

COMMODITIES UPDATE



January 16th, 2024

Burning Economic Issues

- Nigerian headline inflation surges to a 27-year high of 28.92% in December
 - Money supply growth (M3) ▲ 39.33% (N72.01trn), Diesel price ▲ 68.75% (N1,080/litre)
- Naira falls sharply in the forex market as T/Bill stop rates crash to 8.4% p.a (1 year)
- Brent falls to budget benchmark level of \$77.96pb
- LNG plunged 9.15% (\$3.01/MMBtu), due to ample supplies as industrial demand remained sluggish- **Reuters**
- Cocoa futures gained 1.15% (\$4,323.00/mt), owing to tight supply from top cocoa producer, Ivory Coast-**Reuters**
 - Nigeria's mid-crop cocoa harvest for the 2023-2024 season delayed to May
- Wheat futures dropped 1.28% (\$596.00/bushel) as global supplies recovered from a multi-year low- **Reuters**
 - Ethiopia wheat import forecast climbed by 67% for 2023-2024 market year

NSE gained 1.92% to close at 84,640.89pts from 83,042.96pts on January 12

The Downers



- Oil prices below the budget benchmark will exacerbate fiscal pressures
- A fall in the LNG price will decrease foreign exchange earnings and fuel the pressure on the Naira
- Oil prices below the budget benchmark will exacerbate fiscal pressures

Impact

The Goodies







- A rise in the price of cocoa will increase foreign exchange revenue and elevate the standard of living of farmers.
- A fall in the global price of wheat will reduce import bill and ease the cost of living crisis

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N23,000	N20,000	13.04	↓	N16,000	N28,000
Rice (50kg) long grain	N60,000	N70,000	16.67	↑	N33,000	N70,000
Flour (50kg)	N46,000	N43,000	6.52	↓	N28,500	N46,000
Beans (Oloyin)(50kg)	N50,000	N50,000	0.00	↔	N30,000	N56,000
Cement (50kg)	N5,700	N5,700	0.00	↔	N4,200	N5,700
Tomatoes (50kg)	N25,000	N20,000	20.00	↓	N15,000	N110,000
Pepper (bag)	N37,000	N30,000	18.92	↓	N15,000	N65,000
Onions (bag)	N140,000	N85,000	39.29	↓	N25,000	N140,000

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l)		N30,000	N28,000	↓	N22,000	N37,500
Semovita (10kg)		N9,800	N9,800	↔	N6,700	N9,800
New Yam (3 tubers)		N9,000	N7,500	↓	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  1.92% to close at 84,640.89pts on January 15th 2024.

	Share Prices (₦)		Daily % Change (January 15th)		YTD (% Change)
Nestle	1100.00		0.00		8.73
Honeywell	3.32		3.09		20.48
Flour Mills	33.10		7.89		24.05
Cadbury	16.90		9.98		39.21
Dangote Sugar	63.25		8.50		29.82
Unilever	14.90		1.37		25.00
Ikeja Hotels	7.26		6.27		52.50



Oil Markets Today

COMMODITY	DAILY CHANGE January 15th – January 16th	YTD	CURRENT PRICE
BRENT	↓ 0.31%	↑ 0.24%	\$77.91pb
WTI	↓ 0.59%	↑ 0.01%	\$72.25pb
NATURAL GAS	↓ 9.15%	↑ 19.44%	\$3.01MMBtu



Oil Prices



- Brent down by 0.24% to \$77.91pb
- WTI slipped by 0.01% to \$72.25pb
- Oil prices lost despite Middle East tension

Agricultural Commodities

Wheat



Down 1.28% to \$596.00/bushel, due to ample supplies and sluggish US demand

Corn



Corn fell 2.35% to \$447.00/bushel, owing to increase in US stock inventories

Cocoa



Increased 1.15% to \$4,323.00/mt, driven by tight supplies in Ivory Coast

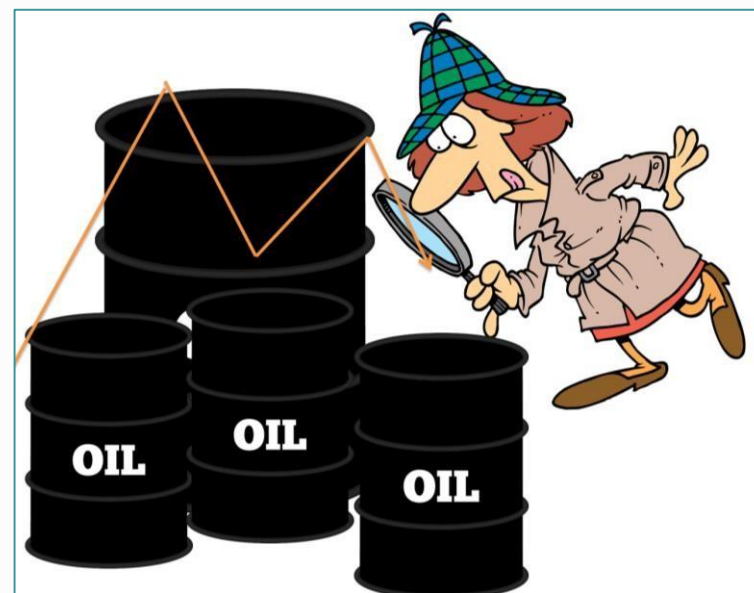
Sugar



Decreased by 0.69% to \$21.61/pound, on forecast of large output in top producing region, Brazil

Outlook – Oil Prices

- Oil prices are to be elevated in the near term due to heightened tension in the Middle East



Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to decline in the near time on robust global supplies

SOFTS

- Cocoa prices will remain bullish in the coming week owing to tighter supplies from top cocoa producers, Ivory Coast and Ghana
- The price of sugar will fall on large cane output in Brazil

