

COMMODITIES UPDATE



October 22nd, 2024

Burning Economic Issues

- Naira appreciates after hours to (N1,705/\$) as traders hedge against further fall
- Oil price dipped by 0.35% (\$74.03pb) following renewed efforts by the U.S. for a ceasefire in Gaza- **Reuters**
- The price of PMS stable at N1,050-N1,100/litre and the price of diesel flat at N1,180/litre
- Cocoa lost 0.82% (\$7,389.00/mt) as abundant rainfall in Ivory Coast boosted the 2024/25 main crop - **Reuters**
- Nigerian stock market gained 0.63% reaching a market cap of N59.80tn, as ExxonMobil's \$1.28bn asset sale to Seplat was approved by the Federal Government
- Domestic commodity prices are mixed as duty waiver delays affect market sentiment
 - Pepper (Bag) ↓ 20% (N40,000), Tomatoes (Basket) ↓ 7.41% (N25,000), Flour (50kg) ↓ 7.14% (N65,000), Rice (50kg) ↑ 8.33% (N130,000), Sugar (Bag) ↑ 2.41% (N85,000)

The Downers



Impact

- Nigeria's oil export earnings in Q2'24 stood at 74.98%. A decline in oil prices will lower oil export earnings and deplete external reserves
- A fall in cocoa price will reduce foreign exchange inflows and could weaken the naira

The Goodies






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	N40,000	20.00	↓	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) 	N83,000	N85,000	2.41	↑	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  0.64% to close at 98,690.61pts on October 21st, 2024.

	Share Prices (₹)		Daily % Change (October 21st)		YTD (% Change)
Nestle	885.00		1.72		19.55
Honeywell	4.65		1.09		40.06
Flour Mills	62.00		0.00		87.59
Cadbury	18.2		0.00		4.21
Dangote Sugar	34.00		3.00		40.35
Unilever	19.00		0.00		28.38
Ikeja Hotels	7.70		4.29		21.67



Oil Markets Today

COMMODITY	DAILY CHANGE October 21st – October 22nd	YTD	CURRENT PRICE
BRENT	↓ 0.35%	↓ 4.15%	\$74.03pb
WTI	↓ 0.30%	↓ 5.12%	\$70.35pb
NATURAL GAS	↑ 2.66%	↓ 7.94%	\$2.32/MMBtu



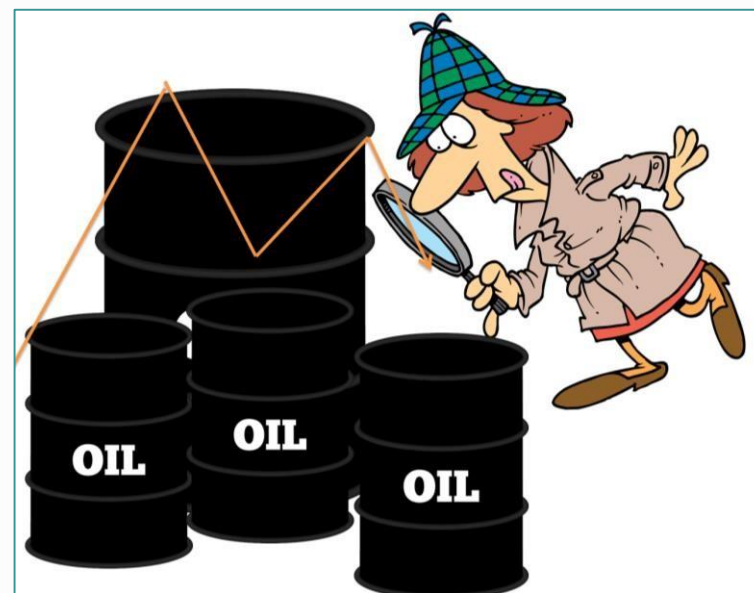
Oil Prices



- Brent dipped by 0.35% to \$74.03pb
- WTI fell by 0.30% to \$70.35pb
- Oil prices gained on renewed efforts by the U.S. for a ceasefire in Gaza

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 1.83% to \$583.25/bushel as La Nina worsens drought conditions in the U.S

Corn



Gained 1.24% to \$409.25/bushel driven by strong demand for corn

Cocoa



Lost 0.82% to \$7,389.00/mt,

Sugar



Up by 0.05% to \$22.19/pound due to favourable weather condition in Brazil

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to be bullish due to unfavourable weather in the U.S.

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

