# COMMODITES UPDATE





## Burning Economic Issues



- Nigeria braces for jumbo rate increase as MPC meeting holds in February- Bloomnerg
  - > 350-500 basis points increase in rates expected
  - Naira appreciates slightly but remains under pressure (N1,352/\$)
- Dangote refinery to commence production next week, 33 million litres of initial supply
  - $\geq$  70% evacuation of diesel by marine vessels
  - No traffic congestion on Lekki expressway
- Brent rose 0.17% (\$80.20pb) on supply concerns from Middle East tension and the U.S- *Reuters*
- Domestic commodity prices fall marginally. Flour 6.52%(N43,000) Tomatoes 20%(N20,000) Palm oil 6.67%(N28,000)
- NGX at N52.41trn market capitalization, clearly an asset bubble awaiting a correction



#### **The Downers**





#### **The Goodies**



- Asset bubble embodies systemic risks, a burst could make people lose their shirts
- Faltering LNG prices could heighten Nigeria's fiscal imbalances.
- Commencement of Dangote refinery could reduce pressure on forex and strengthen the naira
- A Stronger naira will support moderation in inflationary pressures
- Dangote refinery will guarantee a stable supply of petroleum products



# Domestic Commodities Price Movement

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Commodities	Previous	Curren	%	Directional	Year Low	Year High
	Month	t	change	Change		
	Prices	Prices				
Garri (50kg) Yellow	N23,000	N20,000	13.04	1	N16,000	N28,000
Rice (50kg) long grain	N60,000	N70,000	16.67	1	N33,000	N70,000
Flour (50kg)	N46,000	N43,000	6.52	1	N28,500	N46,000
Beans (Oloyin)(50kg)	N50,000	N50,000	0.00	$\Leftrightarrow$	N30,000	N56,000
Cement (50kg)	N5,700	N5,700	0.00	$\leftrightarrow$	N4,200	N5,700
Tomatoes (50kg)	N25,000	N20,000	20.00	•	N15,000	N110,000
Pepper (bag)	N37,000	N30,000	18.92	1	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	1	N22,000	N37,500
Semovita (10kg)	N9,800	N9,800	$\Leftrightarrow$	N6,700	N9,800
New Yam (3 tubers)	N9,000	N7,500	1	N3,000	N12,000
Sugar (50kg)	N42,000	N61,500	1	N31,000	N61,500



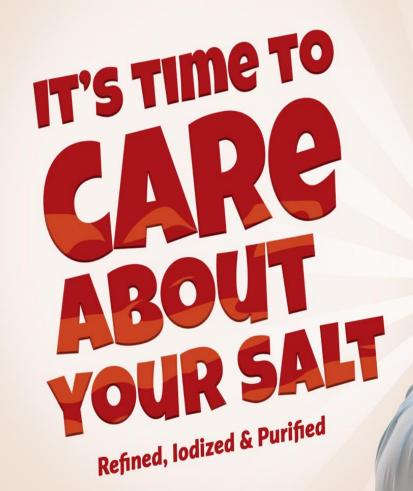
# Consumer Goods — Current price



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%













## Stock Market

NSE ASI 1.30% to close at 95,768.12pts on January 22<sup>nd</sup>, 2024.

	Share Price (₩)	es	Daily % Change (January 17th)	YTD (% Change)
Nestle	1110.00	+	7.19	0.91
Honeywell	3.32		3.93	83.13
Flour Mills	33.10	•	10.00	27.99
Cadbury	16.90	-	10.00	37.37
Dangote Sugar	63.25	•	1.25	38.60
Unilever	14.90		7.96	46.62
Ikeja Hotels	7.26		3.51	32.83



# Oil Markets Today

#### **COMMODITY**

DAILY CHANGE
January 22nd – January 23rd

**YTD** 

CURRENT PRICE

**BRENT** 

WTI

NATURAL GAS

0.17%

2.42%

**1.**03%

3.45%

2.29%

4.76%

\$80.20pb

\$75.19pb

\$2.39MMBtu







### Oil Prices



- Brent up by 0.17% to \$80.20pb
- WTI rose by 2.42% to \$75.19pb
- Oil prices gained on supply concerns from Middle East tension



## Outlook — Oil Prices

Oil prices are likely to rise on tight supply from Middle East tension





# Agricultural Commodities

#### Wheat



Rose 0.34% to \$595.25/bushel, over shipment concerns due to unfavourable weather

#### Corn



Corn fell 0.11% to \$445.00/bushel, on expectations of improved crop in top exporter, Brazil and Argentina

#### Cocoa



Lost 0.74% to \$4,549.00/mt, driven by expectation of lower demand

#### Sugar



Slipped by 0.39% to \$23.49/pound, due to lower cane production in Asia, India and Thailand



# Outlook – Agricultural Prices



#### **GRAINS**

• Grain prices are expected to fall on ample global supply

### 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 increase due to lower cane production in India and Thailand



