

COMMODITIES UPDATE



October 17th, 2024

Burning Economic Issues

- Naira appreciated marginally to N1,698.00/\$ in the parallel market
 - Naira listed among worst performing currencies in Africa- **World Bank**
- Brent futures fell 0.26% (\$74.06pb) on easing Middle East concerns– **Bloomberg**
- Petrol imports into Nigeria dropped sharply by 77.65% to 42.2mn litres per week in October as Dangote Refinery's production increased- **S&P**
 - Nigeria rejects Shell's \$1.3bn oil asset sale
- Nigeria's headline inflation rose to 32.70% in September after a two-months decline- **NBS**
- Cocoa gained 1.67% (\$8,003.00/mt) due to falling exchange stocks and the prospect of poor crop in Ghana - **Reuters**
- Domestic commodity prices are mixed due to harvest season, and naira depreciation
 - Pepper (Bag) ↓ 10% (N45,000), Tomatoes (Basket) ↓ 7.41% (N25,000), Flour (50kg) ↓ 7.14% (N65,000), Rice (50kg) ↓ 8.33% (N130,000), Vegetable oil (5 litres) ↑ 20% (N15,000)

The Downers



Impact

- Nigeria's oil export earnings in Q2'24 stood at 74.98%. A decline in oil prices will reduce oil export earnings and deplete external reserves
- Nigeria rejecting Shell's \$1.3bn oil asset sale could lower oil production

The Goodies






- A rise in cocoa price above \$8,000 will increase non-oil export earnings and improve farmers income

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N40,000	N38,000	5.00	↓	N16,000	N50,000
Rice (50kg) long grain	N120,000	N130,000	8.33	↑	N33,000	N130,000
Flour (50kg)	N70,000	N65,000	7.14	↓	N28,500	N70,000
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)	N27,000	N25,000	7.41	↓	N15,000	N150,000
Pepper (big bag)	N50,000	N45,000	10.00	↓	N15,000	N160,000
Onions (bag)	N145,000	N115,000	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) 	N7,000	N7,000	0.00	↔	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	N11,500	8.00	↓	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  0.25% to close at 98,291.53pts on October 16th, 2024.

	Share Prices (₦)		Daily % Change (October 16th)		YTD (% Change)
Nestle	890.00		0.00		19.09
Honeywell	4.65		0.00		40.06
Flour Mills	62.00		0.08		87.59
Cadbury	18.2		0.00		4.21
Dangote Sugar	32.40		5.88		43.16
Unilever	19.50		0.00		31.76
Ikeja Hotels	7.00		0.00		16.67



Oil Markets Today

COMMODITY	DAILY CHANGE October 16th – October 17th	YTD	CURRENT PRICE
BRENT	↓ 1.02%	↓ 0.35%	\$73.49pb
WTI	↓ 1.15%	↓ 2.35%	\$69.77pb
NATURAL GAS	↓ 3.68%	↑ 1.19%	\$2.41/MMBtu



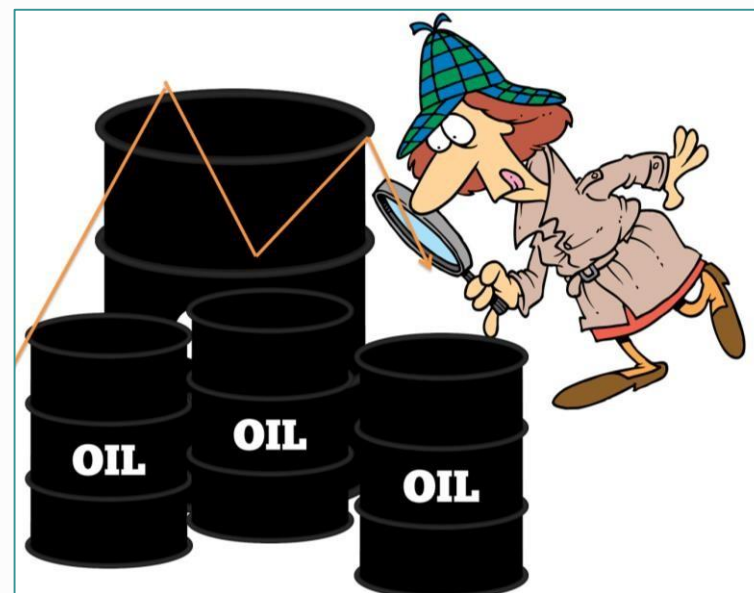
Oil Prices



- Brent fell by 1.02% to \$73.49pb
- WTI down by 1.15% to \$69.77pb
- Oil prices lost on easing Middle East concerns

Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term due to concerns of an escalating conflict in the Middle East



Agricultural Commodities

Wheat



Rose by 0.73% to \$583.75/bushel as Indian raises wheat purchase price

Corn



Gained 0.37% to \$402.75/bushel as corn prices in Ukraine continue to increase

Cocoa



Gained 2.76% to \$8,003.00/mt, supported by poor crop prospect in Ghana

Sugar



Down by 2.15% to \$22.33/pound despite lower output from 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

