

# COMMODITIES UPDATE



January 14<sup>th</sup>, 2025

# Burning Economic Issues



- Naira closed flat at N1,667/\$ (parallel market)
- Brent futures climbed 0.97% (\$80.53pb) hits five-month high due to wider U.S. sanctions on Russian oil- **Reuters**
  - Exceeds the 2025 budget benchmark oil price of \$75pb
- Cocoa rose 0.49% (\$10,622.00/mt) despite pressure from the rally in dollar- **Nasdaq**
- LNG gained 2.51% (\$4.09/MMBtu) driven by colder weather forecasts and increased export demand- **NGI**
- Nigerian stock market lost marginally by 0.08% to 105,367.25pts as market cap fell to N64.25trn
- Domestic commodity prices are falling on low demand and income effect
  - Rice (Bag) ↓ 4.55% (N105,000), Tomatoes (Bag) ↓ 12.5% (N35,000), Pepper (Bag) ↓ 22.22% (N35,000), Sugar (Bag) ↓ 4.71% (N81,000), Flour (Bag) ↔ (N65,000)



## The Downers



## Impact

## The Goodies












- A rise in oil prices will increase Nigeria's oil revenue and boost the foreign reserves
- An increase in LNG prices will increase export revenue and could strengthen the exchange rate
- Higher cocoa prices will improve non-oil export earnings and reduce trade deficits

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N37,000	N40,000	8.11	↑	N16,000	N50,000
Rice (50kg) long grain	N110,000	N105,000	4.55	↓	N33,000	N140,000
Flour (50kg)	N65,000	N65,000	0.00	↔	N28,500	N70,000
Beans (Oloyin)(50kg)	N100,000	N100,000	0.00	↔	N30,000	N180,000
Cement (50kg)	N7,400	N8,400	13.51	↑	N4,200	N9,500
Tomatoes (Basket)	N40,000	N35,000	12.5	↓	N15,000	N150,000
Pepper (big bag)	N45,000	N35,000	22.22	↓	N15,000	N160,000
Onions (bag)	N240,000	N220,000	8.33	↓	N25,000	N240,000
Vegetable oil (5L)	N23,000	N19,500	15.22	↓	N23,000	N22,000

# Domestic Commodities Price Movement

## Relatively Elastic Products

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Palm Oil (5l) 	N11,000	N9,500	13.64		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) 	N85,000	N81,000	4.71		N31,000	N85,000
Wheat flour (10kg)	N14,500	N12,600	13.10		N4,800	N14,500
Eggs (1 crate)	N6,000	N6,500	8.33		N1,800	N6,500

