





COMMODITIES UPDATE



July 11th, 2024

Burning Economic Issues

- Suspension of import duty on food commodities yet to impact domestic prices
 - Garri  4.26% (N45,000), Onions  11% (N100,000), Palm oil  20% (N6,000), Flour  11.86% (N52,000)
- Naira depreciated by 0.32% to (N1,545.00/\$) at the parallel market despite an increase in forex supply
- Brent gained 0.54% (\$85pb) driven by a fall in U.S. crude inventories- **Reuters**
- Nigeria's oil production increased by 1.6% to 1.27mbpd in June- **OPEC**
- Petrol scarcity lingers, as the price of PMS increases to N780/litre
- Cocoa slipped 0.97% (\$8,071/mt) due to expectations for weaker cocoa demand- **Nasdaq**
- Diesel price is stable at N1,180/litre



The Downers



- A depreciation on the naira could exacerbate inflationary pressures
- A decrease in cocoa price will reduce non oil revenue and lower the standard of living of cocoa farmers

Impact

The Goodies






- An increase in Nigeria's oil production will increase government revenue and reduce budget deficits
- Increase in oil prices will raise oil revenue and boost foreign reserves

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N47,000	N45,000	4.26	↓	N16,000	N50,000
Rice (50kg) long grain	N85,000	N82,000	3.53	↓	N33,000	N95,000
Flour (50kg)	N59,000	N52,000	11.86	↓	N28,500	N64,000
Beans (Oloyin)(50kg)	N95,000	N150,000	57.89	↑	N30,000	N100,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N110,000	N140,000	27.27	↑	N15,000	N150,000
Pepper (big bag)	N140,000	N160,000	12.5	↑	N15,000	N140,000
Onions (bag)	N90,000	N100,000	11.11	↑	N25,000	N140,000
Plantain Bunch	N6,500	N7,000	7.69	↑		

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (5l) 	N5,000	N6,000	20.00	↑	N22,000	N37,500
Semovita (10kg)	N12,800	N12,000	6.25	↓	N6,700	N12,700
New Yam (3 tubers) 	N7,500	N10,500	40.00	↑	N3,000	N12,000
Sugar (50kg) 	N80,000	N78,000	2.5	↓	N31,000	N85,000
Wheat flour (10kg)	N15,000	N13,000	13.33	↓	N4,800	N12,700
Eggs (1 crate)	N4,500	N4,000	11.11	↓	N1,800	N4,500

