COMODITES UPDATE





Burning Economic Issues

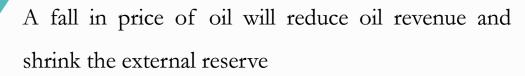
- Nigeria forex market goes into convergence mode
- Official and parallel rate gap (N1) narrows sharply, N1,531 at the spot, N1,530 (parallel) market
- CBN bares its fangs on banks net open position limit- 20% of shareholders' funds
- Brent down 1.40% to \$81.71pb on fears of chilly weather
- Stock market goes into correction as the new year rally stumbles, losing 3.39% in 2 days
- Domestic commodity prices spike on naira devaluation fears, Flour 12.17% (N47,000), Sugar

66.67%(N70,000), Semovita 12.24%(N11,000)



The Downers

Impact



- The worsening currency will result in imported inflation and erode the purchasing power of consumers
- IMF downgrades Nigeria and Sub Sahara Africa growth prospects to 3% and 3.8% respectively in 2024







Domestic Commodities Price Movement

Commodities	Previous Month Prices	Curren t Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N23,000	N20,000	13.04	Ļ	N16,000	N28,000
Rice (50kg) long grain	N60,000	N70,000	16.67		N33,000	N70,000
Flour (50kg)	N46,000	N47,000	2.17		N28,500	N46,000
Beans (Oloyin)(50kg)	N50,000	N50,000	0.00	$ \longleftrightarrow $	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	↓	N15,000	N65,000
Onions (bag)	N140,000	N85,000	39.29		N25,000	N140,000



Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previo	Current	% change	Directional	Year Low	Year High
	us	Prices		Change		
	Month					
	Prices					
Palm Oil (251)	N30,000	N28,000	6.67	-	N22,000	N37,500
Semovita (10kg)	N9,800	N11,000	12.24		N6,700	N9,800
New Yam (3 tubers)	N9,000	N7,500	16.67	Ļ	N3,000	N12,000
Sugar (50kg)	N42,000	N70,000	66.67		N31,000	N61,500

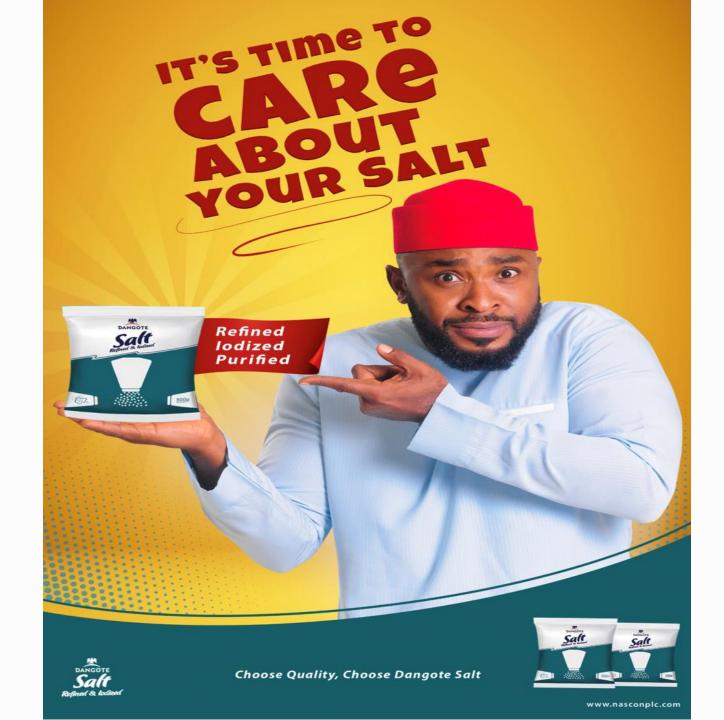


Consumer Goods – Current price

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%









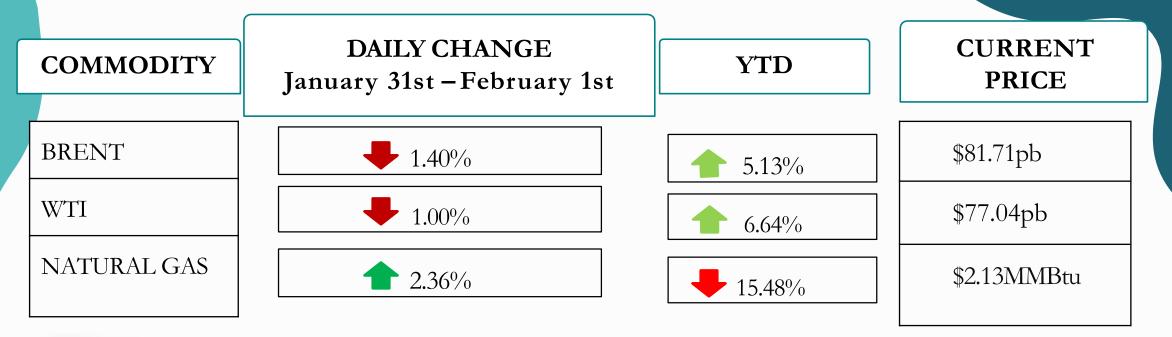
Stock Market

NSE ASI + 1.90% to close at 101,154.45pts on January 31st, 2024.

	Share Price (N)	es	Daily % Change (January 17th)	e YTD (% Change)
Nestle	1090.00	\Leftrightarrow	0.00	1 0.91
Honeywell	3.95	ł	9.20	18.98
Flour Mills	39.00	÷	2.50	18.00
Cadbury	17.30	+	7.24	8.95
Dangote Sugar	67.90	I	8.98	19.12
Unilever	18.65		0.00	26.01
Ikeja Hotels	6.25		0.00	4.17



Oil Markets Today









Oil Prices

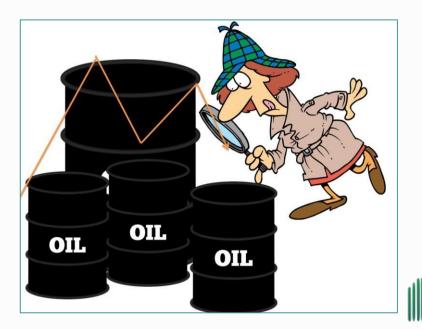


- Brent down by 1.40% to \$81.71pb
- WTI fell by 1.00% to \$77.04pb
- •Oil prices lost on China's economic activity and chilly weather



Outlook – Oil Prices

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



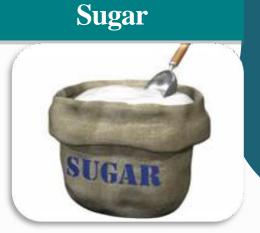


Agricultural Commodities









Down 1.03% to \$599.25/bushel, on ample supply in the U.S Corn slid 0.34% to \$446.25/bushel, over prospects of improved crop yield in Brazil and Argentina

Gained 0.54% to \$4,831.00/mt, driven by tight supply from top cocoa grower, Ivory Coast Ticked up by 0.29% to \$23.98/pound, due to weaker dollar



Outlook – Agricultural Prices

GRAINS

Grain prices are expected to fall on ample global supply

SOFTS

- Cocoa prices will remain bullish in the near term, owing to tighter supplies from top cocoa producers, Ivory Coast and Ghana
- The price of sugar will fall in the coming weak due to sharp increase in Brazil's sugar production



