

COMMODITIES UPDATE



January 23rd, 2024

Burning Economic Issues

- Nigeria braces for jumbo rate increase as MPC meeting holds in February- Bloomberg

- 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

- 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



- Asset bubble embodies systemic risks, a burst could make people lose their shirts
- Faltering LNG prices could heighten Nigeria's fiscal imbalances.

Impact

The Goodies







- 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

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  1.30% to close at 95,768.12pts on January 22nd, 2024.

	Share Prices (₦)		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	↑ 0.17%	↑ 3.45%	\$80.20pb
WTI	↑ 2.42%	↑ 2.29%	\$75.19pb
NATURAL GAS	↓ 1.03%	↓ 4.76%	\$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

