

# COMMODITIES UPDATE



February 6<sup>th</sup>, 2025

# Burning Economic Issues

- The federal government has increased the proposed 2025 budget expenditure by 9.05% to N54.2trn
  - Proposed revenue has increased to N40.95trn while fiscal deficit remains at N13trn
- Naira appreciated by 0.31% to N1,595/\$ (parallel market), as external reserves declined to \$39.60bn
- CBN extends dollar access to BDCs operators until May as the naira shows ongoing stability- **Bloomberg**
- PMS is selling at N970/litre, while diesel costs N1,140/litre
- Brent futures fell 1.50% (\$75.06pb) on rising US crude inventories, Sino-US tariff war- **Reuters**
- Cocoa gained 0.75% (\$10,936.00/mt) due to improved weather conditions in West Africa - **Nasdaq**
- Domestic commodity prices are falling due to a fall in demand and harvest season
  - Garri (Bag) ↓ 5% (N38,000), Tomatoes (Bag) ↓ 28.57% (N25,000), Rice (50kg) ↓ 4.76%% (N100,000), Onions (Bag) ↓ 40.91% (N130,000), Pepper (Bag) ↑ 23.81% (N52,000)

## The Downers



- A drop in oil prices will reduce Nigeria's oil revenue and deplete the foreign reserves
- Lower cocoa prices will reduce non-oil export earnings and lower cocoa farmer's earnings

## Impact

## The Goodies












- Falling commodity prices will mitigate inflationary pressures and lower the cost of living

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N40,000	N38,000	5.00	↓	N16,000	N50,000
Rice (50kg) long grain	N105,000	N100,000	4.76	↓	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)	N8,400	N9,700	15.48	↑	N4,200	N9,500
Tomatoes (Basket)	N35,000	N25,000	28.57	↓	N15,000	N150,000
Pepper (big bag)	N42,000	N52,000	23.81	↑	N15,000	N160,000
Onions (bag)	N220,000	N130,000	40.91	↓	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)	N450	N500	0%
Heineken beer (60cl)	N1000	N1200	-3.17%
Bread Loaf	N1600	N1200	-20%
Indomie (1 carton)	N9,600	N9,800	1.3%
Gala (big size)	N250	N250	0%

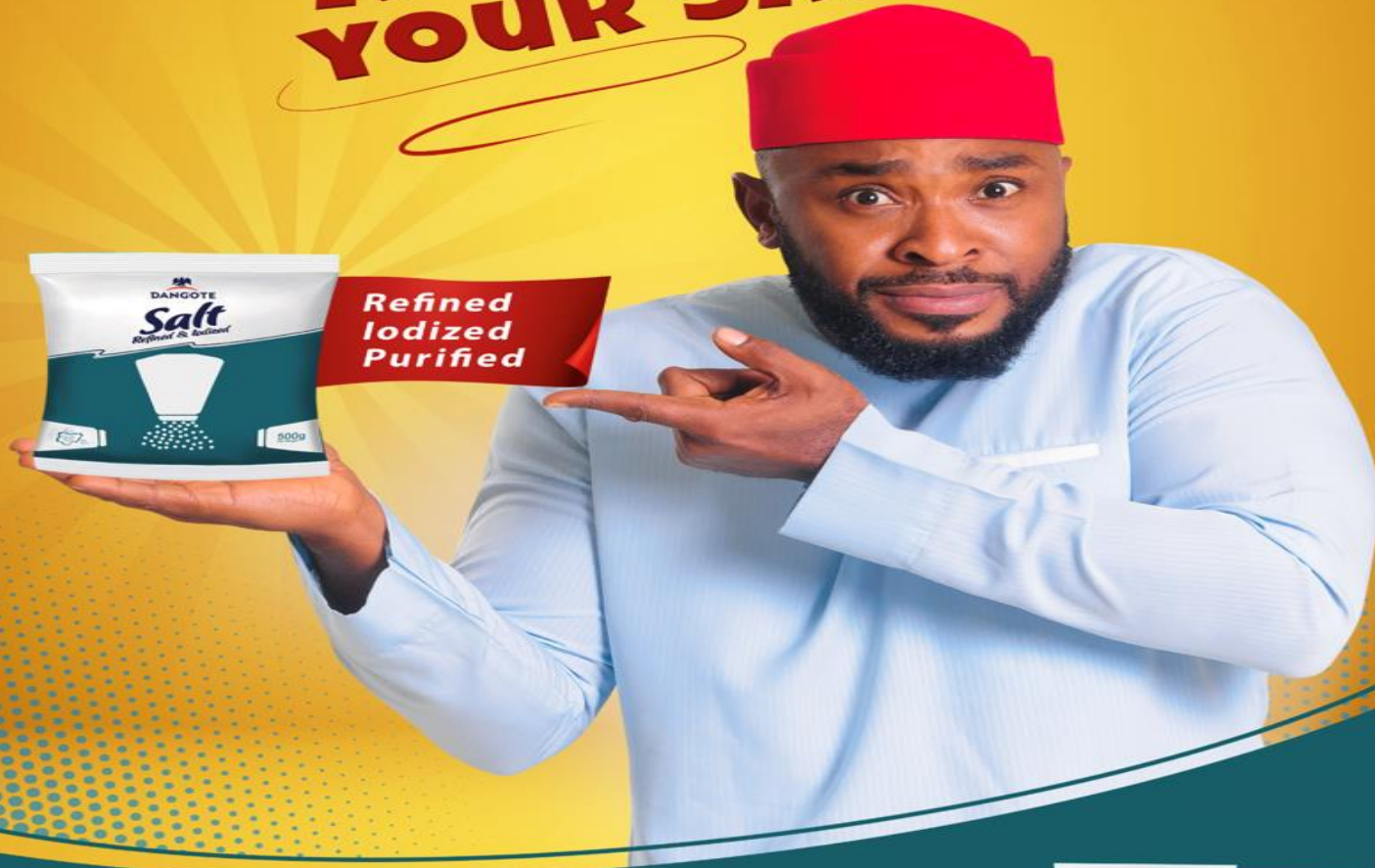




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# Stock Market

NSE ASI  0.51% to close at 105,324.30pts on February 5th, 2025.

	Share Prices (₦)		Daily % Change (February 5th)		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 February 5th – February 6th	YTD	CURRENT PRICE
BRENT	↓ 1.78%	↑ 0.76%	\$74.84pb
WTI	↓ 1.72%	↑ 0.84%	\$71.45pb
NATURAL GAS	↑ 0.09%	↑ 11.29%	\$3.26/MMBtu



# Oil Prices



- Brent down 1.78% to \$74.84pb
- WTI fell 1.72% to \$71.45pb
- Oil prices lost on rising US crude inventories and Sino-US tariff war

# Outlook – Oil Prices

- Oil prices are likely to remain bearish on expectation of supply boost



# Agricultural Commodities

## Wheat



Down by 0.43% to \$574.50/bushel due to potential impact of U.S. tariffs on Canada, China, and Mexico

## Corn



Dipped 0.56% to \$491.75/bushel driven by unfavourable weather conditions in Argentina and lower output

## Cocoa



Lost 2.60% to \$10,583.00/mt due to improved weather conditions in West Africa

## Sugar



Gained 0.10% to \$19.68/pound due to lower Indian 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

