

COMMODITIES UPDATE



December 12th, 2023

Burning Economic Issues

- Brent rose 0.68% (\$76.55pb) ahead of the US inflation data outcome and interest rate decision- **Reuters**
 - Dangote refinery to begin production of automotive gas oil (diesel) and Jet A1 (aviation fuel) in January 2024
- LNG dropped 0.41% (\$2.42/MMBtu) over higher gas exports from the US- **Bloomberg**
 - Impact on Nigeria export revenue will be profound
- Cocoa futures inched higher by 0.07% (\$4,274.00/mt) driven by low crop yields in Ivory Coast and Ghana- **Reuters**
- Sugar fell by 0.73% to (\$23.19/pound) due to improved supplies from top cane producer Brazil- **Reuters**
- Naira plunged by 1.59% at the parallel market (N1,215/\$) and appreciated by 6.54% at the NAFEM window (N1,099.05/\$)
- Nigeria stock market gained 0.18% to close at 71,669.91pts

The Downers



Impact

The Goodies



- Oil accounts for 90% of total exports. Higher oil prices will increase Nigeria's fiscal revenue and improves its external reserves accretion
- Higher cocoa prices will increase Nigeria's trade surplus and bolster farmer's income
- Lower sugar price will reduce the risk of imported inflation and the cost of living





Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N23,000	N19,000	↓	N16,000	N28,000
Rice (50kg) short grain	N59,000	N60,000	↑	N33,000	N60,000
Flour (50kg)	N46,000	N46,000	↔	N28,500	N46,000
Beans (Oloyin)(50kg)	N42,000	N46,000	↑	N30,000	N56,000
Cement (50kg)	N5,700	N5,700	↔	N4,200	N5,700
Tomatoes (50kg)	N29,000	N25,000	↓	N15,000	N110,000
Pepper (bag)	N60,000	N37,000	↓	N15,000	N65,000
Onions (bag)	N115,000	N140,000	↑	N25,000	N140,000

- *Most commodity prices are declining due to increased harvest*

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l)		N30,000	N30,000	↔	N22,000	N37,500
Semovita (10kg)		N9,800	N9,800	↔	N6,700	N9,800
New Yam (3 tubers)		N10,500	N9,000	↓	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  0.18% to close at 71,669.91pts on December 11th 2023.

	Share Prices (₹)		Daily % Change (December 11 th)		YTD (% Change)
Nestle	1150.00		0.00		4.55
Honeywell	3.12		0.32		30.34
Flour Mills	31.75		2.25		11.80
Cadbury	14.60		0.00		22.69
Dangote Sugar	57.40		0.00		257.63
Unilever	14.90		0.00		28.45
Ikeja Hotels	4.62		0.00		340.00



Oil Markets Today

COMMODITY	DAILY CHANGE December 11 th – December 12 th	YTD	CURRENT PRICE
BRENT	↑ 0.68%	↓ 10.90%	\$76.55pb
WTI	↑ 0.77%	↓ 10.45%	\$71.87pb
NATURAL GAS	↓ 0.41%	↓ 45.86%	\$2.42MMBtu



Oil Prices



- Brent futures up by 0.68% to \$76.55pb
- WTI rose by 0.77% to \$71.87pb
- Oil prices surged ahead of the US inflation data and interest rate decision

Agricultural Commodities

Wheat



Declined 1.27% to \$623.75/bushel, on forecast of higher wheat supply from US

Corn



Corn fell 0.31% to \$484.00/bushel, driven by increased production from China

Cocoa



Gained marginally 0.07% to \$4,274.00/mt, due to low crop yield in Ivory Coast and Ghana

Sugar



Fell by 0.73% to \$23.19/pound, following improved cane production in Brazil

Outlook – Oil Prices

- Oil prices could decline in the coming weeks on concerns about excess oil supply



Outlook – Agricultural Prices



GRAINS

- Grain prices are likely to rise in the near term owing to tight supplies from top producers

SOFTS

- Cocoa prices will rise in the coming week driven by poor weather condition and low crop yield from top cocoa producers, Ghana and Ivory Coast
- The price of sugar will decline in near term owing to increased cane production in Brazil

