





# COMMODITIES UPDATE



June 27<sup>th</sup>, 2024

# Burning Economic Issues

- Naira falls by 0.66% (N1,508.00/\$) at the parallel market due to strong dollar demand
- CBN discontinues price verification system for forex applications
- Brent decreases marginally 0.09% (\$85.17pb) due to a surprise build in U.S. inventories - **Reuters**
- LNG fell 4.38% (\$2.63/MMBtu) as higher output offsets strong demand for air conditioning - **WSJ**
- Cocoa falls sharply 4.61% (\$7,486.00/mt) on favourable weather conditions in West Africa (Ivory Coast and Ghana) – **Nasdaq**
- Domestic commodity prices are mixed
  - Tomatoes  26.67% (N110,000), Pepper  (N140,000), Onions  20% (N90,000), Rice  6.25% (N75,000)
- Dangote refinery minor fire extinguished, no damage or harm to the facility. Production uninterrupted

## The Downers



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

## Impact

## The Goodies






- An increase in oil prices will increase oil revenue and improve foreign exchange reserves

# 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

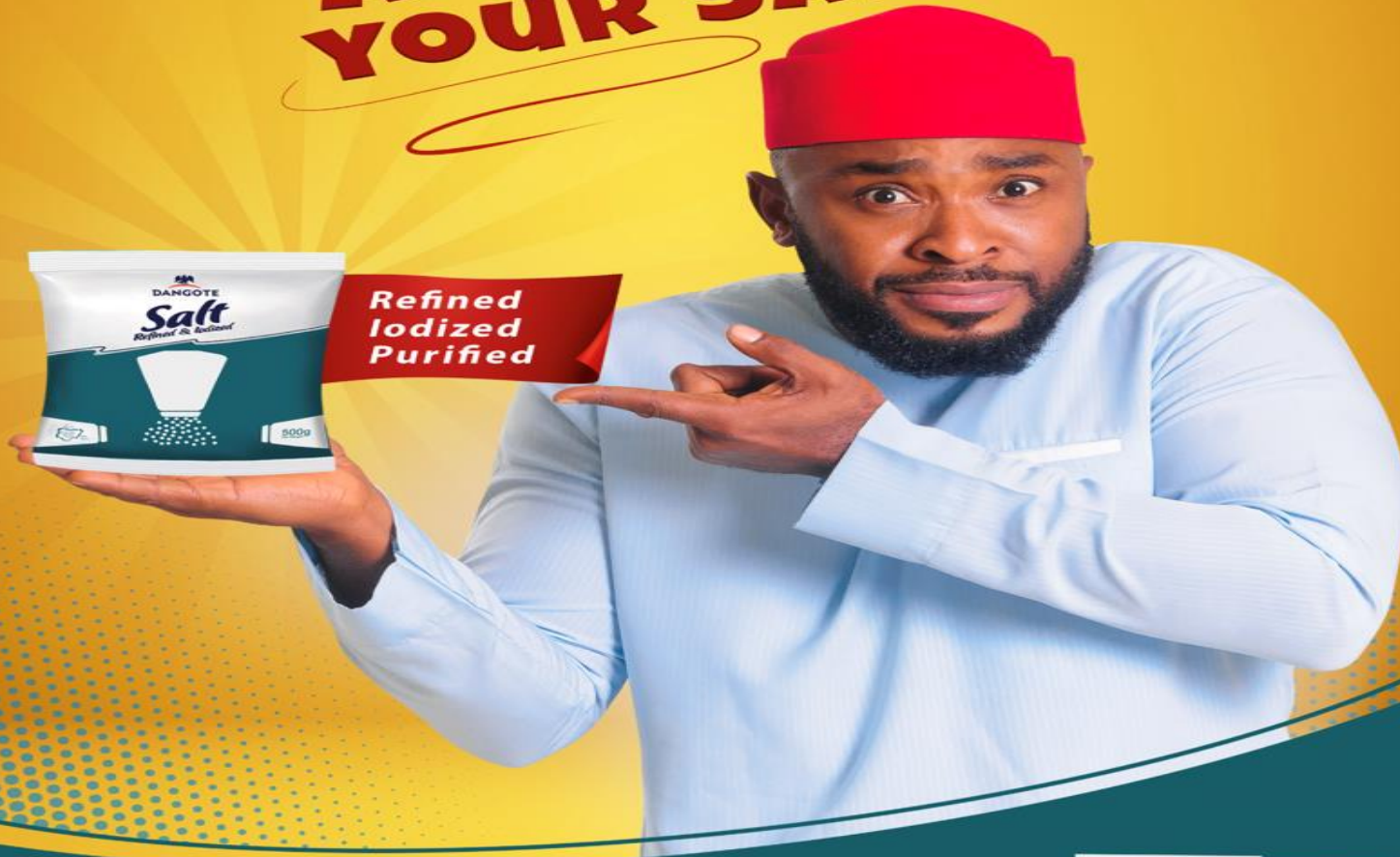
# Consumer Goods – Current price



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  0.17% to close at 99,217.60pts on June 26th, 2024.

	Share Prices (₦)		Daily % Change (June 26th)		YTD (% Change)
Nestle	920.00		0.00		16.36
Honeywell	3.36		7.35		1.20
Flour Mills	43.00		1.18		30.11
Cadbury	16.60		0.00		12.63
Dangote Sugar	43.00		1.18		24.56
Unilever	17.85		8.18		20.61
Ikeja Hotels	7.25		0.00		20.83





# Oil Markets Today

COMMODITY	DAILY CHANGE June 25th – June 26th	YTD	CURRENT PRICE
BRENT	↑ 0.49%	↑ 8.84%	\$84.59pb
WTI	↑ 0.40%	↑ 11.45%	\$80.51pb
NATURAL GAS	↓ 3.48%	↑ 5.56%	\$2.66/MMBtu



# Oil Prices



- Brent dipped by 0.49% to \$84.59pb
- WTI slipped by 0.40% to \$80.51pb
- Oil prices lost on an unexpected increase in U.S. crude inventories

# Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term owing to lingering tension in the Middle East and supported by summer fuel demand



# Agricultural Commodities

## Wheat



Rose 0.85% to \$565.25/bushel on bargain-buying despite improved weather conditions in Russia

## Corn



Dipped 0.51% to \$440.75/bushel, underpinned by advanced harvest in the U.S.

## Cocoa



Slipped 0.06% to \$7,743.00/mt, on favourable growing conditions in West Africa

## Sugar



Lost by 0.51% to \$19.39/pound, triggered by improved sugar supply in Brazil

# Outlook – Agricultural Prices



## GRAINS

- Grain prices is expected to be bearish on improved weather condition in Russia and the U.S, supported by ample supplies in Brazil

## SOFTS

- Cocoa prices is expected to remain bullish in 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 bearish due to improved sugar supply in Brazil

