




# COMMODITIES UPDATE



December 28th, 2023

# Burning Economic Issues



- FAAC shares N1.78trn December revenue among the three tiers of government
- CBN refutes claims that it is about to acquire distressed banks in Nigeria
- Oil prices stabilize and below \$80pb as Red Sea disruption eases
- Nigeria's Riverside eyes LNG supply deal to South Africa from 2024
  - LNG prices gained 2.62% (\$2.62/MMBtu) due to supply concerns in Russia as the US sanctions Arctic LNG 2– **Reuters**
- Cocoa futures up marginally 0.05% (\$4,285.00/mt) owing to supply concerns in Ivory Coast and Ghana- **Reuters**
- Festive demand continues to push up food prices
- Rice (49%)  Live Turkey (22%)  Tomatoes (9.1%)  (year-on-year )
- Naira gained at the parallel market by 0.32% (N1,215/\$) and appreciated by 2.78% at the NAFEM window (N885.88/\$)
- Nigeria stock market lost 0.34% (7,3768.64pts) after Xmas rally



## The Downers



## Impact

## The Goodies



- Oil accounts for more than 70% of government revenue and over 90% of Nigeria's foreign exchange. Higher oil prices will increase Nigeria's fiscal revenue and expand the country's external reserves
- A higher LNG price will increase foreign exchange earnings and lessen the pressure on the Naira
- A fall in the global price of wheat will reduce Nigeria's import bill and ease food inflation on wheat derivatives
- Higher cocoa prices will bolster Nigeria's export revenue and improve the standard of living of cocoa farmers





# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N19,000	N23,000	↑	N16,000	N28,000
Rice (50kg) long grain	N67,000	N70,000	↑	N33,000	N70,000
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)	N25,000	N20,000	↓	N15,000	N110,000
Pepper (bag)	N60,000	N37,000	↓	N15,000	N65,000
Onions (bag)	N115,000	N140,000	↑	N25,000	N140,000

- *Festive-induced demand are driving up food prices*

# 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%



IT'S TIME TO  
**CARE**  
**ABOUT**  
**YOUR SALT**

*Refined, Iodized & Purified*



**CHOOSE QUALITY, CHOOSE DANGOTE SALT**















[www.nasconplc.com](http://www.nasconplc.com)





# Stock Market

- NSE ASI  0.34% to close at 73,768.64pts on December 27th 2023.

	Share Prices (₦)		Daily % Change (December 27 <sup>th</sup> )		YTD (% Change)
Nestle	1100.00		2.65		0.00
Honeywell	3.27		2.15		39.74
Flour Mills	34.00		1.49		19.72
Cadbury	17.50		0.00		47.06
Dangote Sugar	56.70		1.31		253.27
Unilever	14.85		0.00		28.02
Ikeja Hotels	5.00		2.04		376.19





# Oil Markets Today

COMMODITY	DAILY CHANGE December 27 <sup>th</sup> – December 28 <sup>th</sup>	YTD	CURRENT PRICE
BRENT	↑ 0.23%	↓ 7.08%	\$79.83.70pb
WTI	↑ 0.07%	↓ 7.60%	\$74.16pb
NATURAL GAS	↑ 2.71%	↓ 41.39%	\$2.62MMBtu



# Oil Prices



- Brent Increased by 0.23% to \$79.83pb
- WTI gained by 0.07% to \$74.16pb
- Oil prices ticked up, owing to Red Sea transport disruption

# Agricultural Commodities

## Wheat



Declined 1.21% to \$628.50/bushel, due to ample supplies from Russia

## Corn



Corn lost 0.31% to \$478.75/bushel, on favorable weather forecast and falling oil prices

## Cocoa



Climbed 0.47% to \$4,285.00/mt, owing to supply concerns from Ivory Coast and Ghana

## Sugar



Fell by 1.66% to \$20.19/pound, driven by large output from Brazil

# Outlook – Oil Prices

- Oil prices will likely improve in the coming days as supplies in the Red Sea are disrupted



# Outlook – Agricultural Prices



## GRAINS

- Grain prices are expected to fall in the near term, driven by improved supplies from Russia and Brazil

## SOFTS

- Cocoa prices will rise in the coming week due to lower crop yield from top cocoa producers, Ghana and Ivory Coast
- The price of sugar will fall in the near term owing to high production from Brazil

