

COMMODITIES UPDATE



January 30th, 2024

Burning Economic Issues

- Brent gained 0.50% (\$82.81pb) on escalation of tension in the Middle East- **Reuters**
- LNG plunged 8.19% (\$2.49/MMBtu) driven by high gas production in top exporters, the U.S and Qatar- **Reuters**
- Cocoa rose 0.43% (\$4675.00/bushel) due to tight global supply in top producing country, Ivory Coast- **Reuters**
 - Cocoa production in Nigeria seen hit by strong harmattan winds- **WSJ**
- Naira closes at N1,470/\$ as CBN vows to clear FX backlog, injects \$500m in to the FX market
- Ghana cuts interest rate by 100 basis points
 - Ghana inflation decelerated to 23.2% in December from a high of 53.6% a year ago
- NSE gained 39.99% in January, a classical example of an asset bubble, market correction is imminent.
- Domestic commodity prices. Rice(50kg) ↓10%(N66,000), Pepper(bag) ↑8.11%(N40,000), Onions ↓50.00%(N70,000)

The Downers



Impact









- Depreciation of the naira could bolster inflationary pressure

The Goodies







- A rise in oil price will increase government revenue and improve foreign reserve
- An increase in cocoa will boost farmers revenue and standard of living
- Moderation in food prices could support slowdown in inflationary pressure

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	N66,000	10.00		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	N40,000	8.11		N15,000	N65,000
Onions (bag)	N140,000	N70,000	50.00		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  2.22% to close at 104,674.67pts on January 29th, 2024.

	Share Prices (₦)		Daily % Change (January 17th)		YTD (% Change)
Nestle	1090.00		0.91		0.91
Honeywell	4.91		2.24		44.58
Flour Mills	43.95		0.00		32.98
Cadbury	20.70		9.80		8.95
Dangote Sugar	82.65		0.00		45.00
Unilever	20.00		4.53		35.14
Ikeja Hotels	6.75		10.00		12.50



Oil Markets Today

COMMODITY	DAILY CHANGE January 29th – January 30th	YTD	CURRENT PRICE
BRENT	↑ 0.50%	↑ 5.78%	\$82.81pb
WTI	↑ 0.64%	↑ 6.12%	\$77.27pb
NATURAL GAS	↓ 8.19%	↓ 0.40%	\$2.49MMBtu



Oil Prices



- Brent up by 0.50% to \$82.81pb
- WTI rose by 0.64% to \$77.27pb
- Oil prices gained on lingering escalation of tension in the Middle East

Outlook – Oil Prices

- Oil prices will remain bullish on tight supply from Middle East tension



Agricultural Commodities

Wheat



Fell 1.58% to
\$589.25/bushel, on
global slowing demand

Corn



Corn lost 0.90% to
\$440.00/bushel, due to
prospects of improved
corn crops in Argentina

Cocoa



Climbed 1.02% to
\$4,672.00/mt, on
tight supplies from
top cocoa grower,
Ivory Coast

Sugar



Gained by 0.63% to
\$23.92/pound,
driven by tight
supplies that
Indian sugar ban
will be maintained

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to fall on global slower demand and improved corn crops in Argentina

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 tight supply in India

