

# COMMODITIES UPDATE



May 16<sup>th</sup>, 2024

# Burning Economic Issues

- Nigeria's inflation accelerated to 33.69% in April from 33.2% in March - **NBS**
  - Month-on-Month inflation slowed for the second straight month to 2.29% from 3.02% in March
- U.S. inflation eased by 0.1% to 3.4% in April, the first moderation since January 2024 - **WSJ**
- Naira depreciated by 0.65% to N1,540/\$ at the parallel market and appreciated by 4.04% to N1,459.02 at NAFEM
- Brent rose 0.53% (\$83.19pb) due to slower U.S. inflation and strong demand- **Reuters**
- LNG edged higher 1.88% (\$2.39/MMBtu) on a forecast of improved China's imports- **Bloomberg**
- Cocoa gained 2.39% (\$7,497.00/mt) owing to bad weather conditions and a poor harvest in Ghana—  
**Bloomberg**
- Nigeria's stock market lost 0.13% to close at 97,343.42pts and N55.06trn, respectively

## The Downers



## Impact

- A fall in oil prices will reduce foreign earnings and deplete the external reserve
- A rise in inflation will erode purchasing power of consumers
- The depreciation of the naira will increase the cost of imports and exacerbate inflationary pressures

## The Goodies






- A rise in oil prices will increase foreign earnings and improve the external reserve
- A rise in cocoa price will increase foreign earnings of non export and improve the profit of cocoa farmers

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N30,000	N40,000	33.33	↑	N16,000	N37,000
Rice (50kg) long grain	N95,000	N75,000	21.05	↓	N33,000	N95,000
Flour (50kg)	N64,000	N59,000	7.81	↓	N28,500	N64,000
Beans (Oloyin)(50kg)	N100,000	N95,000	5.00	↑	N30,000	N90,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N35,000	N50,000	42.85	↑	N15,000	N110,000
Pepper (big bag)	N100,000	N110,000	10.00	↑	N15,000	N100,000
Onions (bag)	N40,000	N55,000	37.5	↑	N25,000	N140,000
Plantain Bunch	N3,500	N6,500	85.71	↑		

# 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)	N7,800	N7,500	3.85%
Gala (big size)	N250	N250	0%





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# Stock Market

- NSE ASI  0.13% to close at 97,343.42pts on May 15th, 2024.

	Share Prices (₦)		Daily % Change (May 15th)		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 May 13th – May 14th	YTD	CURRENT PRICE
BRENT	↑ 1.44%	↑ 4.46%	\$81.19pb
WTI	↑ 1.46%	↑ 6.42%	\$76.88pb
NATURAL GAS	↑ 0.98%	↓ 5.95%	\$2.37/MMBtu



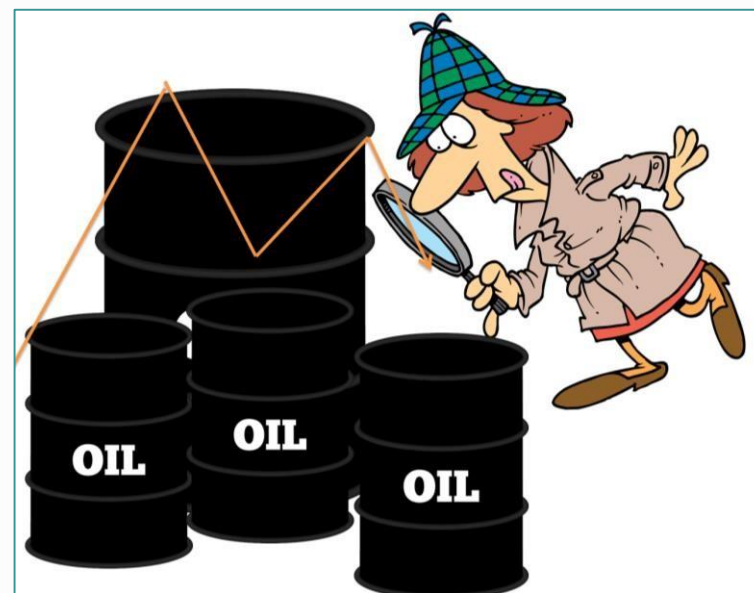
# Oil Prices



- Brent lost by 1.44% to \$81.19pb
- WTI down by 1.46% to \$76.88pb
- Oil prices dropped as IEA trimmed its forecast for 2024 oil demand growth

# Outlook – Oil Prices

- Oil prices are likely to rise in the near term on prospects of a growth in China's demand



# Agricultural Commodities

## Wheat



Rose 2.34% to \$688.25/bushel, due to sharp speculative rise in wheat price caused by frost in Russia forecast of reduced world ending stock

## Corn



Increased 0.75% to \$471.00/bushel, driven by strong demand amid seasonal decline in supply

## Cocoa



Up 0.90% to \$7,338.00/mt, on forecast of rains in key growing nations

## Sugar



Fell by 0.11% to \$18.85/pound, due to robust global supply (Brazil, Thailand and India)

# Outlook – Agricultural Prices



## GRAINS

- Grain prices is expected to remain bullish in the near term on unfavourable weather conditions in the U.S. and Russia, supported by poor crop production in Argentina

## SOFTS

- Cocoa prices is expected to rise on unfavourable weather conditions in top growing nations in West Africa
- In the near term, the price of sugar will decrease due to global cane supply (Brazil, Thailand and India)

