

COMMODITIES UPDATE



October 31st, 2024

Burning Economic Issues

- Naira appreciated by 0.11% to (N1,745/\$) at the parallel market
- Brent futures rose 0.61% (\$72.99pb) as OPEC+ considers delaying December output increase- **Reuters**
- Dangote states that the refinery has 500m litres of petrol in storage and can meet domestic demand- **Reuters**
 - NNPC raised petrol price by 2.71 to N1,025/litre in Lagos
- Nigeria's money supply (M3) surged by 62.75% in September to N108.9trn (yoy)
- Cocoa fell by 0.54% (\$6,814.00/mt) on expectations of improved cocoa yields in Ivory Coast- **Reuters**
- Domestic commodity prices are experiencing mixed trends due to seasonal factors and delays in the implementation of duty waivers
 - Garri (Bag) ↓ 5% (N40,000), Onions (Bag) ↑ 30.43% (N150,000), Rice (50kg) ↑ 7.14% (N140,000), Beans (50kg) ↓ 20% (N160,000)

The Downers



- Cocoa contributes 1.38% of exported goods in Q2'24. A fall in cocoa price below \$7,000 will reduce foreign exchange inflows and could weaken the naira

Impact

The Goodies






- Nigeria's oil export earnings in Q2'24 stood at 74.98%. A rise in oil prices will increase oil revenue and exchange rate accretion

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) | N115,000 | N150,000 | 30.43 | ↑ | 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  0.04% to close at 98,023.23pts on October 30th, 2024.

| | Share Prices (₦) | | Daily % Change (October 30th) | | 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 30th – October 31st | YTD | CURRENT PRICE |
|-------------|---|---------|---------------|
| BRENT | ↑ 0.61% | ↓ 7.53% | \$72.99pb |
| WTI | ↑ 0.57% | ↓ 6.42% | \$69.pb |
| NATURAL GAS | ↓ 1.61% | ↓ 6.35% | \$2.81/MMBtu |



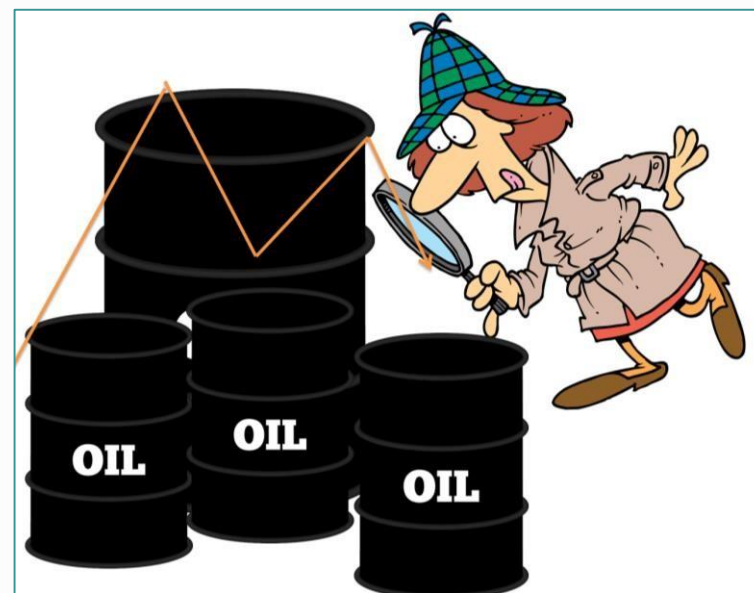
Oil Prices



- Brent rose 0.61% to \$72.99pb
- WTI climbed 0.57% to \$69.00pb
- Oil prices gained on report that OPEC+ could delay a planned December oil output hike

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 0.48% to \$567.75/bushel due to improved crop yield in Canada.

Corn



Dipped 0.06% to \$413.50/bushel driven by strong supplies

Cocoa



Lost 0.54% to \$6,814.00/mt on expectations of improved cocoa yield in Ivory Coast

Sugar



Lost 0.77% to \$21.87/pound due to a stronger-than – expected sugar production in Brazil in the first half of October

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to decline due to higher production in Canada

SOFTS

- Cocoa prices are likely to be bearish on improved crop yield in Ivory Coast
- The price of sugar will remain elevated in the coming weeks due to a stronger-than-expected sugar production in Brazil in the first half of October

