

# COMMODITIES UPDATE



June 11<sup>th</sup>, 2024

# Burning Economic Issues

- Headline inflation to increase by 0.63% to 34.32% in May- **FDC**
  - Food inflation to rise by 0.67% to 41.20% and core inflation is to increase by 0.36% to 27.20%
- Money supply (M3) spiked by 73.02% to N96.97trn in April (yoy), after moderating by N92.34trn in March
- Currency in circulation rose by 1.07% to N3.97trn in May from N3.92trn in April
- Naira appreciated by 1.88% to N1,487.00/\$ at the parallel market due to an increase in forex supply
  - Average daily turnover rose by 26.23% to \$269.27m
- Brent gained 0.07% (\$81.69pb) on prospects of rising fuel demand for the summer- **Reuters**
- Cocoa fell 0.84% (\$9,086.00/mt) as rains lift outlook for mid-crop cocoa in Ivory Coast – **Reuters**
  - Nigerian cocoa earnings surged 138.58% to \$305.37m in Q1,24 triggered by elevated cocoa prices

## The Downers



## Impact

- An increase in money supply will lead to a depreciation of the naira and exacerbate inflationary pressures
- An increase in currency in circulation could spur the monetary authorities to further hike interest rates

## The Goodies






- An increase in oil prices will raise foreign earnings and improve the external reserves
- A 138.58% surge in cocoa earnings contributed to improving the trade balance and export earnings in Q1'24

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N40,000	N45,500	13.75	↑	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)	N95,000	N120,000	26.32	↑	N30,000	N100,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N50,000	N110,000	120.00	↑	N15,000	N150,000
Pepper (big bag)	N110,000	N95,000	13.64	↓	N15,000	N110,000
Onions (bag)	N55,000	N75,000	36.36	↑	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%





# Dangote Sugar has a **NEW LOOK**



## Same Great Quality!


  
**DANGOTE  
SUGAR**















[www.dangotesugar.com.ng](http://www.dangotesugar.com.ng) [facebook.com/dangotesugarefinery](https://facebook.com/dangotesugarefinery)

[@dangote\\_sugar](https://twitter.com/dangote_sugar) [dangotesugar](https://instagram.com/dangotesugar) [Dangote Sugar Refinery Plc](https://www.linkedin.com/company/Dangote%20Sugar%20Refinery%20Plc) [+DangotesugarNG](https://plus.google.com/+DangotesugarNG)



# Stock Market

- NSE ASI  0.58% to close at 99,793.71pts on June 10th, 2024.

	Share Prices (₦)		Daily % Change (June 10th)		YTD (% Change)
Nestle	910.00		0.00		17.27
Honeywell	3.15		0.00		5.12
Flour Mills	41.80		10.00		26.48
Cadbury	16.00		0.00		15.79
Dangote Sugar	47.00		0.00		17.54
Unilever	15.15		4.62		7.09
Ikeja Hotels	7.00		0.00		16.67





# Oil Markets Today

COMMODITY	DAILY CHANGE June 10th – June 12th	YTD	CURRENT PRICE
BRENT	↑ 0.07%	↑ 3.46%	\$81.69pb
WTI	↑ 0.12%	↑ 5.65%	\$77.83pb
NATURAL GAS	↑ 4.16%	↑ 22.22%	\$3.03/MMBtu



# Oil Prices



- Brent rose by 0.07% to \$81.69pb
- WTI increased by 0.12% to \$77.83pb
- Oil prices gained due to prospects of rising fuel demand for summer

# Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term due to prospects of rising fuel demand for summer



# Agricultural Commodities

## Wheat



Down 1.04% to \$621.00/bushel due to expectations that strong U.S. winter crop will boost supplies

## Corn



Gained 0.67% to \$451.75/bushel, due to a decline in U.S. weekly exports

## Cocoa



Lost 0.84% to \$9,086.00/mt, as rains lift outlook for mid-crop cocoa in Ivory Coast

## Sugar



Rose by 1.21% to \$19.23/pound driven by subdued demand

# Outlook – Agricultural Prices



## GRAINS

- Grain prices is expected to be bearish in the near term on improved U.S. winter crop

## 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 bullish on subdued demand

