





# COMMODITIES UPDATE



May 21<sup>st</sup>, 2024

# 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)  90% (N95,000), Garri (Bag)  25% (N50,000), Semovita (10kg)  3.94% (N12,200), Noodles (70g)  3.85% (N7,500)

## The Downers



## Impact

- 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

## The Goodies






- 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

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N40,000	N50,000	25.00	↑	N16,000	N50,000
Rice (50kg) long grain	N75,000	N80,000	6.67	↑	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	N100,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N50,000	N95,000	90.00	↑	N15,000	N110,000
Pepper (big bag)	N100,000	N110,000	10.00	↑	N15,000	N110,000
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  0.02% to close at 98,176.58pts on May 20th, 2024.

	Share Prices (₦)		Daily % Change (May 20th)		YTD (% Change)
Nestle	820.00		0.00		25.45
Honeywell	3.31		6.34		6.63
Flour Mills	38.00		0.00		14.98
Cadbury	16.25		0.00		14.47
Dangote Sugar	40.00		0.00		29.82
Unilever	15.00		0.00		1.35
Ikeja Hotels	7.45		2.01		21.67





# Oil Markets Today

COMMODITY	DAILY CHANGE May 20th – May 21st	YTD	CURRENT PRICE
BRENT	↓ 0.50%	↑ 8.52%	\$83.56pb
WTI	↓ 0.57%	↑ 11.34%	\$79.64pb
NATURAL GAS	↑ 4.23%	↑ 8.73%	\$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)

