

COMMODITIES UPDATE



October 24th, 2024

Burning Economic Issues

- Naira appreciates marginally to (N1,724/\$) at the parallel market
- Brent futures gained 1.02% (\$75.71pb) due to concerns of Middle East tension- **Bloomberg**
- Federal Government targets increased oil production to boost FX supply
 - Plans to ban the export of cooking gas from November 1, to stabilize soaring prices
- IMF revised Nigeria's growth projection downward to 2.9% in 2024 from 3.1%
- Cocoa fell by 1.50% (\$7,033.00/mt) as Ivory Coast crop yields increased- **Bloomberg**
- Domestic commodity prices are mixed due to seasonality effects and pending duty waivers
 - Garri (Bag) ↓ 5% (N38,000), Beans (Bag) ↓ 11.11% (N160,000), Rice (50kg) ↑ 7.14% (N140,000), Sugar (50kg) ↑ 2.41% (N85,000)



The Downers



- Cocoa contributes 1.38% of exported goods in Q2'24. A fall in cocoa price will reduce foreign exchange inflows and could weaken the naira
- A downgrade of Nigeria growth forecasts to 2.9% will deter investors confidence

Impact

The Goodies






- Nigeria's oil export earnings in Q2'24 stood at 74.98%. A rise in oil prices will increase oil export earnings and improve external reserves

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	N130,000	N140,000	8.33	↑	N33,000	N140,000
Flour (50kg)	N70,000	N65,000	7.14	↓	N28,500	N70,000
Beans (Oloyin)(50kg)	N180,000	N160,000	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  0.05% to close at 98,944.42pts on October 24th, 2024.

	Share Prices (₦)		Daily % Change (October 24th)		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 23rd – October 24th	YTD	CURRENT PRICE
BRENT	↑ 1.02%	↓ 2.96%	\$75.71pb
WTI	↑ 1.09%	↓ 1.83%	\$71.54pb
NATURAL GAS	↑ 2.05%	↓ 7.94%	\$2.39/MMBtu



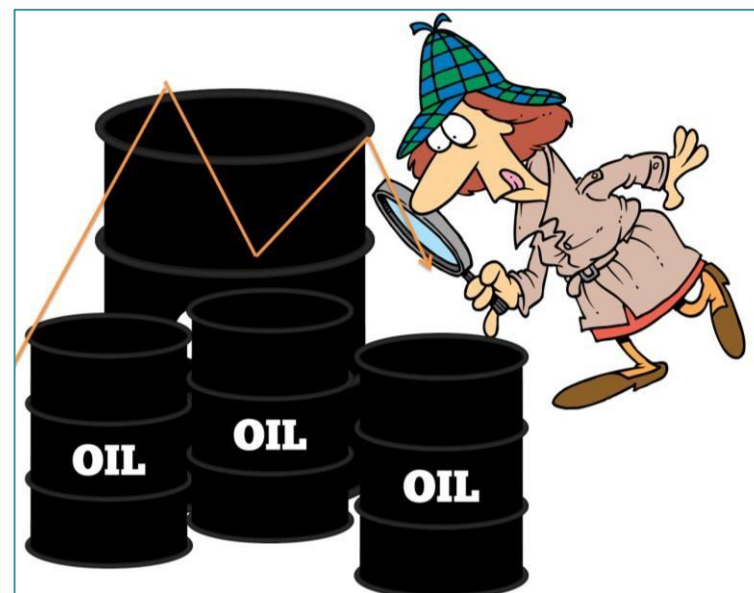
Oil Prices



- Brent up 1.02% to \$75.71pb
- WTI rose by 1.09% to \$71.54pb
- Oil prices lost due to concerns of Middle East tension

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



Down by 1.22% to \$569.00/bushel due to favourable weather conditions in the U.S. and Russia

Corn



Lost 0.36% to \$415.00/bushel driven by strong supplies

Cocoa



Lost 1.50% to \$7,033.00/mt, on Expectations that Ivory Coast main crop may increase by 10% I 2024/25 season

Sugar



Climbed 2.67% to \$22.31/pound due to increased demand for sugar in processing ethanol

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

