COMMODITES UPDATE





Burning Economic Issues



- MPC expected to raise policy rates to combat inflation
- Naira appreciates by 1.93% (N1,468.99/\$) at NAFEM as forex supply increases
- Price of diesel flat at N1,200 per litre, 20% lower than in Q1
- Brent dipped 0.50% (\$83.56pb) as the U.S. Fed dampens hope of interest rate cuts *Reuters*
- Cocoa plunged 7.27% (\$6,814.00/mt) as EU imposes new rules on ESG cocoa imports- *Bloomberg*
- Domestic commodity prices are mixed
 - Tomatoes (Basket) 190% (N95,000), Garri (Bag) 125% (N50,000), Semovita (10kg) 3.94% (N12,200), Noodles (70g) 3.85% (N7,500)





The Downers





The Goodies



- A fall in oil prices will reduce foreign earnings and deplete the external reserve
- A fall in cocoa price will decrease foreign earnings of non export and reduce the profit of cocoa farmers
- •A rise in LNG prices will increase export earnings and improve the external reserve
- •The appreciation of the naira will decrease the cost of imports and reduce inflationary pressure



Domestic Commodities Price Movement

	I					
Commodities	Previous	Curren	%	Directional	Year Low	Year High
	Month	t	change	Change		
	Prices	Prices	onunge			
	Prices	Pilces				
Garri (50kg) Yellow	N40,000	N50,000	25.00		N16,000	N50,000
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Rice (50kg) long grain	N75,000	N80,000	6.67		N33,000	N95,000
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Flour (50kg)	N64,000	N59,000	7.81		N28,500	N64,000
				*		
Beans (Oloyin)(50kg)	N100,000	N95,000	5.00		N30,000	N100,000
() /(8/	,	,			,	,
Cement (50kg)	N9,500	N7,500	21.05	_	N4,200	N9,500
[- ·· , - · ·			_	2,—	2 (7,500
Tomatoes (Basket)	N50,000	N95,000	90.00		N15,000	N110,000
Torracoes (Busines)	1,00,000	1475,000	70.00		1413,000	14110,000
D 4:1	> 14.00,000	> 7440 000	40.00	_	7.74.5.000	7.74.40.000
Pepper (big bag)	N100,000	N110,000	10.00		N15,000	N110,000
					7.7.7.000	7.74.40.000
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	Previo us Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (5l)	N5,500	N5,000	9.09	1	N22,000	N37,500
Semovita (10kg)	N12,700	N12,200	3.94	1	N6,700	N12,700
New Yam (3 tubers)	N7,500	N10,500	40.00	1	N3,000	N12,000
Sugar (50kg)	N85,000	N80,000	5.88	1	N31,000	N85,000
Wheat flour (10kg)	N12,700	N12,700	0.00	\Leftrightarrow	N4,800	N12,700
Eggs (1 crate)	N4,500	N4,000	11.11	1	N1,800	N4,500



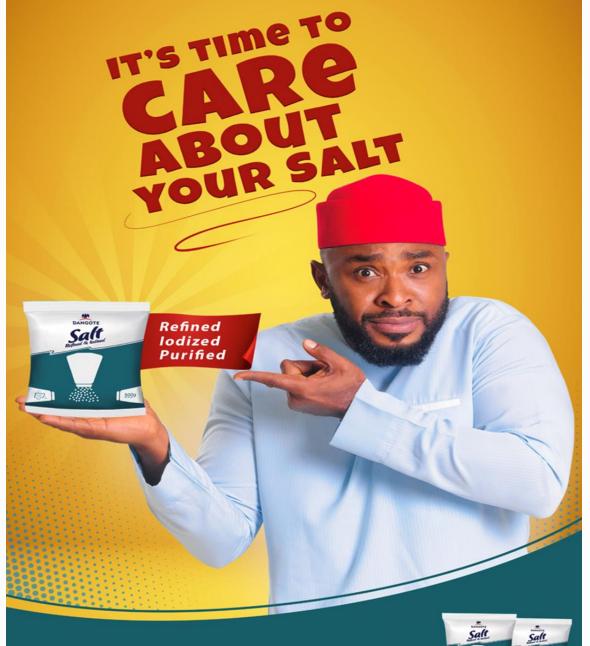
Consumer Goods — Current price



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%













Stock Market

NSE ASI

0.02% to close at 98,176.58pts on May 20th, 2024.

	Share Price (N)	es	Daily % Chang (May 20th)	e	YTD (% Change)
Nestle	820.00	\Leftrightarrow	0.00	-	25.45
Honeywell	3.31	-	6.34		6.63
Flour Mills	38.00	\Leftrightarrow	0.00	1	14.98
Cadbury	16.25	\Leftrightarrow	0.00	•	14.47
Dangote Sugar	40.00	\Leftrightarrow	0.00	•	29.82
Unilever	15.00	\Leftrightarrow	0.00	1	1.35
Ikeja Hotels	7.45	-	2.01	1	21.67



Oil Markets Today

COMMODITY

DAILY CHANGE
May 20th – May 21st

YTD

CURRENT PRICE

BRENT

WTI

NATURAL GAS

• 0.50%

0.57%

4.23%

8.52%

11.34%

8.73%

\$83.56pb

\$79.64pb

\$2.74/MMBtu







Oil Prices

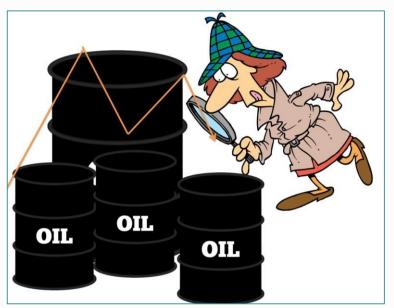


- Brent lost by 0.13% to \$84.34pb
- WTI fell by 0.27% to \$80.43pb
- Oil prices slipped as U.S. Fed dampens hope of interest rate cuts



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



Up 2.69% to \$668.75/bushel, due to poor weather conditions in Russia

Corn



Rose 0.55% to \$455.00/bushel, driven by strong demand amid seasonal decline in supply

Cocoa



Plunged 7.27% to \$6,814.00/mt, on forecast of rains in key growing nations

Sugar



Ticked-up by 1.38% to \$18.38/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 remain bearish owing to 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)



