

COMMODITIES UPDATE







October 8th, 2024

Burning Economic Issues

- Brent futures fell 1.61% (\$79.63pb) as China holds back on more stimulus – **Bloomberg**
- Naira appreciates by 0.60% to N1,680.00/\$ in the parallel market
 - CBN sold \$543.5m at N1,540/\$ in September due to increased commodity imports and seasonal demand for FX
- NNPC grants independent oil marketers direct access to buy PMS from Dangote Refinery
- LNG slipped by 3.54% (\$2.75/MMBtu) despite expectation of Hurricane Milton in view- **WSJ**
- Cocoa lost 1.67% (\$6,951.00/mt) as Ivory Coast farmers anticipate strong cocoa yields for the 2024/25 season -

Reuters

- Domestic commodity prices are mixed due to harvest season, import duty waivers, and supply chain disruptions
 - Beans (Bag)  20% (180,000), Flour (50kg)  7.14% (N65,000), Garri (Bag)  5% (N38,000), Rice (50kg)  8.33% (N120,000)

The Downers



Impact

- A decline in cocoa price will lower non-oil exports earnings and lower farmers income
- A decrease in oil prices will lower oil revenue and deplete the external reserves.

The Goodies






- Direct sales of PMS to independent marketers will stabilize supply chains and may end fuel subsidies.

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	N110,000	N120,000	9.09	↑	N33,000	N120,000
Flour (50kg)	N70,000	N65,000	7.14	↓	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)	N22,000	N27,000	22.72	↑	N15,000	N150,000
Pepper (big bag)	N80,000	N50,000	37.5	↓	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  0.19% to close at 97,706.70pts on October 7th, 2024.

	Share Prices (₦)		Daily % Change (October 7th)		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 7th – October 8th	YTD	CURRENT PRICE
BRENT	↓ 1.61%	↑ 2.04%	\$79.63pb
WTI	↓ 1.97%	↑ 3.67%	\$76.38pb
NATURAL GAS	↓ 4.20%	↑ 9.13%	\$2.73/MMBtu



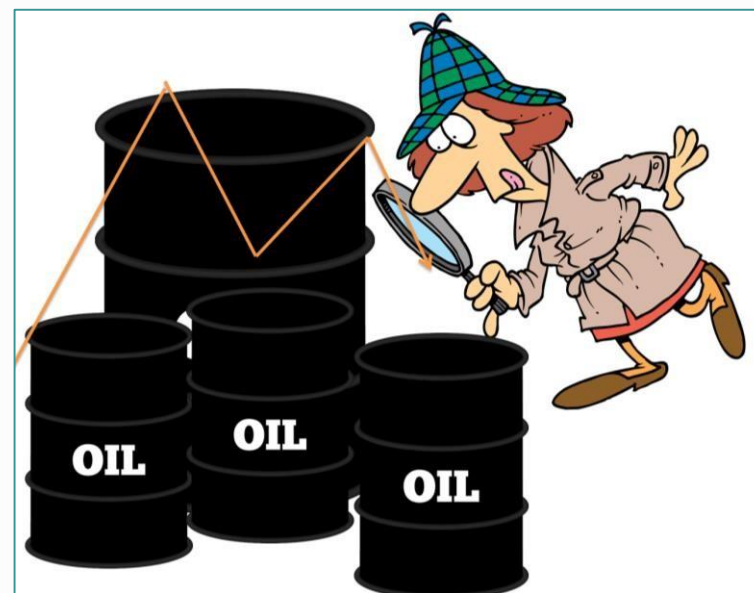
Oil Prices



- Brent fell by 1.61% to \$79.63pb
- WTI down by 1.97% to \$76.38pb
- Oil prices lost as China holds on to more stimulus

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 0.51% to \$592.75/bushel due to unfavourable weather conditions in Australia

Corn



Gained 0.06% to \$425.00/bushel, on growing demand

Cocoa



Lost 1.06% to \$6,994.00/mt, due to expectation of a better crop outlook for 2024/25 season

Sugar



Down by 2.74% to \$22.38/pound due to supply shortages 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

