





# COMMODITIES UPDATE



June 2<sup>nd</sup>, 2024

# Burning Economic Issues

- Naira appreciates by 1.26% (N1,506.00/\$) at the parallel market
- Nigeria's capital importation rose by 210.16% to \$3.39bn in Q1'24 compared to \$1.09bn in Q4'23- **NBS**
- Brent gained 0.62% (\$85.53pb) on prospect of summer demand and OPEC+ output cuts- **Reuters**
- Stanbic IBTC's PMI for Nigeria dropped to a 7-month low of 50.1% in June from 52.1% in May
- Cocoa falls sharply 7.59% (\$7,144.00/mt) due to improved weather condition in main growing region in West Africa- **FT**
- LNG fell 1.15% (\$2.57/MMBtu) as China cuts its LNG imports after the price rose above \$3.00 in June- **Reuters**
- Domestic commodity prices are mixed
  - Palm oil  20% (N6,000), Flour  (N59,000), Beans  57.89% (N150,000), Garri  4.26% (N45,000)

## The Downers



## Impact

- A plunge in cocoa prices will reduce export earnings and government revenue
- A fall in LNG prices will reduce export earnings and government revenue
- A lower PMI shows a contraction of the manufacturing sector and could lower business confidence

## The Goodies






- An increase in oil prices will increase oil revenue and improve foreign exchange reserves
- A rise in capital importation signals increased investment and could make the financial market more robust

# 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	N59,000	0.00	↔	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	N90,000	0.00	↔	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  0.04% to close at 100,020.83pts on July 1st, 2024.

	Share Prices (₦)		Daily % Change (July 1st)		YTD (% Change)
Nestle	920.00		0.00		16.36
Honeywell	3.36		0.00		1.20
Flour Mills	44.50		0.00		34.64
Cadbury	16.60		0.00		12.63
Dangote Sugar	43.00		0.00		24.56
Unilever	18.00		0.00		21.52
Ikeja Hotels	7.9		0.63		30.83





# Oil Markets Today

COMMODITY	DAILY CHANGE July 1st – July 2nd	YTD	CURRENT PRICE
BRENT	↑ 1.12%	↑ 10.59%	\$85.95pb
WTI	↑ 1.14%	↑ 14.16%	\$82.47pb
NATURAL GAS	↓ 1.35%	↑ 1.98%	\$2.57/MMBtu



# Oil Prices



- Brent Rose by 1.12% to \$85.95pb
- WTI increased by 1.14% to \$82.47pb
- Oil prices gained on expectations of peak summer consumption

# 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 1.92% to \$584.50/bushel on forecast of reduced wheat acreage and lower wheat yield due to weather challenges

## Corn



Lost 0.24% to \$419.75/bushel, on higher-than-expected U.S. plantings

## Cocoa



Plunged 7.59% to \$7,144.00/mt, on favourable growing conditions in West Africa

## Sugar



Gained by 0.10% to \$20.32/pound, triggered by an extension India's ban on sugar exports until October

# Outlook – Agricultural Prices



## GRAINS

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

## 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