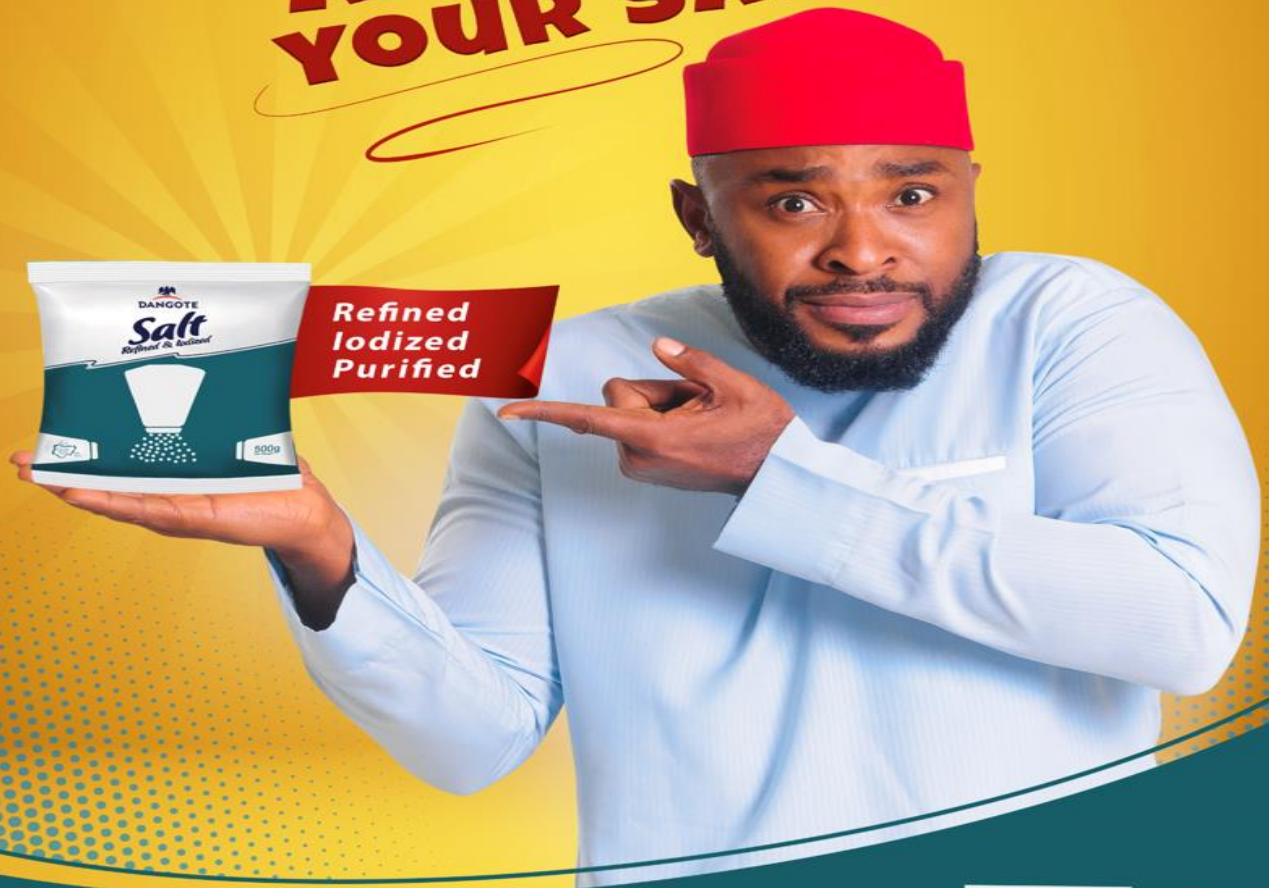
Consumer Goods – Current price



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  0.00% to close at 99,802.08pts on July 10th, 2024.

	Share Prices (₦)		Daily % Change (July 10th)		YTD (% Change)
Nestle	920.00		0.00		16.36
Honeywell	3.45		3.21		3.92
Flour Mills	43.75		0.00		32.38
Cadbury	16.60		0.00		12.63
Dangote Sugar	40.20		0.00		28.95
Unilever	17.45		0.00		17.91
Ikeja Hotels	6.25		9.42		4.17



Oil Markets Today

COMMODITY	DAILY CHANGE July 3rd – July 4th	YTD	CURRENT PRICE
BRENT	↑ 0.61%	↑ 9.60%	\$85.18pb
WTI	↑ 0.93%	↑ 13.75%	\$82.17pb
NATURAL GAS	↓ 1.32%	↓ 8.33%	\$2.37/MMBtu



Oil Prices



- Brent gained by 0.61% to \$85.18pb
- WTI rose by 0.93% to \$82.17pb
- Oil prices increased as U.S. crude inventories fell by 3.44 million barrels

Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term on summer demand



Agricultural Commodities

Wheat



↓
Lost 2.32% to \$558.75/bushel due to cheaper Russia wheat as export duty declines

Corn



↓
Down 0.67% to \$405.75/bushel as favourable weather conditions in the U.S. boost supply

Cocoa



↑
Gained 0.04% to \$8,153.00/mt, on production concerns in Ivory Coast

Sugar



↑
Rose by 1.68% to \$19.95/pound, as weak U.S. dollar boost demand

Outlook – Agricultural Prices



GRAINS

- Grain prices is expected to be bearish in the near term driven by ample supplies in the U.S., Russia and India

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 unfavourable weather conditions in Brazil and India

