






COMMODITIES UPDATE



August 13th, 2024

Burning Economic Issues

- Naira slips to (N1,600.00/\$) at the parallel market after RDAS
- Brent down 0.69% (\$81.73pb) as OPEC lowers 2024 demand growth forecast- **Reuters**
- Nigeria's oil production increased by 2.34% to 1.31 mbpd in July- **OPEC**
- Cocoa plunged by 5.94% (\$6,951/mt) as Ghana targets 800,000 tons of cocoa in the 2024/25 season for main crop- **Reuters**
- LNG rose 2.94% (\$2.21/MMBtu) due to expectations of further declines in the large inventory surplus- **WSJ**
- Domestic commodity prices mixed as markets return to normal after protests
 - Flour (50kg)  5.08% (N62,000), Semovita (10kg)  37.5% (N16,500), Sugar (50kg)  3.75% (N83,000), Eggs (1Crate)  10% (N5,500) Pepper  57.14% (N60,000)

The Downers



Impact

- A decrease in oil prices will lower oil revenue and deplete external reserves
- A fall in cocoa prices will decrease non-export revenue and profits for cocoa farmers

The Goodies






Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N45,000	N46,000	2.22	↑	N16,000	N50,000
Rice (50kg) long grain	N82,000	N85,000	3.66	↑	N33,000	N95,000
Flour (50kg)	N59,000	N62,000	5.08	↑	N28,500	N64,000
Beans (Oloyin)(50kg)	N150,000	N150,000	0.00	↔	N30,000	N100,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N95,000	N60,000	36.84	↓	N15,000	N150,000
Pepper (big bag)	N140,000	N60,000	57.14	↓	N15,000	N160,000
Onions (bag)	N90,000	N115,000	26.32	↑	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) 	N6,000	N8,000	33.33	↑	N22,000	N37,500
Semovita (10kg)	N12,000	N16,500	37.5	↑	N6,700	N16,500
New Yam (3 tubers) 	N18,000	N10,500	41.67	↓	N3,000	N12,000
Sugar (50kg) 	N80,000	N83,000	3.75	↑	N31,000	N85,000
Wheat flour (10kg)	N13,000	N12,500	3.85	↓	N4,800	N13,000
Eggs (1 crate)	N5,000	N5,500	4.00	↑	N1,800	N5,500

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)	N7,500	N7,600	1.3%
Gala (big size)	N250	N250	0%



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Stock Market

NSE ASI  0.72% to close at 97,098.98pts on August 12th, 2024.

	Share Prices (₦)		Daily % Change (August 12th)		YTD (% Change)
Nestle	815.00		0.00		25.91
Honeywell	4.02		0.50		21.08
Flour Mills	44.80		1.36		35.55
Cadbury	20.10		0.00		5.79
Dangote Sugar	40.35		9.95		29.21
Unilever	19.40		0.00		31.08
Ikeja Hotels	7.00		2.94		16.67



Oil Markets Today

COMMODITY	DAILY CHANGE August 12th – August 13th	YTD	CURRENT PRICE
BRENT	↓ 0.69%	↑ 1.75%	\$81.73pb
WTI	↓ 0.57%	↑ 1.07%	\$79.60pb
NATURAL GAS	↑ 0.94%	↓ 22.62%	\$2.21/MMBtu



Oil Prices



- Brent rose by 0.69% to \$81.73pb
- WTI climbed by 0.57% to \$79.60pb
- Oil prices lost as OPEC lowers 2024 demand growth forecast

Outlook – Oil Prices

- Oil prices are likely to be bullish in the near term on fears of escalating Middle East tensions



Agricultural Commodities

Wheat



Plunged 2.35% to \$529.75/bushel as Ukraine ramps up wheat shipment despite Russian attack

Corn



Lost 0.68% to \$402.50/bushel on rising expectation of increased U.S. output and a bountiful global supply

Cocoa



Down 5.94% to \$6,951.00/mt, as Ghana COCOBOD says its confident of producing 800,000 tons of cocoa in 2024/25 season

Sugar



Fell by 0.22% to \$18.44/pound attributed to weak demand in India

Outlook – Agricultural Prices



GRAINS

- Grain prices is expected to be bearish in the near term due to forecasts of strong US spring wheat yield and cheap prices offered by Ukraine

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 favourable weather conditions in Brazil and India, supported by weak demand in India.

