# COMODITES UPDATE





### Burning Economic Issues

- Naira climbs 0.68% to N1,475.00/\$ at the parallel market as market welcomes new rules
  - FIOCs can sell dollars to all end users and authorized dealers
- OPEC+ extends oil production cuts till 2025, keeps Nigeria's oil quota at 1.5 mbpd
- Brent slipped 0.21% (\$81.28pb) as the markets digest OPEC+ decision- *Bloomberg* 
  - Cocoa soared 5.96% (\$9,887.00/mt) as the ICCO predicts higher crop deficits from Ivory Coast and Ghana-

#### Reuters

- Nigeria PMI rose to 52.1 in May from 51.1 in April, the highest since 2024
- The Nigerian Stock Exchange lost 0.18% (99,118.86 pts) as market capitalization fell to N56.07trn



#### **The Downers**

#### A decrease in oil prices will reduce foreign earnings and lower external reserves

Impact

### **The Goodies**



- An appreciation of the naira will lower inflationary pressures and improve the cost of living
  An increase in the price of cocoa will increase foreign earnings of non exports and improve the standard of living of cocoa farmers
- •A rise in PMI to 52.1 indicates growing business activities, which will also boost investors confidence



### Domestic Commodities Price Movement

Commodities	Previous Month Prices	Curren t 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	Previo us Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (51)	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	$ \Longleftrightarrow $	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 🕂 0.18% to close at 99,118.86pts on June 3rd, 2024.

	Share Price ( <del>ℕ</del> )	es	Daily % Change (June 3rd)	YTD (% Change)
Nestle	900.00		0.00	18.18
Honeywell	3.00		0.00	9.64
Flour Mills	38.00	$\Leftrightarrow$	0.00	14.98
Cadbury	16.00	$\Leftrightarrow$	0.00	15.79
Dangote Sugar	39.00	$\Leftrightarrow$	0.00	31.58
Unilever	15.00	$\Leftrightarrow$	0.00	1.35
Ikeja Hotels	7.3		0.00	21.67



## Oil Markets Today

COMMODITY	DAILY CHANGE June 3rd – June 4th	YTD	CURRENT PRICE
BRENT	0.33%	1.22%	\$78.67pb
WTI	0.29%	3.06%	\$74.45pb
NATURAL GAS	<b>1</b> 3.02%	<b>1</b> 5.95%	\$2.67/MMBtu







### Oil Prices

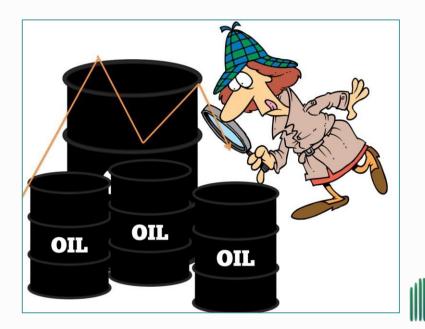


- Brent down by 3.01% to \$78.67pb
- WTI fell by 3.30% to \$74.45pb
- •Oil prices lost as OPEC+ unexpectedly rolled out a plan to restore some production to the market this year



### Outlook – Oil Prices

• Oil prices are likely to remain bearish in the near term as OPEC+ unexpectedly decides to restore production cuts in Q4'24



### Agricultural Commodities





#### Cocoa



#### Sugar



Climbed 0.59% to \$682.50/bushel due to Black Sea weather issue and lower wheat production in Russia Fell 1.18% to \$441.00/bushel, driven by improved corn planting in the U.S. and expectation of favourable weather

Soared 5.96% to \$9,887.00/mt, on forecasts of higher crop deficits due to supply shortages from Ghana and Ivory Coast Rose by 2.51% to \$18.76/pound, on lower cane output in Brazil



## Outlook – Agricultural Prices

#### GRAINS

Grain prices is expected to be mixed as wheat is expected to remain bullish on Poor weather condition in Russia. On the other hand the price of corn is expected to remain bearish on improved corn planting in the U.S.

### 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 bearish on improved sugar production in Brazil



