

# COMMODITIES UPDATE



December 14th, 2023

# Burning Economic Issues

- The Federal Reserve holds the rate unchanged at 5.50% in December, weakening the dollar by 0.83% to 102.89
- Brent rose 0.54% (\$74.66pb) as U.S inventory declined by 4.3 million barrel- **Reuters**
  - 4.42% below the 2024 budget benchmark of \$77.96pb, threatening the fiscal position of the country
- LNG surged 1.41% (\$2.37/MMBtu) against mild winter in Europe and Asia- **Reuters**
- Cocoa futures lost 0.33% (\$4,221.00/mt) despite tight supplies from Ivory Coast and Ghana- **Reuters**
- Corn plunged 1.03% to (\$480.25/bushel) owing to higher than expected production in China- **Reuters**
- Naira plunged by 0.40% at the parallel market (N1,250/\$) and depreciated marginally by 0.08% at the NAFEM window (N1,186./\$)

## The Downers



- Lower cocoa prices will squeeze Nigeria's export revenue and worsen the standard of living of cocoa farmers

## Impact

## The Goodies



- Oil accounts for more than 70% of government revenue and over 90% of Nigeria's foreign exchange. Higher oil prices will improve Nigeria's fiscal revenue and increase foreign exchange earnings
- Lower corn prices will reduce food inflation on corn-based derivatives in Nigeria





# 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%



# Dangote Sugar has a **NEW LOOK**



## Same Great Quality!


















[www.dangotesugar.com.ng](http://www.dangotesugar.com.ng) [facebook.com/dangotesugarefory](https://facebook.com/dangotesugarefory)  
[@dangote\\_sugar](https://twitter.com/dangote_sugar) [dangotesugar](https://instagram.com/dangotesugar) [Dangote Sugar Refinery Plc](https://www.linkedin.com/company/dangote-sugar-refinery-plc) [+DangotesugarNG](https://plus.google.com/+DangotesugarNG)





# Stock Market

- NSE ASI  0.55% to close at 72,299.79pts on December 13th 2023.

	Share Prices (₹)		Daily % Change (December 11 <sup>th</sup> )		YTD (% Change)
Nestle	1150.00		0.00		4.55
Honeywell	3.10		1.31		32.48
Flour Mills	30.30		1.45		6.69
Cadbury	14.60		0.00		22.69
Dangote Sugar	57.05		0.36		255.45
Unilever	14.60		0.3		25.86
Ikeja Hotels	4.35		0.00		314.29





# Oil Markets Today

COMMODITY	DAILY CHANGE December 13 <sup>th</sup> – December 14 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↑ 0.54%	↓ 13.10%	\$74.66pb
WTI	↑ 0.43%	↓ 13.07%	\$69.77pb
NATURAL GAS	↑ 1.41%	↓ 46.98%	\$2.37MMBtu



# Oil Prices



- Brent futures increased by 0.54% to \$74.66pb
- WTI up by 0.54% to \$69.77pb
- Oil prices gained on expectation that the Fed will hold the rate unchanged

# Agricultural Commodities

## Wheat



Declined 1.60% to \$615.50/bushel, over expectation of higher supply in France

## Corn



Corn fell 1.03% to \$480.25/bushel, driven by a bumper harvest from the US

## Cocoa



Lost 0.33% to \$4,221.00/mt, despite tight supplies in Ivory Coast and Ghana

## Sugar



Rose by 0.31% to \$22.66/pound, owing to poor cane production in India

# Outlook – Oil Prices

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



# Outlook – Agricultural Prices



## GRAINS

- Grain prices are expected to fall in the near term owing to improved harvest from the US and France

## SOFTS

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

