

COMMODITIES UPDATE



August 27th, 2024

Burning Economic Issues

- Nigeria's real GDP expands to 3.19% in Q2'24, oil sector growth at 10.15% - **NBS**
- After a decline in inflation, the stage is set for MPC meeting
- Naira appreciated by 0.62% (N1,605.00/\$) in the parallel market, but depreciated (N1,590.60/\$) at the official market
- Brent crosses the \$80pb resistance point, trading at \$81.49bp due to Libya production glitches - **Reuters**
- Cocoa rose 3.01% (\$8,046/mt) due to unfavourable weather conditions in Ivory Coast - **Reuters**
- Domestic commodity prices are flat in line with forex rate stability
 - Garri (50kg) ↔ (45,000), Onions (Bag) ↔ (N95,000), Tomatoes (Basket) ↔ (N50,000),



The Downers



Impact

The Goodies






- An expansion in Nigeria's GDP to 3.19% will attract both domestic and foreign investors
- Nigeria's oil production increased by 2.34% in July. A rise in the price of oil will improve oil revenue and increase external reserves.
- An increase in cocoa price above \$8,000 will increase non-export revenue and improve trade balance

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N45,000	N45,000	0.00	↔	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)	N50,000	N50,000	0.00	↔	N15,000	N150,000
Pepper (big bag)	N60,000	N60,000	0.00	↔	N15,000	N160,000
Onions (bag)	N95,000	N95,000	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) 	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  0.07% to close at 96,037.28pts on August 26th, 2024.

	Share Prices (₦)		Daily % Change (August 26th)		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 21st – August 22nd	YTD	CURRENT PRICE
BRENT	↑ 3.13%	↑ 1.75%	\$81.49pb
WTI	↑ 3.54%	↑ 1.07%	\$77.48pb
NATURAL GAS	↓ 0.99%	↓ 18.27%	\$2.00/MMBtu



Oil Prices



- Brent up by 3.13% to \$81.49pb
- WTI rose by 3.54% to \$77.48pb
- Oil prices gained due to escalation of Middle East tension and Libya production outages

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 0.76% to
\$524.00/bushel due to
cheap black sea
exports

Corn



↓
Down 0.83% to
\$387.75/bushel
driven by large US
crop yields

Cocoa



↑
Rose 3.01% to
\$8,046.00/mt, due
to unfavourable
weather conditions I
Ivory Coast

Sugar



↑
Climbed by 3.70%
to \$19.07/pound
on tight supply
outlook as Brazil
and India improve
ethanol
production

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 grain prices in the black Sea port

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.

