

# COMMODITIES UPDATE



September 26<sup>th</sup>, 2024

# Burning Economic Issues




- Naira falls 0.88% to N1,700.00/\$ after interest rate hike
- Brent futures slipped by 2.42% (\$71.68pb) as Saudi Arabia lowered its price target for production expansion

## *Reuters*

- Cocoa climbed 2.03% (\$8,027.00/mt) driven by smaller global supplies - **Nasdaq**
- Floods destroy food for 8.5 million Nigerians, according to UN estimates- **Bloomberg**

➤ South South and North Central at risk

- Domestic commodity prices are

➤ Flour (Bag)  12.90% (70,000), Rice (50kg)  19% (N100,000), Palm oil (5 litres)  12.50 % (N7,000),

Tomatoes (Basket)  66.33% (N22,000)



## The Downers



## Impact

- A fall in oil prices will lower oil revenue and deplete external reserve.
- The depreciation of the naira will weigh on investors' confidence and increase inflationary pressures
- The flood could further worsen food security in the country and exacerbate the cost of living

## The Goodies












- A rise in cocoa price above \$8,000 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  0.42% to close at 98,987.42pts on September 24th, 2024.

	Share Prices (₦)		Daily % Change (September 24th)		YTD (% Change)
Nestle	890.00		0.00		19.09
Honeywell	4.63		5.12		39.46
Flour Mills	50.40		9.81		67.62
Cadbury	19.7		0.00		3.68
Dangote Sugar	35.40		0.28		37.89
Unilever	19.00		0.00		28.38
Ikeja Hotels	7.00		0.00		16.69





# Oil Markets Today

COMMODITY	DAILY CHANGE September 23rd – September 24th	YTD	CURRENT PRICE
BRENT	↓ 2.42%	↓ 3.37%	\$71.68pb
WTI	↓ 2.50%	↓ 0.78%	\$67.95pb
NATURAL GAS	↑ 2.23%	↓ 2.78%	\$2.61/MMBtu



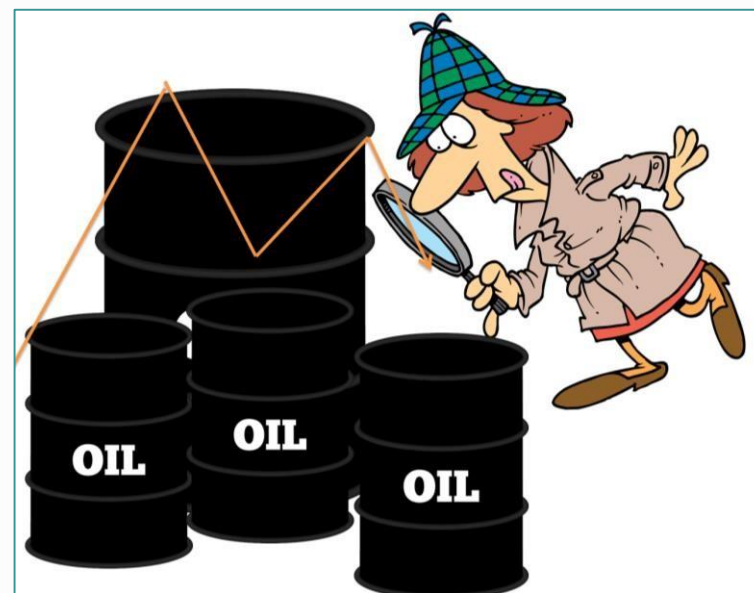
# Oil Prices



- Brent fell by 2.42% to \$71.68pb
- WTI down by 2.50% to \$67.95pb
- Oil prices lost on prospects of lower Saudi Arabia price target for production expansion

# 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 0.78% to \$582.50/bushel on Higher global demand

## Corn



Gained 0.12% to \$412.25/bushel underpinned by dry weather in the U.S

## Cocoa



Up by 2.03% to \$8,027.00/mt, owing to subdued production in Ivory Coast

## Sugar



Climbed by 0.44% to \$22.84/pound driven by global supply concerns and devastating fire in Brazil

# Outlook – Agricultural Prices



## GRAINS

- Grain prices are expected to adopt a bearish trend due to bumper harvest of autumn grain in China

## 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, supported by global supply concern

