

COMMODITIES UPDATE



September 19th, 2024

Burning Economic Issues

- US Fed cuts policy rates by 50bps (4.75%p.a-5.00%p.a) in September
- Brent futures lost 1.09% (\$73.13pb) on rising US crude and fuel inventories-**Reuters**
- LNG climbed 1.12% (\$2.35/MMBtu) despite milder temperatures in Europe – **Bloomberg**
- Naira depreciates by 0.42% to N1,665.00/\$ in the parallel market
- Cocoa gained 0.83% (\$7,683.00/mt) owing to lower production levels in Ivory Coast-**Nasdaq**
- Domestic commodity prices are mixed
 - Tomatoes (Basket) ↓ 63% (22,000), Palm oil (5kg) ↓ 12.50% (N7,000), Beans (Oloyin) (50kg) ↑ 20% (N180,000),
Rice (50kg) ↑ 19% (N100,000)

The Downers



Impact

- A decline in oil prices will decrease oil revenue and deplete external reserve.
- The depreciation of the naira will weigh on investors' confidence and increase inflationary pressures

The Goodies












- A rise in cocoa price will boost export earnings and improve 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	N84,000	N100,000	19	↑	N33,000	N95,000
Flour (50kg)	N62,000	N70,000	12.90	↑	N28,500	N64,000
Beans (Oloyin)(50kg)	N150,000	N180,000	20	↑	N30,000	N180,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N60,000	N22,000	63.33	↓	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  0.56% to close at 98,230.90pts on September 18th, 2024.

	Share Prices (₹)		Daily % Change (September 18th)		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 18th – September 19th	YTD	CURRENT PRICE
BRENT	↓ 0.83%	↓ 5.96%	\$73.09pb
WTI	↓ 0.97%	↓ 2.41%	\$70.50pb
NATURAL GAS	↑ 1.12%	↓ 6.75%	\$2.35/MMBtu



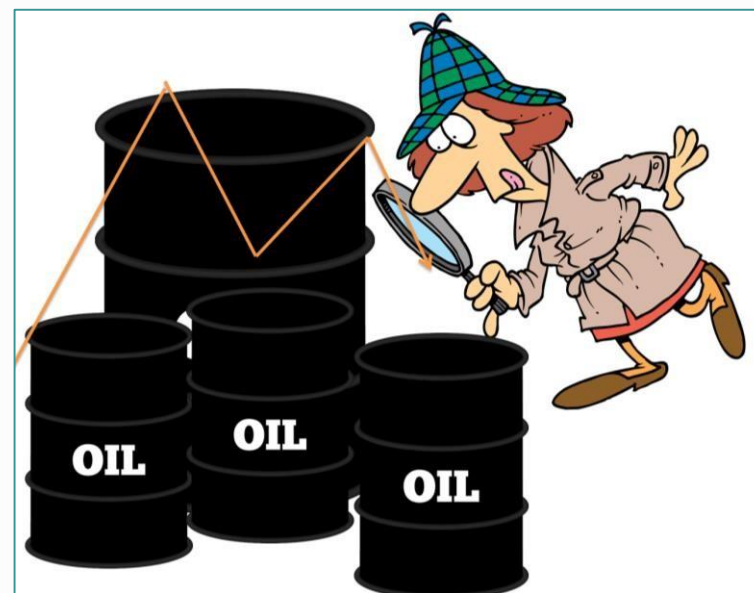
Oil Prices



- Brent dropped by 0.83% to \$73.09pb
- WTI fell by 0.97% to \$70.50pb
- Oil prices lost due to rising US crude inventories

Outlook – Oil Prices

- Oil prices are likely to remain below \$75pb in the near term due to weak demand in China



Agricultural Commodities

Wheat



Rose by 0.22% to \$577.00/bushel due to lower crop yield forecasts from France for the 2024 harvest

Corn



Gained 0.42% to \$414.25/bushel despite improved supply prospects in the US

Cocoa



Up 0.83% to \$7,683.00/mt, owing to subdued production in Ivory Coast and a stronger Us dollar

Sugar



Climbed by 1.62% to \$20.70/pound driven by unfavorable weather conditions in top producer, Brazil

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to adopt a bearish trend due to higher supply of cheap Black Sea grain

SOFTS

- Cocoa prices are likely to remain bullish as constraints in Ivory Coast's production persists
- The price of sugar will remain elevated in the coming weeks on lower crop yields in Brazil due to the drought and wildfire in Brazil

