







# COMMODITIES UPDATE



January 2<sup>nd</sup>, 2025

# Burning Economic Issues

- Global oil prices dropped by 3% in 2024, expected to average \$70pb in 2025. Price of Gold climbed by 30% (2641 / toz)
- Federal Government inflation target is 15%, FDC projects 27% by the end of 2025
- Nigerian stock market gained 37.65% in 2024 as market cap rose to N62.76trn against an inflation rate of 34.6%
- Naira lost approximately 40% in 2024, closed at N1,653/\$ (parallel market)
- Increase in Telcos tariff likely to be effective January 7
- Cocoa climbed 1.46% (\$11,675.00/mt), gained 173% in 2024 amid supply fears- **Bloomberg**
- Domestic commodity prices are falling due to post Christmas effect
  - Rice (Bag)  10% (N110,000), Tomatoes (Basket)  12.50% (N45,000), Pepper (Bag)  46.15% (N35,000), Onions (Bag)  7.69% (N240,000), Flour  (N65,000), Vegetable oil (5 ltrs)  4.35% (N22,000)



## The Downers












## Impact

## The Goodies






- A rise in oil prices will increase Nigeria's oil revenue and improve the foreign reserve
- An increase in LNG prices will increase export revenue and could strengthen the exchange rate
- A rise in cocoa prices above \$11,000/mt will increase non-oil export earnings, and cocoa export earnings, which account for 1.83% of total exports in Q3'24.

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N37,000	N35,000	5.41		N16,000	N50,000
Rice (50kg) long grain	N100,000	N110,000	10.00		N33,000	N140,000
Flour (50kg)	N65,000	N65,000	0.00		N28,500	N70,000
Beans (Oloyin)(50kg)	N120,000	N100,000	16.67		N30,000	N180,000
Cement (50kg)	N7,400	N8,400	13.51		N4,200	N9,500
Tomatoes (Basket)	N40,000	N45,000	12.50		N15,000	N150,000
Pepper (big bag)	N65,000	N35,000	46.15		N15,000	N160,000
Onions (bag)	N260,000	N240,000	7.69		N25,000	N240,000
Vegetable oil (5L)	N23,000	N22,000	4.35		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)	N16,000	N16,500	3.13	↑	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  0.22% to close at 102,926.4pts on December 31st, 2024.

	Share Prices (₦)		Daily % Change (December 31st)		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 December 31st – January 2nd	YTD	CURRENT PRICE
BRENT	↑ 0.20%	↓ 4.18%	\$74.79pb
WTI	↑ 0.50%	↓ 1.55%	\$72.08pb
NATURAL GAS	↓ 1.07%	↑ 59.82%	\$3.59/MMBtu



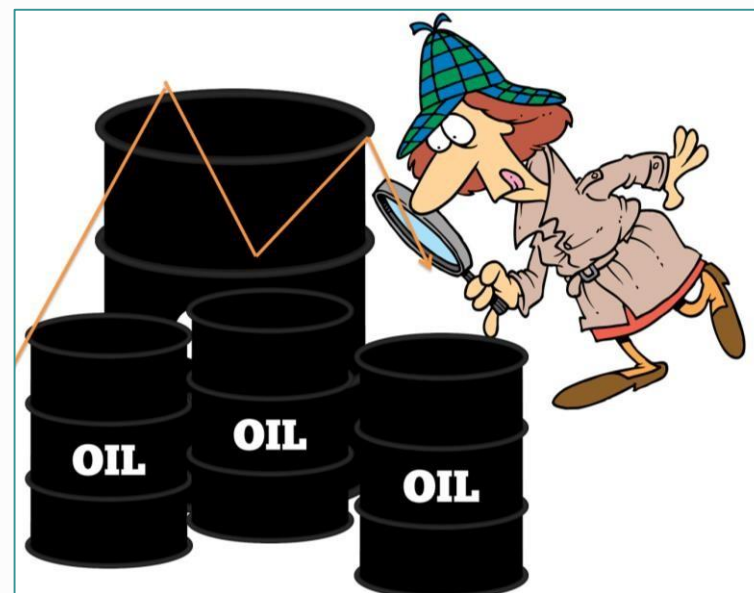
# Oil Prices



- Brent rose 0.20% to \$74.79pb
- WTI climbed 0.50% to \$72.08pb
- Oil prices gained as investors returned from holiday and eye China's recovery

# Outlook – Oil Prices

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



# Agricultural Commodities

## Wheat



Rose by 0.59% to \$551.50/bushel due to lower Russia's wheat export quota

## Corn



Climbed 1.38% to \$458.50/bushel on strong demand for U.S. supplies and bargain buying

## Cocoa



Surged 1.46% to \$11,675.00/mt, as dry weather threatens Ivory Coast cocoa crop

## Sugar



Gained 0.68% to \$19.26/pound despite improved global supply outlook

# 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