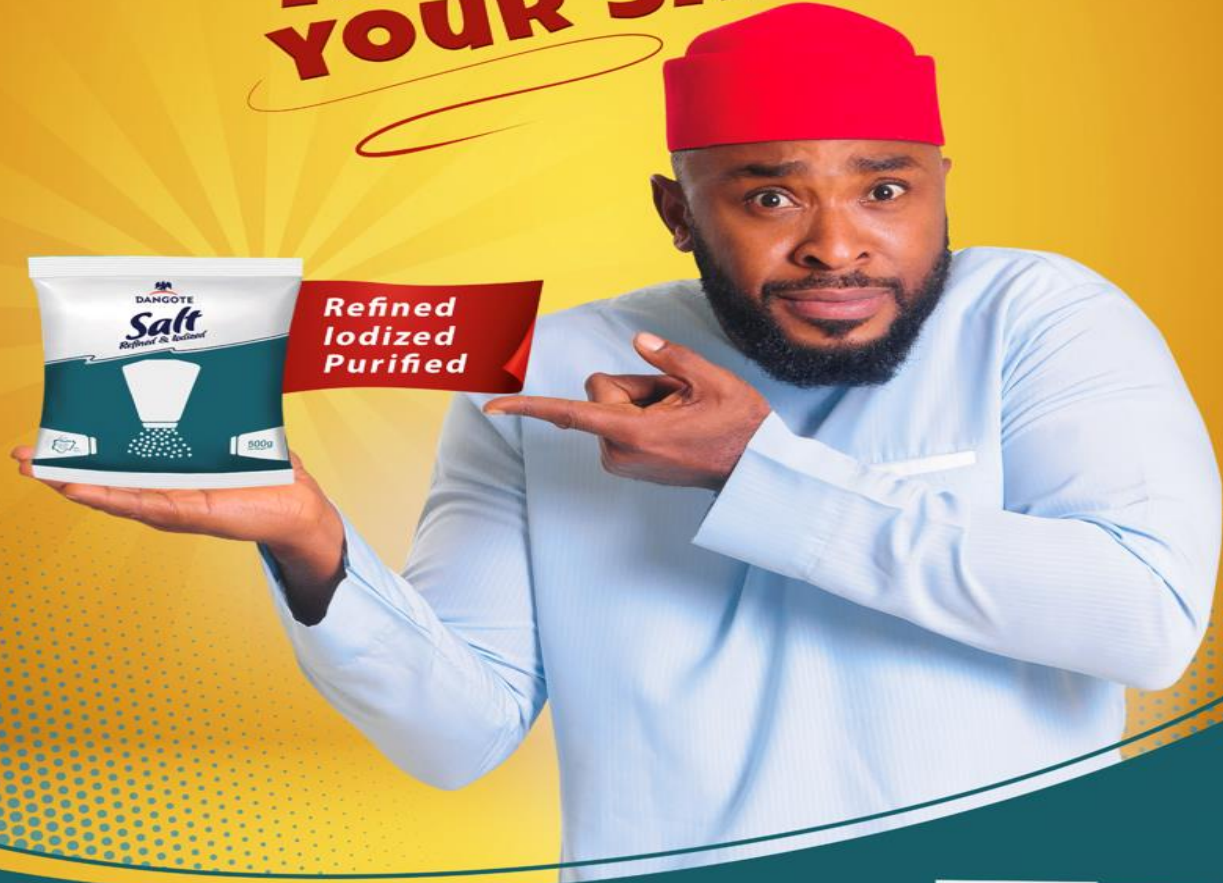
# Consumer Goods – Current price



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  0.80% to close at 105,367.25pts on January 13th, 2025.

	Share Prices (₦)		Daily % Change (January 13th)		YTD (% Change)
Nestle	850.00		0.00		22.73
Honeywell	5.00		0.40		50.00
Flour Mills	81.50		0.00		146.60
Cadbury	21.30		0.00		12.11
Dangote Sugar	35.15		0.29		38.33
Unilever	26.65		0.00		80.07
Ikeja Hotels	8.00		0.00		33.33





# Oil Markets Today

COMMODITY	DAILY CHANGE January 13th – January 14th	YTD	CURRENT PRICE
BRENT	↑ 0.97%	↑ 8.12%	\$80.53pb
WTI	↑ 1.27%	↑ 8.46%	\$77.54pb
NATURAL GAS	↑ 2.51%	↑ 8.78%	\$4.09/MMBtu



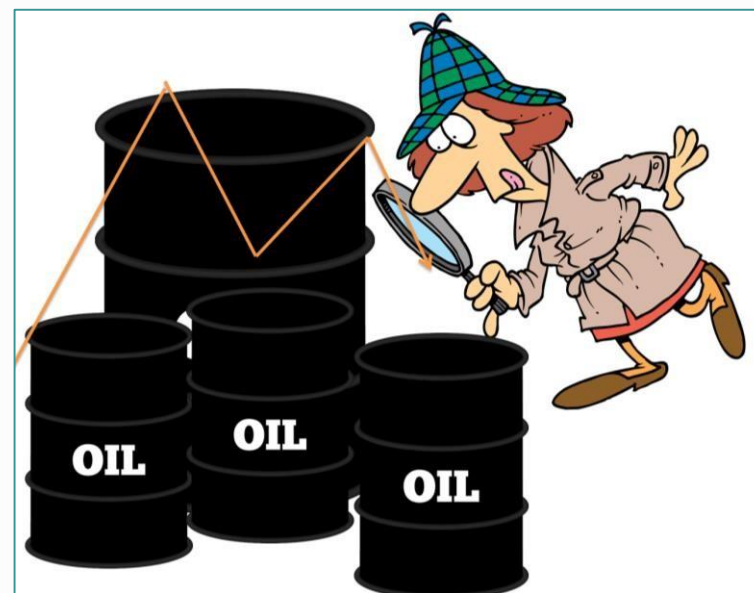
# Oil Prices



- Brent rose 0.97% to \$80.53pb
- WTI climbed 1.27% to \$77.54pb
- Oil prices gained due to expanding sanctions on Russian oil

# Outlook – Oil Prices

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



# Agricultural Commodities

## Wheat



Rose by 1.04% to \$536.25/bushel driven by supportive trends in the broader grains market

## Corn



Gained 0.53% to \$473.00/bushel due to reduced U.S. production and lower stocks from the USDA report

## Cocoa



Climbed 0.49% to \$10,622.00/mt despite the pressure from the rally in the dollar

## Sugar



Fell 1.72% to \$18.89/pound due to a favourable supply outlook for 2025/26 crop

# 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

