

COMMODITIES UPDATE



April 25th, 2024

Burning Economic Issues



- Brent gained 0.29% (\$88.16pb) due to an unexpected decrease in U.S. crude inventories - ***Bloomberg***
- LNG plunged 5.79% (\$1.71/MMBtu) attributed to mild weather as heating demand decreased - ***Reuters***
- Naira depreciated by 4.85% to N1,340/\$ at the parallel market, IATA rate steadied at N1,220/\$
 - CBN sells \$15.83mn to BDCs at N1,201/\$ to improve dollar liquidity
- Cocoa surged 4.31% (\$10,894.00/mt) driven by supply shortages in West African producing countries – ***Reuters***
- Nigeria Stock Exchange lost 1.20% as market cap decreased to N55.49trn
 - Equities Investors lost N673.16bn
- Diesel retail price sells at N1,050/litre, Dangote published price at N940/litre



The Downers



Impact

- A decline in LNG prices will shrink government revenue and worsen Nigeria's trade balance
- The Depreciation of the naira will increase import costs and exacerbate the cost of living

The Goodies



- An increase in oil prices will raise foreign earnings and improve the external reserve
- Cocoa prices above \$10,000 will increase government revenue and boost the income of cocoa farmers
- A fall in price of diesel will reduce distribution and logistic costs and moderate inflation




farmers

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)	N9,500	N7,500	21.05	↓	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	N100,000
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  1.20% to close at 98,121.30pts on April 24th, 2024.

	Share Prices (₦)		Daily % Change (April 24th)		YTD (% Change)
Nestle	900.00		24.75		18.18
Honeywell	3.54		39.49		6.63
Flour Mills	30.5		35.11		7.72
Cadbury	19.00		34.48		0.00
Dangote Sugar	48.00		40.00		15.79
Unilever	14.30		28.86		3.38
Ikeja Hotels	7.26		5.71		21.00



Oil Markets Today

COMMODITY	DAILY CHANGE April 24th – April 25th	YTD	CURRENT PRICE
BRENT	↑ 0.29%	↑ 11.25%	\$88.16pb
WTI	↑ 0.70%	↑ 14.38%	\$82.78pb
NATURAL GAS	↓ 5.79%	↓ 29.37%	\$1.71/MMBtu



Oil Prices



- Brent down by 0.29% to \$88.16pb
- WTI dropped by 0.70% to \$82.78pb
- Oil prices gained on an unexpected decrease in U.S. crude inventories

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 0.75% to \$607.25.00/bushel, due to poor crop conditions in the U.S. and Russia

Corn



Rose marginally 0.06% to \$452.75/bushel, driven by anticipation of reduced global supplies due to severe drought condition in Russia and U.S

Cocoa



Surged 4.31% to \$10,898.00/mt, on supply shortage in West Africa producing countries

Sugar



Fell by 0.05% to \$19.67/pound, due to ample supply in Brazil and India

Outlook – Agricultural Prices



GRAINS

- Grain prices will increase in the near term on Unfavourable weather conditions in U.S and Russia

SOFTS

- Cocoa prices is expected to remain elevated on supply shortage from top cocoa growers in West Africa
- In the near term, the price of sugar will fall on ample supply in Brazil and India

