




# COMMODITIES UPDATE



August 20<sup>th</sup>, 2024

# Burning Economic Issues

- Petrol scarcity spreads across the country
  - Average price of petrol is N1,000 per litre
- Domestic commodity prices rise as fuel scarcity bites
  - Flour (50kg)  5.08% (N62,000), Sugar (50kg) 3.75%  3.75% (N83,000), Palm oil (5 litres)  33.33% (N8,000)
- Brent fell 0.55% (\$77.23pb) on China demand concerns- *Reuters*
- Naira appreciated marginally to N1,600.00/\$ at the parallel market and N1,579.22/\$ at the official market
- Cocoa price increased by 4.61% (\$7,414/mt) as traders focused on crop prospects in West Africa for 2024/25 season- *Bloomberg*
- Stock market lost 1.36% to close at 95,781.68 points as market capitalization fell to N54.38trn



## The Downers



- Crude oil accounted for approximately 81% of total exports in Q1'24. A decrease in oil prices will reduce oil revenue and deplete external reserves

## Impact

## The Goodies






- A fall in cocoa price will decrease non-export revenue and profits for cocoa farmers

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N46,000	N45,000	2.17	↓	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)	N80,000	N50,000	37.5	↓	N15,000	N150,000
Pepper (big bag)	N90,000	N60,000	33.33	↓	N15,000	N160,000
Onions (bag)	N115,000	N100,000	13.04	↓	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



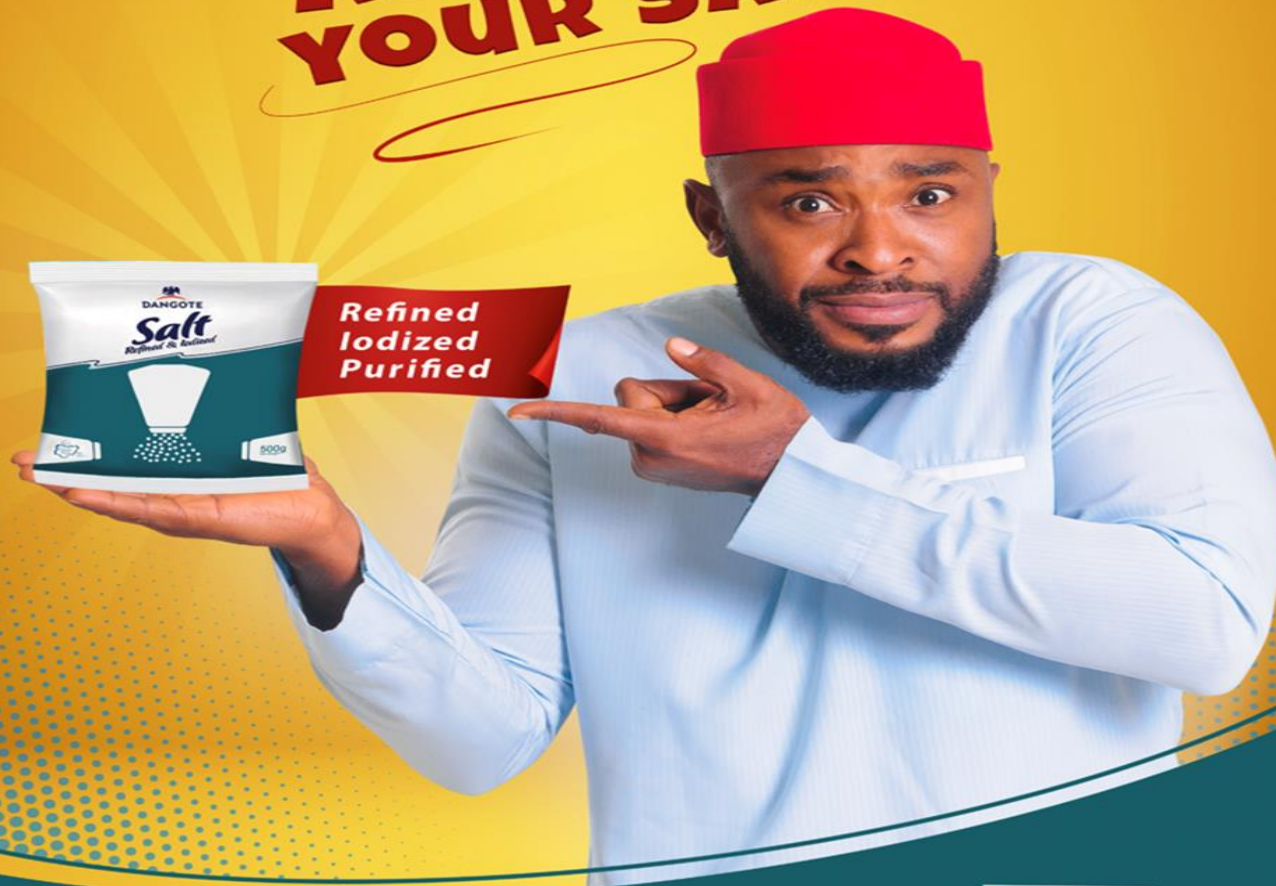
Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N350	N350	0%
Heineken beer (60cl)	N1000	N1200	-3.17%
Bread Loaf	N1600	N1200	-20%
Indomie (1 carton)	N7,500	N7,600	1.3%
Gala (big size)	N250	N250	0%



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# Stock Market

NSE ASI  1.36% to close at 95,781.68pts on August 19th, 2024.

	Share Prices (₦)		Daily % Change (August 19th)		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 19th – August 20th	YTD	CURRENT PRICE
BRENT	↓ 0.55%	↑ 1.75%	\$77.23pb
WTI	↓ 0.83%	↑ 1.07%	\$73.75pb
NATURAL GAS	↑ 5.07%	↓ 18.27%	\$2.24/MMBtu



# Oil Prices



- Brent down by 0.55% to \$79.11pb
- WTI fell by 0.83% to \$73.75pb
- Oil prices lost on fears of China demand.

# Outlook – Oil Prices

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



# Agricultural Commodities

## Wheat



↓  
Lost by 0.09% to \$551.00/bushel due to ample supply from Black sea exporting region and a decline in Russia wheat export price

## Corn



↑  
Up 1.08% to \$396.75/bushel driven by favourable weather conditions

## Cocoa



↑  
Rose 4.61% to \$7,414.00/mt, as trader focus on crop prospects in West Africa

## Sugar



↓  
Down by 0.11% to \$18.01/pound on signs of ample global supply

# 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.

