

# COMMODITIES UPDATE



January 7<sup>th</sup>, 2025

# Burning Economic Issues

- Naira closed flat at N1,668/\$ (parallel market)
- Brent futures lost 0.12% (\$76.29pb) as demand optimism fades- **Reuters**
- LNG surged 9.36% (\$3.67/MMBtu) driven by frigid weather conditions across the Central and Eastern U.S.- **NGI**
- Cocoa gained 4.76% (\$11,773.00/mt) on fears slowing Ivorian exports will further tighten the market - **Bloomberg**
- Prices of PMS and diesel are stable at N935/litre and N1,150/litre
- Domestic commodity prices are falling on consumer's resistance
  - Rice (Bag) ↓ 4.55% (N105,000), Pepper (Bag) ↑ 28.57% (N45,000), Tomatoes ↔ (Basket) (N40,000), Onions (Bag) ↓ 8.33% (N220,000), Vegetable oil (5 ltrs) ↓ 15.22% (N19,500), Palm oil (5 ltrs) ↓ 13.64% (N9,500)
  - Commodity prices set to fall in January

## The Downers



## Impact

- A fall in oil prices will reduce Nigeria's oil revenue and deplete the foreign reserves

## The Goodies












- 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	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	N40,000	0.00	↔	N15,000	N150,000
Pepper (big bag)	N35,000	N45,000	28.57	↑	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	N85,000	0.00		N31,000	N85,000
Wheat flour (10kg)	N14,500	N14,500	0.00		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  0.06% to close at 103,648.24pts on January 7th, 2025.

	Share Prices (₦)		Daily % Change (January 7th)		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 6th – January 7th	YTD	CURRENT PRICE
BRENT	↓ 0.12%	↓ 4.18%	\$76.29pb
WTI	↓ 0.19%	↓ 1.55%	\$73.49pb
NATURAL GAS	↑ 9.36%	↑ 59.82%	\$3.67/MMBtu



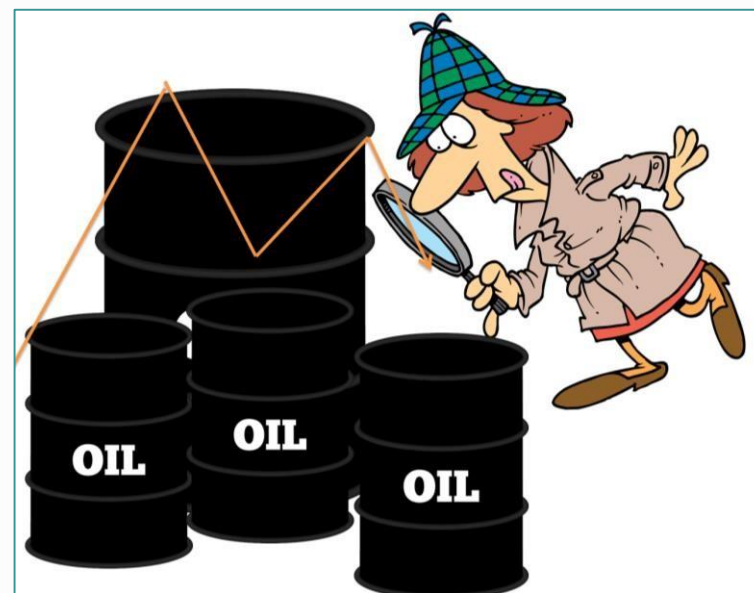
# Oil Prices



- Brent lost 0.12% to \$76.29pb
- WTI dipped 0.19% to \$73.49pb
- Oil prices slipped as demand optimism fades

# 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 concerns over Russian supplies

## Corn



Climbed 1.28% to \$456.50/bushel due to dry weather in Argentina

## Cocoa



Surged 4.76% to \$11,773.00/mt on lower exports from Ivory Coast

## Sugar



Fell 0.97% to \$19.46/pound despite a decrease in Indian sugar output

# 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

