




COMMODITIES UPDATE



May 9th, 2024

Burning Economic Issues

- Brent edged higher 0.35% (\$83.87pb) due to an unexpected decline in U.S. crude inventories- **Bloomberg**
- LNG climbed 2.13% (\$2.25/MMBtu) driven by a surge in demand- **Nasdaq**
- Cocoa gained 2.61% (\$8,835.00/mt) due to supply shortages in Ivory Coast and Ghana– **Bloomberg**
- Naira depreciated by 0.37% to N1,421.06/\$ at the official market
- Nigeria stock market lost marginally to close at 98,223.97pts in anticipation of higher inflation numbers
- Domestic commodity prices surged on spiking logistic costs
 - Garri (Bag)  12.5% (N40,000), Beans (Bag)  5% (N50,000), Onions (Bag)  37.5% (N55,000)



The Downers



Impact

- The depreciation of the naira will increase the cost of imports and exacerbate inflationary pressures

The Goodies






- An increase in oil prices will expand 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	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  0.005% to close at 98,223.97pts on May 8th, 2024.

	Share Prices (₦)		Daily % Change (May 8th)		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 8th – May 9th	YTD	CURRENT PRICE
BRENT	↑ 0.35%	↑ 5.94%	\$83.87pb
WTI	↑ 0.41%	↑ 7.46%	\$79.31pb
NATURAL GAS	↑ 2.13%	↓ 10.71%	\$2.25/MMBtu



Oil Prices



- Brent down by 0.99% to \$82.34pb
- WTI lost by 0.96% to \$77.63pb
- Oil prices fell due to a rise in U.S. crude and fuel inventories

Outlook – Oil Prices

- Oil prices are likely to rise in the near term as Middle East tension heightened



Agricultural Commodities

Wheat



Dropped 1.24% to \$634.75/bushel, as Russia reduced their export duty by 1.7%

Corn



Lost 0.59% to \$464.25/bushel, driven by improved weather condition in Brazil

Cocoa



Rose 2.61% to \$8,835.00/mt, on supply shortage from Ivory Coast and Ghana

Sugar



Fell by 1.95% to \$19.56/pound, due to improved output in Indian

Outlook – Agricultural Prices



GRAINS

- Grain prices will decrease in the near term on decreased export duty from Russia and improved supplies from key producers

SOFTS

- Cocoa prices is expected remain bullish on supply shortages
- In the near term, the price of sugar will rise on tight supply from Russia

