

COMMODITIES UPDATE



March 19th, 2024

Burning Economic Issues

- Brent gained 0.89% (\$86.10pb), owing to Iran's reduction in exports by 3.3 million barrels per day - **Reuters**
- Cocoa climbed to a record high of \$8,069.00/mt due to poor crop yields in Ivory Coast and Ghana-**Reuters**
 - Rose by 88.75% (YTD) to \$8,069.00/mt, Nigeria's export revenue to exceed N2tn
- Global grain forecast trimmed as corn harvest prospects worsened- **WSJ**
- Naira stabilizes, appreciates by 0.94% to N1,590/\$ at the parallel market
 - MPC expected to raise interest rates by 100-150 basis points next week
- Nigeria's stock market loses 0.40% to close at 104,663.34pts, correction expected to accelerate



The Downers



Impact

- A lower expectation of global grain output will increase the domestic price of grains and exacerbate inflationary pressures

The Goodies






- An increase in oil prices will boost the government's oil revenue and foreign exchange reserves.
- A gain in cocoa prices will increase the government's export revenue and increase farmer's profit.
- The stability of the naira will foster confidence among investors, businesses, and consumers.

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N30,000	N32,000	6.67	↑	N16,000	N33,000
Rice (50kg) long grain	N80,000	N95,000	18.75	↑	N33,000	N95,000
Flour (50kg)	N46,000	N60,000	30.43	↑	N28,500	N60,000
Beans (Oloyin)(50kg)	N75,000	N80,000	6.67	↑	N30,000	N80,000
Cement (50kg)	N5,700	N9,500	66.67	↑	N4,200	N9,500
Tomatoes (Basket)	N35,000	N30,000	14.29	↓	N15,000	N110,000
Pepper (big bag)	N85,000	N75,000	11.76	↓	N15,000	N85,000
Onions (bag)	N55,000	N65,000	18.18	↑	N25,000	N140,000
Plantain Bunch	N3,500	N4,500	28.57	↑		

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (5l) 	N5,000	N5,500	10.00	↑	N22,000	N37,500
Semovita (10kg)	N11,800	N12,700	7.63	↑	N6,700	N9,800
New Yam (3 tubers) 	N9,000	N7,500	20.00	↑	N3,000	N12,000
Sugar (50kg) 	N56,000	N85,000	102.38	↑	N31,000	N85,000
Wheat flour (10kg)	N9,000	N9,000	0.00	↔	N4,800	N9,000
Eggs (1 crate)	N3,800	N4,500	18.42	↑	N1,800	N4,500

