

COMMODITIES UPDATE



March 5th, 2024

Burning Economic Issues



- Naira recovered on intraday trading to N1,595/\$ after testing a low of N1,640 as BDCs deal with excess demand
- Brent lost 0.50% (\$82.39pb), fueled by signs of macroeconomic weakness of biggest importer, China- **Bloomberg**
- LNG surged 7.68% (\$1.98/mmbtu) as major gas producer EQT Corp. cut output- **Bloomberg**
- Cocoa climbed 2.47% (\$6,483.00/mt) on concerns about supply shortages from Ivory Coast and Ghana- **Reuters**
- The price of diesel falls to N1,450/litre down from N1,600/litre
- Domestic commodity prices spike on exchange rate depreciation;
 - Egg (1 crate) 18.42%(N4,500), Rice (50kg) 10% (N78,000), Noodles (70g) 38.89%(N10,000),
Sugar (50kg) 102.38% (N85,000), Flour (50kg) 30.43% (N60,000)



The Downers



Impact

- Increase in commodity food prices will cause more hardship on the populace and fuel the cost of living crisis
- An decrease in oil prices will reduce foreign earnings and shrink the external reserve.

The Goodies







- An appreciation of the naira will boost purchasing power, reduce import costs, and moderate inflation.
- An increase in the price of cocoa will increase cocoa farmer's profit and standard of living.

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N20,000	N33,000	65.00	↑	N16,000	N33,000
Rice (50kg) long grain	N70,000	N78,000	10.00	↑	N33,000	N78,000
Flour (50kg)	N46,000	N60,000	30.43	↑	N28,500	N52,000
Beans (Oloyin)(50kg)	N50,000	N75,000	50.00	↑	N30,000	N75,000
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	N85,000	102.38	↑	N31,000	N85,000
Wheat flour (10kg) 	N7,800	N9,000	15.38	↑		N9,000
Eggs (1 crate)	N3,800	N4,500	18.42	↑		N3,800

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)	N10,000	N10,400	-4%
Gala (big size)	N150	N150	0%



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Stock Market

- NSE ASI  5.44% to close at 98847.89pts on March 5th, 2024.

	Share Prices (₦)		Daily % Change (February 26th)		YTD (% Change)
Nestle	900.00		0.00		18.18
Honeywell	3.65		0.80		9.94
Flour Mills	31.25		0.00		5.45
Cadbury	19.00		0.00		0.00
Dangote Sugar	53.10		0.00		3.68
Unilever	15.10		0.66		2.03
Ikeja Hotels	7.50		0.00		25.00



Oil Markets Today

COMMODITY	DAILY CHANGE March 4th – March 5th	YTD	CURRENT PRICE
BRENT	↓ 0.50%	↑ 7.80%	\$82.39pb
WTI	↓ 0.65%	↑ 10.84%	\$78.23pb
NATURAL GAS	↑ 7.68%	↓ 21.43%	\$1.98/MMBtu



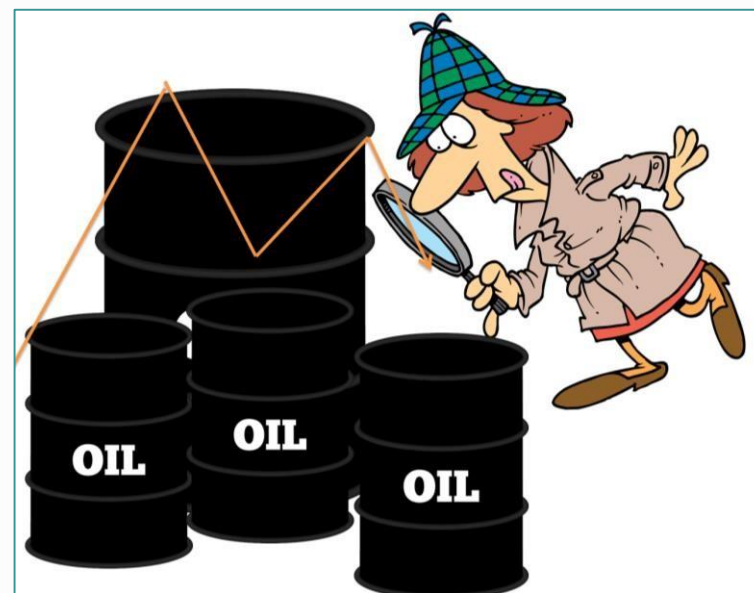
Oil Prices



- Brent rose by 0.50% to \$82.39pb
- WTI up by 0.65% to \$78.23pb
- Oil prices lost on signs of macroeconomic weakness of biggest importer, China

Outlook – Oil Prices

- Oil prices are likely to remain bullish in near term driven by OPEC+ extending supply cuts to second quarter.



Agricultural Commodities

Wheat



Dropped 0.22% to \$556.50/bushel, on ample supply in Russia

Corn



Rose 0.53% to \$427.00/bushel, due to high demand in China and Ukraine's low export.

Cocoa



Gained 2.15% to \$6,463.00/mt, driven by tight supplies from Ivory Coast and Ghana

Sugar



Rose by 0.05% to \$21.10/pound, driven by low output in India

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to decrease on ample global supplies and Russia's falling export prices

SOFTS

- Cocoa prices is expected to remain elevated on tight supply from Ivory Coast and Ghana
- The price of sugar will rise in the short term due to low output in India

