer, Ivory Coast
- The price of sugar is expected to trend upwards over tight supplies from Thailand and India