Consumer Goods – Current price



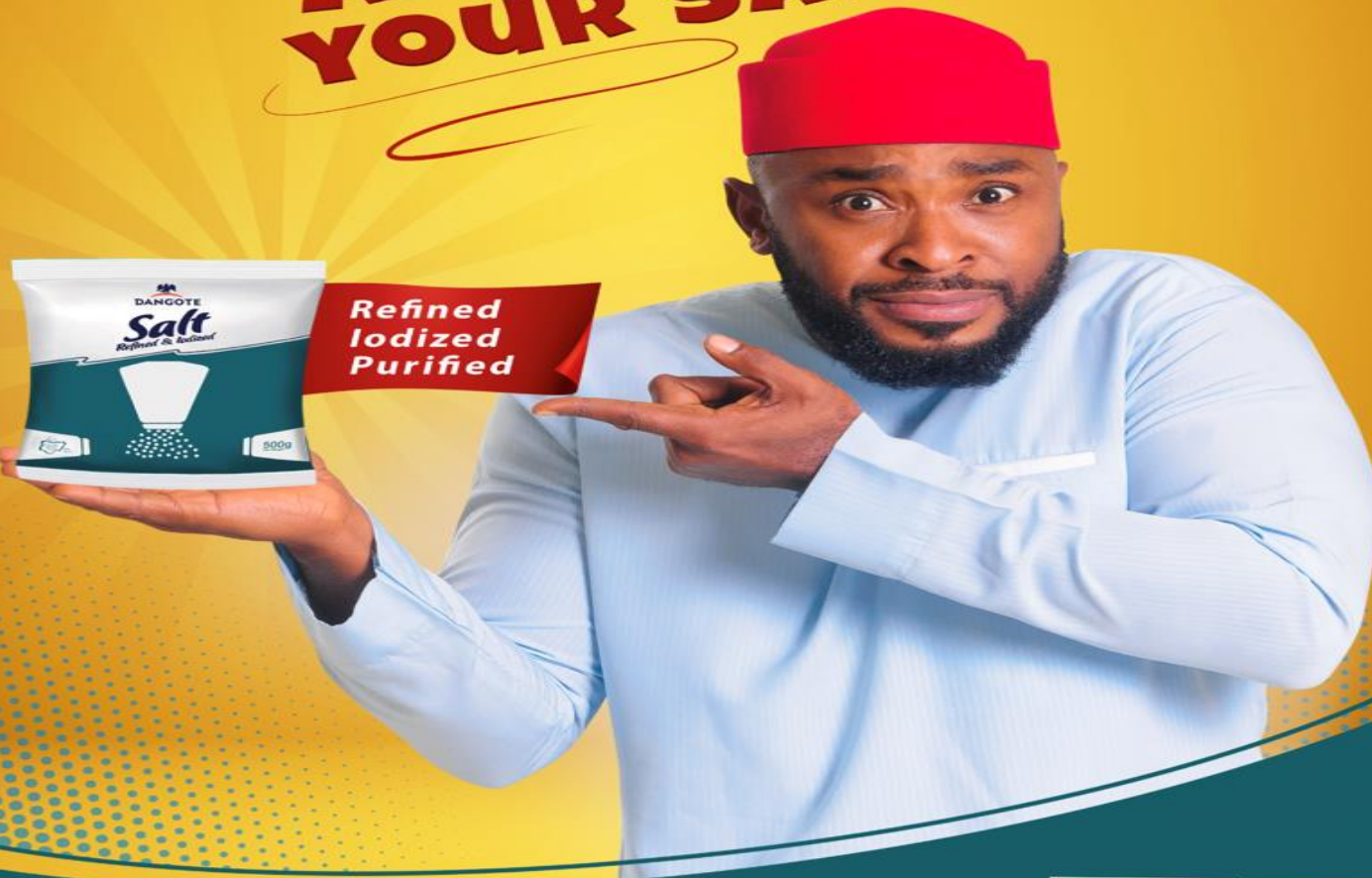
Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N250	N250	0%
Heineken beer (60cl)	N630	N650	-3.17%
Bread Loaf	N1000	N1200	-20%
Indomie (1 carton)	N10,200	N9,200	9.80%
Gala (big size)	N250	N250	0%



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Stock Market

- NSE ASI  0.40% to close at 104,663.34pts on March 18th, 2024.

	Share Prices (₦)		Daily % Change (March 18th)		YTD (% Change)
Nestle	901.00		0.00		18.00
Honeywell	3.74		0.00		12.65
Flour Mills	35.00		0.00		5.90
Cadbury	19.00		0.00		0.00
Dangote Sugar	59.00		3.67		3.51
Unilever	16.00		0.00		8.11
Ikeja Hotels	7.2		0.00		20.00



Oil Markets Today

COMMODITY	DAILY CHANGE March 13th – March 14th	YTD	CURRENT PRICE
BRENT	↑ 0.89%	↑ 10.78%	\$86.10pb
WTI	↑ 1.02%	↑ 13.33%	\$81.87pb
NATURAL GAS	↑ 3.75%	↓ 31.75%	\$1.72/MMBtu



Oil Prices



- Brent up by 0.89% to \$86.10pb
- WTI increased by 1.02% to \$81.87pb
- Oil prices rose due to Iran's reduction in exports by 3.3 million barrels per day.

Outlook – Oil Prices

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



Agricultural Commodities

Wheat



Rose marginally 0.05% to \$528.75/bushel, due to Russian attack on Ukraine ports

Corn



Dropped 0.11% to \$436.25.00/bushel, driven by bountiful Brazilian export supplies

Cocoa



Climbed 0.64% to \$8,069.00/mt, on tight supply in cocoa producing countries in West Africa

Sugar



Climbed by 0.45% to \$22.22/pound, on concerns that dry weather will reduce Brazil's production

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to decline on bountiful supply in Brazil and global exports from top grain growers

SOFTS

- Cocoa prices is expected to remain elevated on tight supplies from top cocoa growers in West Africa
- In the near term, the price of sugar is expected to increase on concerns that dry weather will reduce Brazil's production

