

COMMODITIES UPDATE



December 3rd, 2024

Burning Economic Issues

- Nigeria's PMI contracted for the fifth consecutive month in November to 49.6 from 46.9 in October- **Stanbic IBTC**
- Nigeria raised \$2.2bn through its latest Eurobond auction after a two-year hiatus
 - 9 times oversubscribed, will not increase the bond amount
- Naira depreciated by 0.17% to N1,730/\$ (parallel market)
- Brent futures gained 1.04% (\$72.59pb) on Chinese data and fears of an Israel-Lebanon ceasefire collapse- **Reuters**
- Cocoa lost 0.33% (\$9,394.00/mt) due to an increase in cocoa arrivals at Ivory Coast ports- **Reuters**
- Domestic commodity prices are mixed as consumer resistance kicks in
 - Rice (Bag) ↓ 23.08% (N100,000), Beans ↓ 14.29% (N120,000), Palm oil (5 litre) ↑ 57.14% (N11,000), Pepper (Basket) ↑ 75% (N70,000), Garri (Bag) ↓ 2.63% (N37,000), Flour ↔ (N65,000), Vegetable ↑ 35.29% (N23,000)

The Downers



Impact

A contracted PMI can lead to reduced production and job loss and can weaken consumer's confidence

The Goodies






- Oil exports account for approximately 80% of Nigeria's export revenue. A rise in oil prices will increase Nigeria's foreign earnings and improve its external reserves
- A rise in cocoa prices above \$9,000/mt will increase non-oil export earnings and improve cocoa farmers profit
- The oversubscription of Nigeria's Eurobond is a sign of investors confidence on its economy

Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N38,000	N37,000	2.63	↓	N16,000	N50,000
Rice (50kg) long grain	N130,000	N100,000	23.08	↓	N33,000	N140,000
Flour (50kg)	N65,000	N65,000	0.00	↔	N28,500	N70,000
Beans (Oloyin)(50kg)	N140,000	N120,000	14.29	↓	N30,000	N180,000
Cement (50kg)	N7,400	N8,400	13.51	↑	N4,200	N9,500
Tomatoes (Basket)	N40,000	N60,000	50.00	↑	N15,000	N150,000
Pepper (big bag)	N40,000	N70,000	75.00	↑	N15,000	N160,000
Onions (bag)	N150,000	N180,000	20.00	↑	N25,000	N140,000
Vegetable oil (5L)	N17,000	N23,000	35.29	↑	N23,000	

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	N11,000	57.14	↑	N22,000	N37,500
Semovita (10kg)	N16,500	N16,000	3.03	↓	N6,700	N16,500
New Yam (3 tubers) 	N10,500	N10,500	0.00	↔	N3,000	N12,000
Sugar (50kg) 	N85,000	N85,000	0.00	↔	N31,000	N85,000
Wheat flour (10kg)	N11,500	N14,500	26.09	↑	N4,800	N13,000
Eggs (1 crate)	N6,000	N6,500	8.33	↑	N1,800	N6,500

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  0.23% to close at 97,733.86pts on December 2nd, 2024.

	Share Prices (₦)		Daily % Change (December 2nd)		YTD (% Change)
Nestle	850.00		0.00		19.55
Honeywell	4.16		0.24		27.71
Flour Mills	65.00		0.00		96.67
Cadbury	17.40		2.26		13.68
Dangote Sugar	30.00		2.60		47.37
Unilever	24.00		0.00		62.16
Ikeja Hotels	8.20		4.79		34.17



Oil Markets Today

COMMODITY	DAILY CHANGE December 2nd – December 3rd	YTD	CURRENT PRICE
BRENT	↑ 1.04%	↓ 6.60%	\$72.59pb
WTI	↑ 1.15%	↓ 4.79%	\$68.78pb
NATURAL GAS	↓ 3.42%	↑ 28.97%	\$3.25/MMBtu



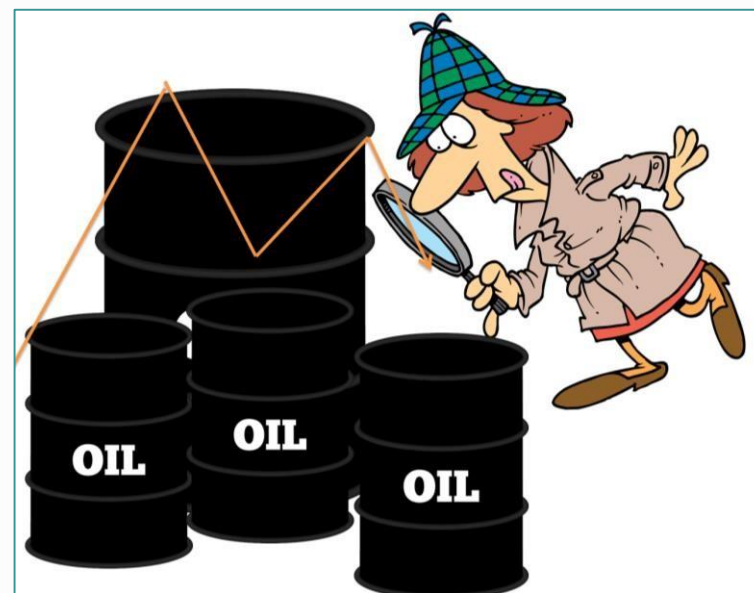
Oil Prices



- Brent rose 1.04% to \$72.59pb
- WTI increased 1.15% to \$68.78pb
- Oil prices gained due to strong factory activity in China and escalating tensions in Middle East

Outlook – Oil Prices

- Oil prices are likely to remain bearish on demand concerns and oversupply



Agricultural Commodities

Wheat



Fell by 0.41% to \$545.75/bushel due to oversupply from freshly harvested crop in southern hemisphere (Australia and Argentina)

Corn



Down 0.40% to \$431.25/bushel despite strong demand

Cocoa



Lost 0.33% to \$9,394.00/mt, due to an increase in cocoa arrival at Ivory Coast ports

Sugar



Rose 1.53% to \$21.90/pound driven by increased sugar production in India

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

