





COMMODITIES UPDATE



July 16th, 2024

Burning Economic Issues

- Nigeria's headline inflation rate increased by 0.24% in June to 34.19%- **NBS**
 - Annualized m.o.m inflation up to 30.25%
- Naira falls to N1,564.00/\$ (parallel market) despite forex supply
- Brent lost 0.51% (\$84.60pb) due to concerns about demand in top importer China- **Reuters**
- LNG slipped 4.47% (\$2.23/MMBtu) as EU storage reaches tank top- **S&P Global**
- Cocoa gained 3.67% (\$8,626/mt) driven by lower cocoa production in Ivory Coast- **Nasdaq**
- Domestic food commodity prices mainly higher
- Onions  11% (N100,000), Beans  58% (N150,000), Palm oil (5 litres)  20% (N6,000), Garri  4% (N45,000)



The Downers



- A decrease in oil prices will reduce Nigeria's oil revenue and lower external reserves
- A higher inflation rate will erode purchasing power and exacerbate currency depreciation

Impact

The Goodies






- An rise in cocoa prices will increase export earnings and improve the standard of living of cocoa farmers

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	N5,500	22.22	↑	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  0.30% to close at 99,966.28pts on July 15th, 2024.

	Share Prices (₦)		Daily % Change (July 15th)		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 15th – July 16th	YTD	CURRENT PRICE
BRENT	↓ 0.51%	↑ 8.85%	\$84.60pb
WTI	↓ 0.60%	↑ 13.12%	\$81.72pb
NATURAL GAS	↓ 4.47%	↓ 11.51%	\$2.23/MMBtu



Oil Prices



- Brent down by 0.51% to \$84.60pb
- WTI slipped by 0.60% to \$81.72pb
- Oil prices lost on concerns about demand in top importer China

Outlook – Oil Prices

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



Agricultural Commodities

Wheat



Down 3.18% to \$533.25/bushel on ample supply due to favourable weather conditions

Corn



Down 0.78% to \$411.50/bushel driven by favourable weather conditions

Cocoa



Gained 3.67% to \$8,626.00/mt, due to reduced Ivory Coast cocoa production

Sugar



Rose by 2.24% to \$19.63/pound, as Brazilian real gets stronger

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

