

COMMODITIES UPDATE



November 7th, 2024

Burning Economic Issues

- Vitol Group, Trafigura Group, and BP Plc account for 75% of exported diesel from Dangote refinery- **Bloomberg**

➤ Price of diesel is now N1,150/litre

- Naira appreciates by 0.12% to N1,730/\$ (parallel market)

- Brent futures rose 0.40% (\$75.22pb) as traders weigh the likely impact of Trump's election victory on the crude market-

Reuters

- Cocoa fell 3.57% (\$6,698.00/mt) as Ghana cocoa production is expected to recover in the 2024/25 crop season – **Reuters**

- Nigerian stock market lost 0.57% to 96,567.24pts as market cap fell to N58.51trn. Has lost 2.42% in 2 weeks

- Domestic commodity prices are mixed due to seasonal factors and arrival of goods under import duty waivers

➤ Pepper (Bag) ↓ 20% (N40,000), Tomatoes (Basket) ↓ 7.41% (N25,000), Flour (50kg) ↓ 7.14% (N65,000), Rice (50kg)

↑ 8.33% (N140,000), Sugar (Bag) ↑ 2.41% (N85,000)

The Downers



- A fall in cocoa prices will reduce foreign exchange inflows and could weaken the naira










Impact

The Goodies






- A rise in oil prices will increase Nigeria's oil revenue and improve external reserves.
- Dangote refinery sales to Trafigura, Vitol, and BP will improve Nigeria's trade balance

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)	N150,000	N180,000	20		N30,000	N180,000
Cement (50kg)	N7,400	N8,400	13.51		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  0.57% to close at 96,567.24pts on November 6th, 2024.

	Share Prices (₦)		Daily % Change (November 6th)		YTD (% Change)
Nestle	885.00		0.00		19.55
Honeywell	4.25		1.16		28.01
Flour Mills	64.00		0.00		93.65
Cadbury	16.4		0.00		13.68
Dangote Sugar	30.08		0.00		45.96
Unilever	24.00		0.00		62.16
Ikeja Hotels	8.		4.29		36.67



Oil Markets Today

COMMODITY	DAILY CHANGE November 6th – November 7th	YTD	CURRENT PRICE
BRENT	↑ 0.40%	↓ 4.12%	\$75.22pb
WTI	↑ 0.29%	↓ 2.27%	\$71.90pb
NATURAL GAS	↑ 0.56%	↑ 6.75%	\$2.69/MMBtu



Oil Prices



- Brent rose 0.40% to \$75.22pb
- WTI climbed 0.29% to \$71.90pb
- Oil prices gained as traders weigh the likely impact of Donald Trump's election victory on the crude market

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 1.48% to \$564.00/bushel as U.S. dollar index rallies

Corn



Lost 1.24% to \$415.00/bushel due to a strong dollar

Cocoa



Dipped 3.57% to \$6,698.00/mt, on expectations of improved cocoa yields in Ghana

Sugar



Slid by 1.19% to \$21.64/pound on stronger dollar

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

