

# COMMODITIES UPDATE



June 9<sup>th</sup>, 2024

# Burning Economic Issues



- Headline inflation projected to increase modestly by 0.14% to 34.09% in June- **FDC**
- Inflation may be approaching a point of inflection and likely to taper in the next few months
- Government suspends duties and tariffs on rice, wheat and maize
- New minimum wage could be a spoiler
- Domestic commodity prices are mixed on planting season effect
  - Flour↔ (N59,000), Garri↓4.26% (45,000), Beans↑57% (150,000), Onions↔ (N90,000)
- Diesel price flattened at N1220/litre
- Petrol shortages could exacerbate inflationary pressures



## The Downers



## Impact

## The Goodies






- A moderate rise in inflation suggests that the monetary policies are starting to take effect
- Federal government measures to lower food prices will help to reduce food costs and lower inflationary pressures

# 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  0.02% to close at 100,022.03pts on July 8th, 2024.

	Share Prices (₦)		Daily % Change (July 8th)		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	↓ 0.64%	↑ 10.64%	\$85.99pb
WTI	↓ 0.77%	↑ 14.23%	\$82.52pb
NATURAL GAS	↑ 2.11%	↓ 5.95%	\$2.37/MMBtu



# Oil Prices



- Brent down by 0.64% to \$85.99pb
- WTI decreased by 0.77% to \$82.52pb
- Oil prices lost on hopes of a ceasefire deal in Gaza as supply worries ease.

# Outlook – Oil Prices

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



# Agricultural Commodities

## Wheat



Plunged 3.77% to \$568.25/bushel due to cheap exports from Russia

## Corn



Down 2.95% to \$411.50/bushel, on expectations that dry and hot weather will enable good U.S. harvesting progress

## Cocoa



Gained 0.75% to \$7,909.00/mt, on favourable weather conditions in Ivory Coast

## Sugar



Lost by 1.09% to \$19.92/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

