




COMMODITIES UPDATE



June 6th, 2024

Burning Economic Issues

- Naira lost 1.14% to N1,495.00/\$ at the parallel market as daily FX turnover rose by 94.46%
- Brent gained 0.34% (\$78.68pb) on expectations that Federal Reserve will cut rates in September- **Reuters**
- Cocoa fell 2.30% (\$9,327.00/mt) due to a rise in Ivory Coast cocoa arrivals– **Nasdaq**
- The Nigerian Stock Exchange gained 0.24% (99,284.38 pts) as market capitalization rose to N56.16trn
- Nigeria plans to suspend import levies on food for 6 months to ease inflation- **Bloomberg**
- Domestic commodity prices surge on seasonality effect
 - Garri (Bag)  13.75% (N45,000), Beans (Bag)  26.32% (N120,000), Rice (50kg bag)  6.67% (N80,000)



The Downers



Impact

- Naira depreciation will increase import bills and exacerbate inflationary pressures
- A fall in the price of cocoa will decrease foreign earnings of non exports and lower the standard of living of cocoa farmers

The Goodies






- A increase in oil prices will raise foreign earnings and improve the external reserves
- Suspension of import levies will lower input costs and improve the cost of living

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) | 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 | 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



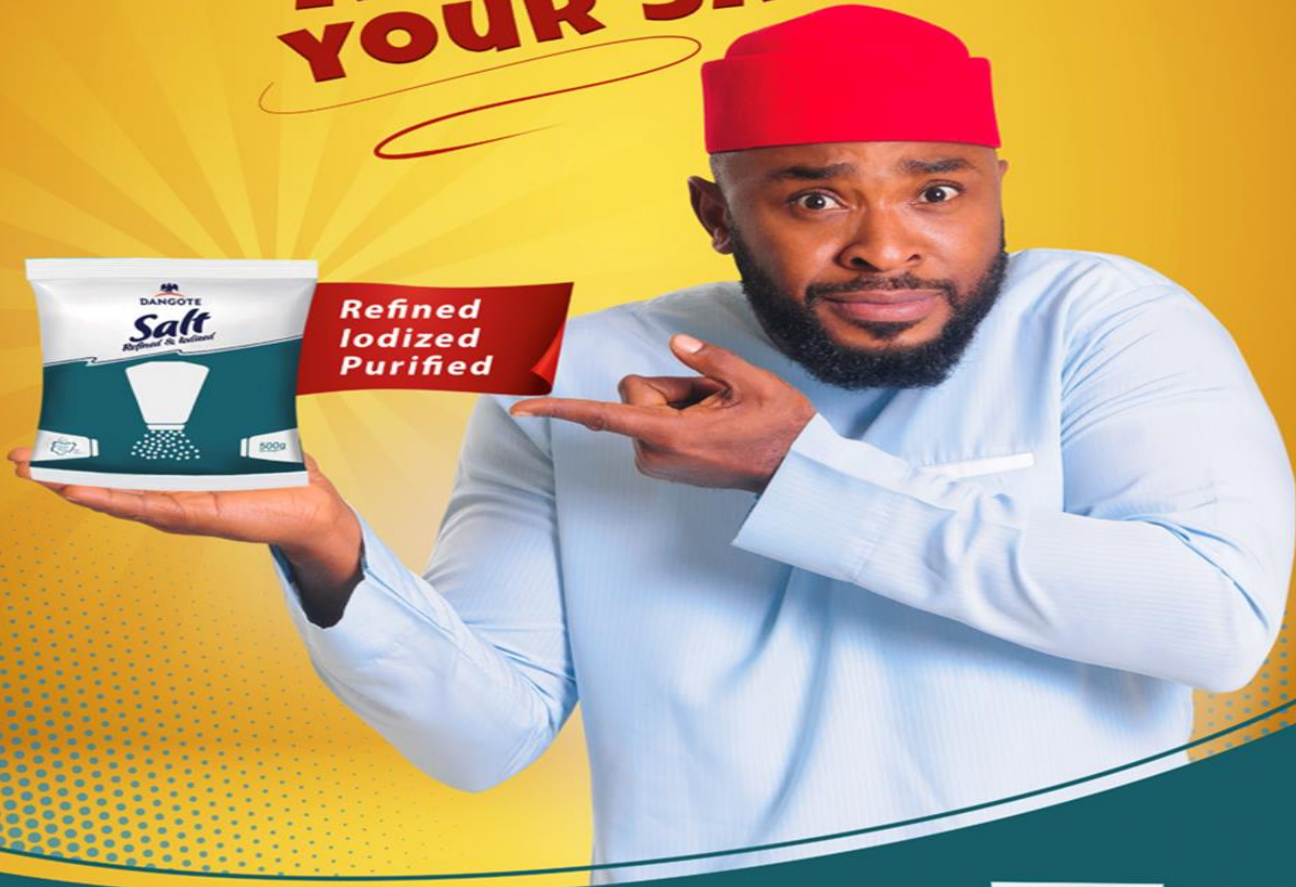
| Goods | Street price | Supermarket price | % difference |
|----------------------|--------------|-------------------|--------------|
| Pepsi (50cl) | N350 | N350 | 0% |
| Heineken beer (60cl) | N1000 | N1200 | -3.17% |
| Bread Loaf | N1600 | N1200 | -20% |
| Indomie (1 carton) | N7,800 | N7,500 | 3.85% |
| Gala (big size) | N250 | N250 | 0% |



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Stock Market

- NSE ASI  0.24% to close at 99,284.38pts on June 5rd, 2024.

| | Share Prices (₦) | | Daily % Change (June 5th) | | YTD (% Change) |
|------------------|---------------------|---|------------------------------|---|-------------------|
| Nestle | 900.00 |  | 0.00 |  | 18.18 |
| Honeywell | 3.00 |  | 0.00 |  | 9.64 |
| Flour Mills | 38.00 |  | 0.00 |  | 14.98 |
| Cadbury | 16.00 |  | 0.00 |  | 15.79 |
| Dangote Sugar | 39.00 |  | 0.00 |  | 31.58 |
| Unilever | 15.00 |  | 0.00 |  | 1.35 |
| Ikeja Hotels | 7.3 |  | 0.00 |  | 21.67 |



Oil Markets Today

| COMMODITY | DAILY CHANGE June 5th – June 6th | YTD | CURRENT PRICE |
|-------------|-------------------------------------|---------|---------------|
| BRENT | ↑ 0.34% | ↑ 1.22% | \$78.68pb |
| WTI | ↑ 0.47% | ↑ 3.06% | \$74.42pb |
| NATURAL GAS | ↑ 3.02% | ↑ 5.95% | \$2.67/MMBtu |



Oil Prices



- Brent rose by 0.34% to \$78.68pb
- WTI fell by 0.47% to \$74.42pb
- Oil prices gained due to expectations of U.S. Federal Reserve will cut rates in September

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

Wheat



Down 0.99% to \$651.75/bushel due to softer demand as buyers anticipate lower prices and expectation of improved U.S. wheat outlook

Corn



Fell 0.11% to \$442.00/bushel, driven by improved corn planting in the U.S. and expectation of favourable weather

Cocoa



Slipped 2.30% to \$9,327.00/mt, on forecasts of higher crop deficits due to supply shortages from Ghana and Ivory Coast

Sugar



Rose by 0.95% to \$19.04/pound as India extends restriction on exports and poor weather conditions in key producing countries

Outlook – Agricultural Prices



GRAINS

- Grain prices is expected to be mixed as wheat is expected to be bearish due to soften demand as buyers anticipate lower prices and 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

