

COMMODITIES UPDATE



December 5th, 2024

Burning Economic Issues



- Brent futures rose 0.57% (\$74.04pb) on expectation that OPEC+ will extend supply cuts into the first half of 2025- **Reuters**
- Cocoa climbed 4.01% (\$9,400.00/mt) due to supply concerns in Ivory Coast- **Reuters**
- LNG dropped 0.36% (\$3.03/MMBtu) driven by mild weather forecasts and robust production- **NGI**
- Naira appreciated by 3.73% to N1,664/\$ (parallel market) due to positive market sentiment on the \$2.2bn Eurobond
- The price of diesel is N1,095/litre and PMS price is N1,025/litre
- Domestic commodity prices are mixed due to a stocking spree
 - Rice (Bag) ↓ 23.08% (N100,000), Beans (Bag) ↓ 14.29% (N120,000), Palm oil (5 litre) ↑ 57.14% (N11,000), Tomatoes (Basket) ↑ 75% (N70,000), Onions (Bag) ↑ 33.33% (N260,000), Flour ↔ (N65,000), Vegetable ↑ 35.29% (N23,000)



The Downers



Impact

A decline in LNG prices will reduce Nigeria's export earnings and weaken the foreign reserve

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

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)	N180,000	N240,000	33.33	↑	N25,000	N240,000
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  0.48% to close at 98,174.99pts on December 4th, 2024.

	Share Prices (₦)		Daily % Change (December 4th)		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 4th – December 5th	YTD	CURRENT PRICE
BRENT	↑ 0.57%	↓ 6.60%	\$74.04pb
WTI	↑ 0.51%	↓ 4.79%	\$70.30pb
NATURAL GAS	↓ 0.36%	↑ 28.97%	\$3.03/MMBtu



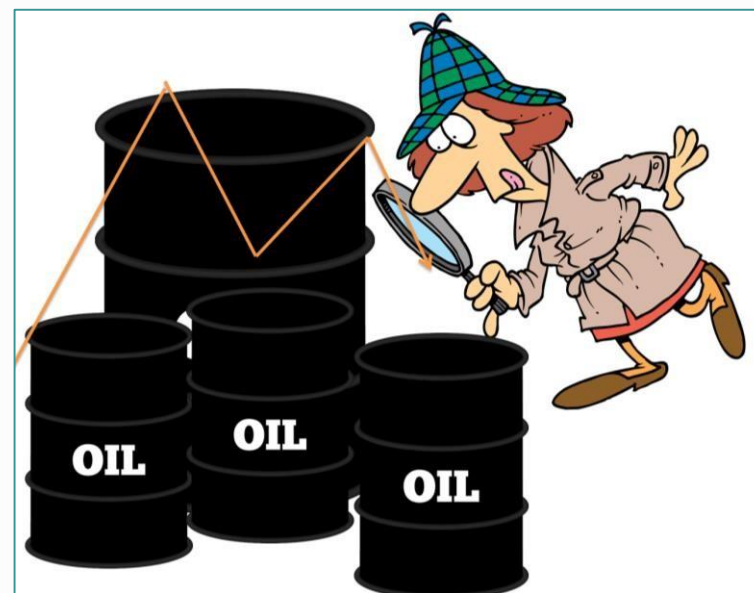
Oil Prices



- Brent rose 0.57% to \$74.04pb
- WTI climbed 0.51% to \$70.30pb
- Oil prices gained on expectations that OPEC+ will extend production cuts into first quarter of 2025

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 despite concerns over tightening global supplies, with crop damage in Australia

Corn



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

Cocoa



Climbed 4.01% to \$9,400.00/mt, due to supply concerns in Ivory Coast

Sugar



Down 0.23% to \$21.32/pound driven by expectations that India sugar production will rise

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

