

COMMODITIES UPDATE



April 18th, 2024

Burning Economic Issues

- Dangote refinery floods market with diesel at N1,000/litre
 - To reduce logistics and distribution costs by over 20%
- Naira depreciates by 4% against the dollar after 4 weeks of consecutive appreciation
- Cocoa gained 2.90% (\$10,104.00/mt) due to tight supplies in Ivory Coast and Ghana- **Reuters**
- Brent slipped 0.82% (\$89.28pb) driven by higher U.S. crude inventories- **Bloomberg**
- Nigeria stock market gained 0.1% to 99,908.89 after a cumulative loss 4.4% in April
- CBN reduced the DMBs loan-to-deposit ratio by 15% points to 50% from 65%

The Downers



- A decline in oil prices will contract foreign earnings and deplete the external reserve
- Depreciation of the naira will fuel inflation and reduce purchasing power

Impact

The Goodies






- Dangote refinery slashing crude oil to N1,000 will reduce logistic costs and lower inflationary pressures
- A rise in cocoa prices will increase export earnings and improve cocoa farmer's profit

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N32,000	N37,000	15.63	↑	N16,000	N37,000
Rice (50kg) long grain	N95,000	N88,000	7.37	↓	N33,000	N95,000
Flour (50kg)	N64,000	N59,000	7.81	↓	N28,500	N64,000
Beans (Oloyin)(50kg)	N80,000	N90,000	12.5	↑	N30,000	N90,000
Cement (50kg)	N5,700	N9,500	66.67	↑	N4,200	N9,500
Tomatoes (Basket)	N30,000	N35,000	16.67	↑	N15,000	N110,000
Pepper (big bag)	N85,000	N100,000	17.65	↑	N15,000	N85,000
Onions (bag)	N65,000	N47,000	27.69	↓	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) 	N5,500	N5,000	9.09	↓	N22,000	N37,500
Semovita (10kg)	N12,700	N12,200	3.94	↓	N6,700	N12,700
New Yam (3 tubers) 	N7,500	N10,500	40.00	↑	N3,000	N12,000
Sugar (50kg) 	N85,000	N80,000	5.88	↓	N31,000	N85,000
Wheat flour (10kg)	N12,700	N12,700	0.00	↔	N4,800	N12,700
Eggs (1 crate)	N4,500	N4,000	11.11	↓	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	N1600	N1200	-20%
Indomie (1 carton)	N10,200	N8,200	9.80%
Gala (big size)	N250	N250	0%



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Stock Market

- NSE ASI  0.80% to close at 99,908.89pts on April 17th, 2024.

	Share Prices (₦)		Daily % Change (April 17th)		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	↓ 0.82%	↑ 14.87%	\$89.28pb
WTI	↓ 0.61%	↑ 17.44%	\$84.84pb
NATURAL GAS	↓ 3.75%	↓ 33.73%	\$1.67/MMBtu



Oil Prices



- Brent down by 0.82% to \$89.28pb
- WTI dropped by 0.61% to \$84.84pb
- Oil prices lost due to a higher U.S. crude inventories and market awaits Israel's response to Iran's weekend attack

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 and lingering geographical tensions



Agricultural Commodities

Wheat



Rose 0.53% to \$567.75/bushel, on global higher demand

Corn



Increased marginally 0.06% to \$443.00/bushel, on lower production forecast in Russia and Ukraine

Cocoa



Soared 2.90% to \$10,104.00/mt, on tight supplies from Ivory Coast and Ghana

Sugar



Lost by 1.02% to \$19.33/pound, due to improve supply prospect in Brazil and weaker real

Outlook – Agricultural Prices



GRAINS

- Grain prices will decrease in the near term on global demand and lower grain output in Russia and Ukraine

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 will decline due to prospect of improved output in Brazil

