

# COMMODITIES UPDATE



September 10<sup>th</sup>,  
2024

# Burning Economic Issues

- Petrol scarcity persists as logistic costs heightened
- Naira appreciated by 0.60% (N1,663.00/\$) in the parallel market after CBN sells \$20,000 to authorized BDCs at N1,580/\$
- Brent lost 0.35% (\$71.59pb) as weak Chinese demand offset supply disruptions from Gulf storm storm - **Reuters**
- LNG slipped 1.84% (\$2.13/MMBtu) owing to lower imports from China, as storage nears capacity- **Reuters**
- Cocoa surged 4.31% (\$7,386/mt) as Ghana COCOBOD revised the 2024/25 cocoa production target down- **Reuters**
- Nigeria stock market lost 0.24% to 96205.84 as market capitalization fell to N55.28trn
- Domestic commodity prices are elevated as fuel scarcity persist
  - Tomatoes (Basket) ↔ (50,000), Pepper (Big bag) ↑ 11.11% (N80,000), Onions (Big bag) ↑ 26.32% (N150,000)



## The Downers



## Impact

- An fall in the price of oil will lower oil revenue and deplete external reserves
- The price of oil falling below the budget benchmark of \$77.96 will reduce government oil revenue, which will lead to budget deficits

## The Goodies






- A rise in cocoa price will increase export earnings and standard of living of cocoa farmers
- An appreciation of the naira will boost investors' confidence and lower inflationary pressures

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N45,000	N43,000	4.44	↓	N16,000	N50,000
Rice (50kg) long grain	N85,000	N88,000	3.53	↑	N33,000	N95,000
Flour (50kg)	N59,000	N62,000	5.08	↑	N28,500	N64,000
Beans (Oloyin)(50kg)	N150,000	N170,000	13.33	↑	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)	N90,000	N80,000	11.11	↓	N15,000	N160,000
Onions (bag)	N95,000	N120,000	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)	N5,500	N6,000	9.09	↑	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)	N7,800	N7,600	1.3%
Gala (big size)	N250	N250	0%



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# Stock Market

NSE ASI  0.24% to close at 96,205.84pts on September 10th, 2024.

	Share Prices (₦)		Daily % Change (September 10th)		YTD (% Change)
Nestle	810.00		0.00		26.36
Honeywell	4.01		1.52		20.78
Flour Mills	44.50		0.00		34.64
Cadbury	19.7		0.00		3.68
Dangote Sugar	35.35		1.26		37.98
Unilever	18.90		5.00		27.70
Ikeja Hotels	7.00		0.00		16.69





# Oil Markets Today

COMMODITY	DAILY CHANGE September 9th – September 10th	YTD	CURRENT PRICE
BRENT	↓ 0.35%	↓ 8.72%	\$71.59pb
WTI	↓ 0.47%	↓ 6.41%	\$68.39pb
NATURAL GAS	↓ 1.84%	↓ 12.30%	\$2.13/MMBtu



# Oil Prices



- Brent down by 0.35% to \$71.59pb
- WTI fell by 0.47% to \$68.39pb
- Oil prices lost on weak Chinese demand and potential Gulf storm

# Outlook – Oil Prices

- Oil prices are likely to be bearish in the near term on fears of lingering oil demand in china and economic slowdown in China and US



# Agricultural Commodities

## Wheat



Fell by 0.26% to \$567.25/bushel due to large supplies from Black Sea region and low wheat price from Russia

## Corn



Eased 0.24% to \$410.25/bushel driven by expectations of a record high U.S. output

## Cocoa



Climbed 4.31% to \$7,386.00/mt, as Ghana sets to raise farm gate price of cocoa beans for 2024/25 season

## Sugar



Down by 2.56% to \$19.38/pound on expectations of increased output in India and Thailand in 2024/25 season

# 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 rise due to drought and wildfire in Brazil, and supported by export restriction in India

