




COMMODITIES UPDATE



February 15th,
2024

Burning Economic Issues

- CBN board and MPC reconstituted, awaiting Senate confirmation
- MPC is scheduled to meet on February 26 and 27
- Naira crashes at the parallel market to N1,600/\$ and N2,000/GBP at the parallel market
- Brent dipped 0.36% (\$81.31pb), driven by a larger-than-expected jump in U.S. crude inventories- *Reuters*
- Inflation data to be released today, forecasts are approximately 30%
- Domestic commodity prices spike on exchange rate depreciation; Eggs (1 crate)  35.71%(N3,500), Rice (50kg) 
(N77,000), Diesel  28.57%(N1,350)



The Downers



Impact

- A decrease in global oil prices will shrink government oil revenue and worsen fiscal balance
- A 30% forecast for January inflation is 8.6% above CBN forecast of 21.4% for 2024, this will erode purchasing power of consumers and put pressure on exchange rate

The Goodies







- The CBN meeting on February 26 and 27 will likely raise interest rate which will moderate inflation

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N20,000	N25,000	25.00	↑	N16,000	N28,000
Rice (50kg) long grain	N70,000	N77,000	10.00	↑	N33,000	N70,000
Flour (50kg)	N46,000	N47,000	2.17	↑	N28,500	N46,000
Beans (Oloyin)(50kg)	N50,000	N68,000	36.00	↑	N30,000	N56,000
Cement (50kg)	N5,700	N9,500	66.67	↑	N4,200	N9,500
Tomatoes (50kg)	N20,000	N25,000	25.00	↑	N15,000	N110,000
Pepper (bag)	N30,000	N60,000	100.00	↑	N15,000	N65,000
Onions (bag)	N85,000	N45,000	47.06	↓	N25,000	N140,000
Plantain Bunch	N2,000	N3,500	75.00	↑		

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (5l)	N5,500	N5,300	3.64	↓	N22,000	N37,500
Semovita (10kg) 	N9,800	N11,000	12.24	↑	N6,700	N9,800
New Yam (3 tubers) 	N7,500	N9,000	20.00	↑	N3,000	N12,000
Sugar (50kg) 	N42,000	N70,000	66.67	↑	N31,000	N61,500
Wheat flour (10kg) 	N7,800	N9,000	15.38	↑		
Eggs (1 crate)	N2,800	N3,800	35.71	↑		

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)	N5,300	N7,200	-35.85%
Gala (big size)	N150	N150	0%



IT'S TIME TO
CARE
ABOUT
YOUR SALT

Refined, Iodized & Purified

















CHOOSE QUALITY, CHOOSE DANGOTE SALT

www.nasconplc.com



Stock Market

- NSE ASI  1.76% to close at 103,498.28pts on February 14th, 2024.

	Share Prices (₦)		Daily % Change (February 14th)		YTD (% Change)
Nestle	1100.00		0.00		0.00
Honeywell	4.32		7.41		20.48
Flour Mills	40.00		2.50		18.00
Cadbury	21.9		0.00		15.26
Dangote Sugar	72.9		0.00		27.89
Unilever	18.9		5.56		20.61
Ikeja Hotels	7.50		0.00		25.00



Oil Markets Today

COMMODITY	DAILY CHANGE February 14th – February 15th	YTD	CURRENT PRICE
BRENT	↓ 0.36%	↑ 4.62%	\$81.31pb
WTI	↓ 0.40%	↑ 5.62%	\$76.33pb
NATURAL GAS	↑ 0.63%	↓ 35.71%	\$1.62/MMBtu



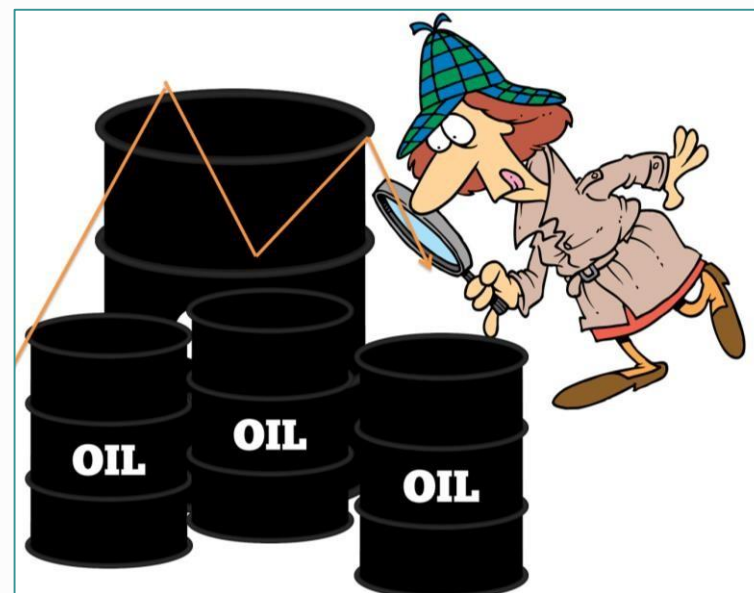
Oil Prices



- Brent down by 0.36% to \$81.31pb
- WTI rose by 0.40% to \$76.33pb
- Oil prices gained on a larger-than-expected jump in U.S. crude inventories

Outlook – Oil Prices

- Oil prices are likely to remain bullish in near term driven by lingering Middle East tension



Agricultural Commodities

Wheat



Dropped 2.30% to \$583.25/bushel, driven by declining Russian grain prices

Corn



Lost 0.52% to \$431.25/bushel, on improved South America crop prospects

Cocoa



Decreased 0.74% to \$5,634.00/mt, despite lower cocoa production in world's largest producer, Ivory Coast

Sugar



Lost by 1.99% to \$22.17/pound, attributed to a stronger dollar

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to fall on improved weather in South America crop and supported by declining Russian grain prices

SOFTS

- Cocoa prices will remain elevated in the near term, on lower cocoa production in Ivory Coast.
- The price of sugar will fall in the coming week due to sharp increase in Brazil's sugar production

