





# COMMODITIES UPDATE



June 25<sup>th</sup>, 2024

# Burning Economic Issues

- Brent rose 0.22% (\$85.43pb) buoyed by expectations of summer demand and geopolitical tension - **Reuters**
- Naira depreciated by 0.53% (N1,500.00/\$) at the parallel market despite an increase in forex supply
- Dangote refinery starts jet fuel exports while seeking crude supplies from IOCs- **African energy**
- Cocoa plunged 12.97% (\$7,750.00/mt) as improved weather in West Africa is likely to raise Ghana's production in the 2024-2025 season – **Nasdaq**
- The Nigerian stock market lost by 0.44% (99,304.12pts) as market capitalization fell to N56.18trn
- Domestic commodity prices mixed after the Salah celebration
  - Tomatoes  26.67% (N110,000), Pepper  (N140,000), Onions  20% (N90,000), Rice  6.25% (N75,000)

## The Downers



- A plunge in cocoa prices will reduce export earnings and government revenue

## Impact

## The Goodies






- An increase in oil price above \$85pb would increase oil revenue and boost foreign exchange reserves
- Dangote sales of jet fuel will impact the aviation industry as the operation costs of airlines drop

# 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	N80,000	N75,000	6.25	↓	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)	N150,000	N110,000	26.67	↓	N15,000	N150,000
Pepper (big bag)	N140,000	N140,000	0.00	↔	N15,000	N140,000
Onions (bag)	N75,000	N90,000	20.00	↑	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 99,304.12pts on June 24th, 2024.

	Share Prices (₦)		Daily % Change (June 24th)		YTD (% Change)
Nestle	920.00		0.00		16.36
Honeywell	3.40		0.00		2.41
Flour Mills	42.40		0.00		28.29
Cadbury	16.60		0.00		12.63
Dangote Sugar	45.05		4.15		20.96
Unilever	16.5		0.00		11.49
Ikeja Hotels	7.25		0.00		20.83





# Oil Markets Today

COMMODITY	DAILY CHANGE June 24th – June 25th	YTD	CURRENT PRICE
BRENT	↑ 0.22%	↑ 9.92%	\$85.43pb
WTI	↑ 0.37%	↑ 12.17%	\$81.03pb
NATURAL GAS	↑ 0.30%	↑ 7.54%	\$2.71/MMBtu



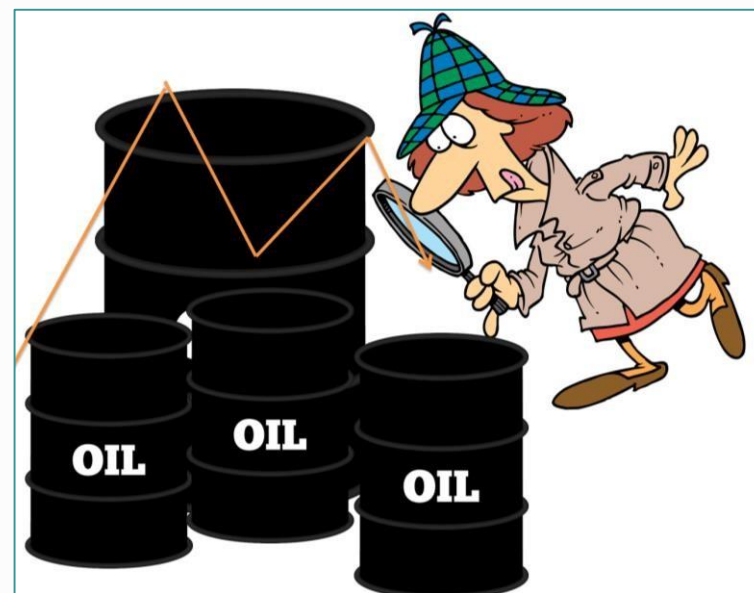
# Oil Prices



- Brent rose by 0.22% to \$85.43pb
- WTI increased by 0.37% to \$81.03pb
- Oil prices gained on expectation of a higher summer demand and geopolitical tension

# Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term owing to lingering tension in the Middle East



# Agricultural Commodities

## Wheat



↓  
Lost 0.87% to \$570.75/bushel as duty as India imposes limit on wheat stock and plans to reduce import duty on wheat from July

## Corn



↓  
Down 1.54% to \$446.25/bushel, driven by increase in Brazil's production

## Cocoa



↓  
Plunged 12.97% to \$7,750.00/mt, despite cocoa shortage in Ivory Coast and Ghana

## Sugar



↑  
Up by 0.37% to \$18.99/pound, triggered by uncertainty over Brazilian crop as dry weather extended

# Outlook – Agricultural Prices



## GRAINS

- Grain prices is expected to be mixed. Corn is expected to be bearish, driven by an increase in Brazil's corn production, similarly, wheat is expected to be bearish in the near term driven by a reduction in India's wheat import duty

## SOFTS

- Cocoa prices is expected to remain bullish I the near term, owing to lower production in top growing production, Ivory Coast and Ghana
- In the near term, the price of sugar will be bullish due to unfavourable weather conditions in Brazil

