

COMMODITIES UPDATE



June 13th, 2024

Burning Economic Issues

- President Tinubu promises to send minimum wage bill to National Assembly, organised labour reacts
- Fed reserve maintains status quo at 5.25%-5.5% p.a, expects only one cut in 2024
- Nigerian crude oil production dropped by 2.34% to 1.25 mbpd in May, 16.67% below quota- **OPEC**
- Brent lost 0.74% (\$82.53pb) due to an unexpected increase in U.S. crude inventories- **Bloomberg**
- Cocoa rose 0.84% (\$9,926.00/mt) as Ghana plans to delay cocoa deliveries until next season – **Reuters**
- Domestic commodity prices spiked ahead of the Salah celebration
 - Pepper (Bag) ↑ 55.56% (N140,000) Rice (50kg) ↑ 6.67% (N80,000), Tomatoes (Basket) ↑ 36.36% (N150,000),
Onions (Bag) ↑ 36.36% (N75,000),

The Downers



- A decrease in oil prices will reduce foreign earnings and deplete the external reserves

Impact

The Goodies






- An increase in cocoa prices will increase export earnings and improve the standard of living of farmers

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)	N110,000	N150,000	36.36	↑	N15,000	N150,000
Pepper (big bag)	N90,000	N140,000	55.56	↑	N15,000	N140,000
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%





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



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Oil Markets Today

COMMODITY	DAILY CHANGE June 12th – June 13th	YTD	CURRENT PRICE
BRENT	↓ 0.74%	↑ 3.46%	\$82.53pb
WTI	↓ 0.39%	↑ 5.65%	\$78.19pb
NATURAL GAS	↓ 0.66%	↑ 22.22%	\$3.03/MMBtu



Oil Prices



- Brent down by 0.74% to \$82.53pb
- WTI increased by 0.39% to \$78.19pb
- Oil prices lost due to an increase in U.S. crude inventories

Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term owing to ample supply



Agricultural Commodities

Wheat



Up 1.04% to
\$618.00/bushel due to
lower USDA outlook

Corn



Gained 0.22% to
\$455.25/bushel, on
Russian weather
outlook

Cocoa



Rose 0.84% to
\$9,926.00/mt, as
Ghana delayed cocoa
deliveries until next
season

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

