

COMMODITIES UPDATE



September 13th,
2024

Burning Economic Issues

- FG raised \$900m through a domestic dollar-bond auction, 80% over subscribed- **Bloomberg**
- Nigeria's oil production rose by 3.05% to 1.35mbpd in August- **OPEC**
- Brent gained 1.65% (\$70.33pb) due to a drop in U.S. crude inventories and concerns about Hurricane Francine - **Reuters**
- LNG rose 0.35% (\$2.28/MMBtu) on lower exports from the U.S. ahead of hurricane Francine - **Reuters**
- Naira remained flat at (N1,659.00/\$) in the parallel market
- Cocoa surged 4.31% (\$7,386/mt) as Ghana boosted cocoa prices by 45% for the 2024/25 season-**Bloomberg**
- Domestic commodity prices are mixed, impacted by exchange rate pass-through and seasonality effect
 - Tomatoes (Basket) ↓ 50% (30,000), Palm oil (5kg) ↓ 12.50% (N7,000), Wheat flour (10kg) ↑ 2.4% (N150,000), Rice (50kg) ↑ 3.53% (N88,000)



The Downers



Impact

- The price of oil falling below \$70pb and the budget benchmark of \$77.96 will reduce government oil revenue and reduce the impact on increased production.

The Goodies



An increase in Nigeria's oil production will boost oil revenue and increase the supply of crude oil to Dangote's refinery










- A rise in the price of oil will improve oil revenue and increase external reserves
- A rise in cocoa price will increase export earnings and standard of living of cocoa farmers

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N45,000	N40,000	11.11	↓	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	N160,000	6.67	↑	N30,000	N100,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N60,000	N30,000	50.00	↓	N15,000	N150,000
Pepper (big bag)	N90,000	N80,000	11.11	↓	N15,000	N160,000
Onions (bag)	N115,000	N145,000	26.09	↑	N25,000	N140,000
Plantain Bunch	N7,000	N5,500	21.43	↓		

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (5l) 	N8,000	N7,000	12.50		N22,000	N37,500
Semovita (10kg)	N16,500	N16,500	0.00		N6,700	N16,500
New Yam (3 tubers) 	N10,500	N10,500	0.00		N3,000	N12,000
Sugar (50kg) 	N80,000	N83,000	3.75		N31,000	N85,000
Wheat flour (10kg)	N12,500	N12,800	2.4		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)	N7,600	N8,000	1.3%
Gala (big size)	N250	N250	0%



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Stock Market

NSE ASI  0.09% to close at 96,715.04pts on September 12th, 2024.

	Share Prices (₹)		Daily % Change (September 12th)		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	↑ 1.65%	↓ 8.72%	\$70.33pb
WTI	↑ 1.95%	↓ 6.41%	\$67.03pb
NATURAL GAS	↑ 2.06%	↓ 12.30%	\$2.28/MMBtu



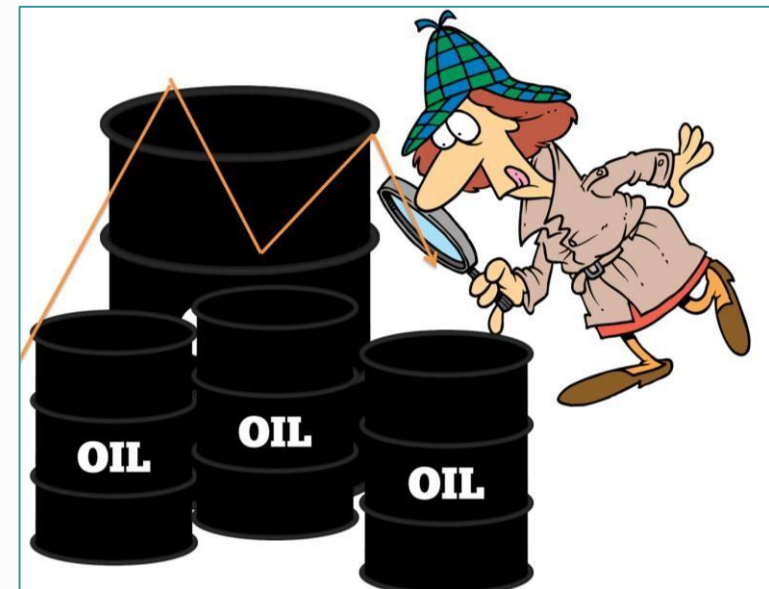
Oil Prices



- Brent rose by 1.65% to \$70.53pb
- WTI fell by 1.95% to \$67.03pb
- Oil prices gained due to a drop in US inventories and concerns about hurricane Francine

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



Rose by 0.48% to \$577.00/bushel due to expectations of lower output in Russia and tighter supply in Europe

Corn



Down 0.43% to \$402.50/bushel driven by increased crop yield in the US

Cocoa



Climbed 4.31% to \$7,625.00/mt, as Ghana sets to raise farm gate price of cocoa beans for 2024/25 season

Sugar



Up by 2.02% to \$19.16/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

