

COMMODITIES UPDATE



May 30th, 2024

Burning Economic Issues

- Brent lost 0.33% (\$83.94pb) on signs of ample supplies as global oil inventories rise- ***Bloomberg***
 - Oil floats on tankers in the North Sea on weak demand signals - ***Bloomberg***
- LNG slipped 2.32% (\$2.53/MMBtu) as production in the U.S. rose to new records- ***Nasdaq***
- Cocoa climbed 3.58% (\$9,094.00/mt) as Ivory Coast cocoa production shrinks – ***Reuters***
- Naira lost 11.72% to N1,329.88/\$ at the NAFEM window after appreciating by 14.09% on Tuesday
- IMF upgrades China's growth forecast to 5% in 2024 on stronger than expected Q1'24 growth (5.3%)
 - China is Nigeria's top trade partner with total trade amounting to N7.5trn in 2023
- The Nigerian Stock Exchange rose 0.44% (98,818.04 pts) to N55.90trn market capitalization

The Downers



- A decrease in oil prices will reduce foreign earnings and lower external reserves
- A weakened naira will increase inflationary pressures and exacerbate the cost of living

Impact

The Goodies



- An increase in cocoa price will increase foreign earnings of non export and improve the standard of living of cocoa farmers




farmers

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)	N95,000	N150,000	57.89	↑	N15,000	N150,000
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  0.44% to close at 98,818.04pts on May 29th, 2024.

	Share Prices (₦)		Daily % Change (May 29th)		YTD (% Change)
Nestle	900.00		0.00		18.18
Honeywell	3.00		0.00		9.64
Flour Mills	38.00		0.00		14.98
Cadbury	16.00		0.00		15.79
Dangote Sugar	39.00		0.00		31.58
Unilever	15.00		0.00		1.35
Ikeja Hotels	7.3		0.00		21.67



Oil Markets Today

COMMODITY	DAILY CHANGE May 29th – May 30th	YTD	CURRENT PRICE
BRENT	↑ 0.33%	↑ 8.50%	\$83.94pb
WTI	↑ 0.29%	↑ 10.19%	\$79.60pb
NATURAL GAS	↓ 3.17%	↓ 1.40%	\$2.51/MMBtu



Oil Prices



- Brent down by 0.33% to \$83.94pb
- WTI up by 0.29% to \$79.60pb
- Oil prices lost on signs of ample supplies as global fuel inventories rise

Outlook – Oil Prices

- Oil prices are likely to rise in the near term on expectations that OPEC+ will cut production into second half and supported by heightened geopolitical tension in the Middle East



Agricultural Commodities

Wheat



Down 1.07% to \$692.75/bushel as weather outlook continue to deteriorate in Russia

Corn



Fell 0.32% to \$461.00/bushel, driven by improved corn planting in the U.S.

Cocoa



Gained 6.75% to \$9,373.00/mt, as Ivory Coast cocoa production shrinks

Sugar



Lost by 1.98% to \$18.36/pound, on improved production in Brazil

Outlook – Agricultural Prices



GRAINS

- Grain prices is expected to fall in the near term as investors lock in profit

SOFTS

- Cocoa prices is expected to remain bullish owing to lower production in top growing production, Ivory Coast
- In the near term, the price of sugar will be bearish on improved sugar production in Brazil

