




COMMODITIES UPDATE



April 4th, 2024

Burning Economic Issues

- NERC increased tariff by 240.91% to N225/KWh for customers enjoying 20 hour power supply
- Naira traded flat at N1250/\$ at the parallel market despite a decrease in forex liquidity
- Brent climbed 0.85% to record levels (\$89.68pb), as OPEC+ ministers affirmed current supply cuts - **Bloomberg**
- Dangote's refinery supplies petroleum products to independent marketers - **Reuters**
 - Diesel to sell at N1,225/litre
- Cocoa plunged 4.04% (\$9,547.00/mt) despite tight supplies in Ivory Coast and Ghana - **Reuters**
- Nigeria stock market lost 0.32%, closed at 104,181.32pts as correction continues
 - Cumulative loss in April is 0.36%
- Domestic commodity prices moderates as exchange rate appreciates
 - Rice (50kg)  7.37% (N88,000), Sugar (Bag)  5.88% (N80,000), Flour (Bag)  7.81% (60,000)



The Downers



- A fall in cocoa price will shrink export earnings and lower cocoa farmer's profit

Impact

The Goodies



- A rise in oil prices will increase foreign earnings and lower the pressure on the exchange rate
- Supplies of petroleum products by Dangote's refinery will reduce import dependency and stimulate growth of downstream sector
- The appreciation of the naira will reduce import costs and lower inflationary pressures
- A reduction in some domestic price will improve the cost of living




farmers

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	N95,000	N88,000	7.37	↑	N33,000	N95,000
Flour (50kg)	N64,000	N59,000	7.81	↓	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) 	N85,000	N80,000	5.88	↓	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)	N350	N350	0%
Heineken beer (60cl)	N1000	N1200	-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  0.32% to close at 104,181.32pts on April 3rd, 2024.

	Share Prices (₦)		Daily % Change (April 3rd)		YTD (% Change)
Nestle	900.01		0.00		18.17
Honeywell	3.70		5.13		11.45
Flour Mills	39.25		0.64		18.76
Cadbury	19.00		0.00		0.00
Dangote Sugar	52.70		1.35		7.54
Unilever	17.50		4.48		18.24
Ikeja Hotels	7.30		3.25		21.67



Oil Markets Today

COMMODITY	DAILY CHANGE April 1st – April 2nd	YTD	CURRENT PRICE
BRENT	↑ 0.85%	↑ 15.39%	\$89.68pb
WTI	↑ 0.75%	↑ 18.76%	\$85.79pb
NATURAL GAS	↓ 0.75%	↓ 25.40%	\$1.88/MMBtu



Oil Prices



- Brent up by 0.85% to \$89.68pb
- WTI climbed by 0.75% to \$85.79pb
- Oil prices gained due to OPEC+ stance to maintain supply cuts

Outlook – Oil Prices

- Oil prices are likely to remain bullish in near term on OPEC+ decision to maintain supply cuts to first half of the year



Agricultural Commodities

Wheat



Rose 1.19% to \$551.75/bushel, due to poor weather conditions in Brazil, as heavy rainfall severely impacted crops

Corn



Climbed 0.12% to \$427.00/bushel, driven by an El nino weather system in Brazil of U.S. data on grain stocks due on Thursday

Cocoa



plunged 4.04% to \$9,547.00/mt, despite tight supplies from Ivory Coast and Ghana

Sugar



Slipped by 0.40% to \$22.68/pound, due to increased sugar output in India

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to increase due to poor weather conditions in Brazil

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 decrease due to ample sugar supply in India and Thailand

