

COMMODITIES UPDATE



June 4th, 2024

Burning Economic Issues

- Naira falls by 0.72% (N1,523.00/\$) at the parallel market as forex supply increases
- NNPC Ltd declares a state of emergency on oil and gas production, targets 2mbpd in 2025
- Brent gained 0.42% (\$86.60pb) on a larger than expected drawdown in U.S crude stockpiles- ***Bloomberg***
- Cocoa increased 1.48% (\$7,903.00/mt) as supply tightness drives down U.S. inventories- ***Bloomberg***
- LNG rose 0.70% (\$2.45/MMBtu) ahead of fourth of July holiday- ***Natural Gas Intelligence***
- Nigerian stock market gained 0.23% (100,299.48pts), as market capitalization rose to N56.74trn



The Downers



Impact

The Goodies






- An increase in oil prices will increase oil revenue and improve foreign exchange reserves
- A rise in cocoa prices will increase export earnings and government revenue

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  0.23% to close at 100,299.48pts on July 3rd, 2024.

	Share Prices (₦)		Daily % Change (July 3rd)		YTD (% Change)
Nestle	920.00		0.00		16.36
Honeywell	3.36		0.00		1.20
Flour Mills	43.75		0.57		32.38
Cadbury	16.60		0.00		12.63
Dangote Sugar	41.50		1.19		27.19
Unilever	17.45		0.00		17.91
Ikeja Hotels	7.85		0.00		30.83



Oil Markets Today

COMMODITY	DAILY CHANGE July 3rd – July 4th	YTD	CURRENT PRICE
BRENT	↑ 0.42%	↑ 10.59%	\$86.60pb
WTI	↑ 0.41%	↑ 14.16%	\$83.15pb
NATURAL GAS	↑ 0.70%	↑ 1.98%	\$2.45/MMBtu



Oil Prices



- Brent Rose by 0.42% to \$86.60pb
- WTI increased by 1.14% to \$83.15pb
- Oil prices gained on a larger than expected drawdown in U.S. stockpiles

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



↓
Lost 0.60% to \$577.50/bushel on cheaper Russian wheat and bumper wheat harvest in India

Corn



↓
Down 0.47% to \$419.25/bushel, on ample corn supply in the U.S.

Cocoa



↑
Gained 1.48% to \$7,903.00/mt, as supply tightness drives down U.S. inventories

Sugar



↑
Rose by 0.39% to \$20.69/pound, attributed by a below average rain Brazil and India

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

