COMMODITES UPDATE



Burning Economic Issues

70

- 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





The Goodies



- 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
- •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

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Commodities	Previous	Curren	%	Directional	Year Low	Year High
	Month	t	change	Change		
	Prices	Prices				
Garri (50kg) Yellow	N40,000	N45,500	13.75	1	N16,000	N50,000
Rice (50kg) long grain	N75,000	N80,000	6.67	1	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	1	N30,000	N100,000
Cement (50kg)	N9,500	N7,500	21.05	+	N4,200	N9,500
Tomatoes (Basket)	N50,000	N110,000	120.00	1	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	1	N25,000	N140,000
Plantain Bunch	N3,500	N6,500	85.71	1		

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%





Dangote Sugar has a NEW LOOK



Same Great Quality!







Stock Market

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

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



Oil Markets Today

COMMODITY

DAILY CHANGE
June 10th – June 12th

YTD

CURRENT PRICE

BRENT

WTI

NATURAL GAS

0.07%

0.12%

4.16%

3.46%

5.65%

22.22%

\$81.69pb

\$77.83pb

\$3.03/MMBtu







Oil Prices

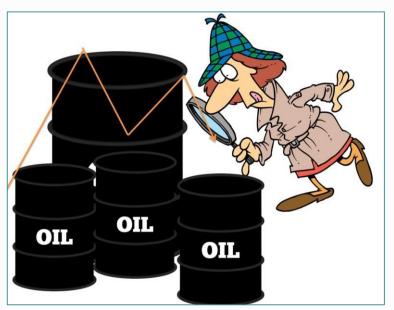


- Brent rose by 0.07% to \$81.69pb
- WTI increased by 0.12% to \$77.83pb
- Oil prices gained due to prospects of rising fuel demand for summer



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



