

# COMMODITIES UPDATE








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



# Burning Economic Issues



- Brent futures lost 3.01% (\$68.57pb) on OPEC+ output increase and Trump's tariffs on Canada, Mexico, and China – **Reuters**
  - This is 8.57% below the oil price benchmark and will increase fiscal deficit for 2025
- Cocoa prices plunged 3.12% (\$8,115.00/mt) due to improved supply prospects - **Nasdaq**
  - 30% below its peak price of \$12,000.00/mt, potentially bringing Nigeria's export earnings from cocoa below \$2bn
- Naira depreciated by 1.70% to N1,532/\$ (parallel market)
- Domestic commodity prices are mixed due to exchange rate stability and consumer constraints
  - Rice (50 kg)  5.26% (N90,000), Sugar (50 kg)  4.71% (N81,000), Flour (50kg)  7.69% (N60,000), Vegetable oil (5 ltrs)  (N19,500), Palm oil (5 ltrs)  26.32% (N12,500)



## The Downers



- A decline in oil prices will reduce oil revenue and widen the budget deficit and increase government's borrowing
- A fall in cocoa price will lower Nigeria's export revenue and shrink farmers income

## Impact

## The Goodies






Domestic commodities prices falling will improve the cost-of-living of Nigrians

# Domestic Commodities Price Movement

| Commodities            | Previous Month Prices | Current Prices | % change | Directional Change | Year Low | Year High |
|------------------------|-----------------------|----------------|----------|--------------------|----------|-----------|
| Garri (50kg) Yellow    | N35,000               | N34,000        | 2.86     | ↓                  | N16,000  | N50,000   |
| Rice (50kg) long grain | N95,000               | N90,000        | 5.26     | ↓                  | N33,000  | N140,000  |
| Flour (50kg)           | N65,000               | N60,000        | 7.69     | ↓                  | N28,500  | N70,000   |
| Beans (Oloyin)(50kg)   | N100,000              | N95,000        | 5.26     | ↓                  | N30,000  | N180,000  |
| Cement (50kg)          | N8,400                | N9,700         | 15.48    | ↑                  | N4,200   | N9,500    |
| Tomatoes (Basket)      | N30,000               | N40,000        | 33.33    | ↑                  | N15,000  | N150,000  |
| Pepper (big bag)       | N80,000               | N120,000       | 50.00    | ↑                  | N15,000  | N160,000  |
| Onions (bag)           | N100,000              | N90,000        | 10.00    | ↓                  | N25,000  | N240,000  |
| Vegetable oil (5L)     | N19,500               | 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)       | N9,500                | N12,000        | 26.32    | ↑                  | N22,000  | N37,500   |
| Semovita (10kg)  | N16,500               | N16,000        | 3.03     | ↓                  | N6,700   | N16,500   |
| New Yam (3 tubers)  | N10,500               | N12,000        | 14.29    | ↑                  | N3,000   | N12,000   |
| Sugar (50kg)        | N85,000               | N81,000        | 4.71     | ↓                  | N31,000  | N85,000   |
| Wheat flour (10kg)   | N12,600               | N12,600        | 0.00     | ↔                  | N4,800   | N14,500   |
| Eggs (1 crate)   | N6,500                | N6,000         | 7.69     | ↓                  | 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  0.44% to close at 106,436.48pts on March 3rd, 2025.

|                  | Share Prices<br>(₦) |   | Daily % Change<br>(March 5th) |   | YTD (%<br>Change) |
|------------------|---------------------|---|-------------------------------|---|-------------------|
| Nestle           | 975.00              |    | 0.00                          |    | 11.43             |
| Honeywell        | 13.00               |    | 5.11                          |    | 87.86             |
| Flour Mills      | 81.50               |    | 0.00                          |    | 146.60            |
| Cadbury          | 26.30               |    | 0.00                          |    | 22.33             |
| Dangote<br>Sugar | 40.00               |  | 0.00                          |  | 0.00              |
| Unilever         | 39.45               |  | 0.00                          |  | 9.58              |
| Ikeja Hotels     | 10.90               |  | 9.92                          |  | 11.74             |





# Oil Markets Today

| COMMODITY   | DAILY CHANGE<br>March 5th–March 6th | YTD     | CURRENT PRICE |
|-------------|-------------------------------------|---------|---------------|
| BRENT       | ↑ 0.58%                             | ↑ 0.26% | \$69.77pb     |
| WTI         | ↑ 0.59%                             | ↓ 1.13% | \$66.70pb     |
| NATURAL GAS | ↑ 1.36%                             | ↓ 0.55% | \$4.39/MMBtu  |



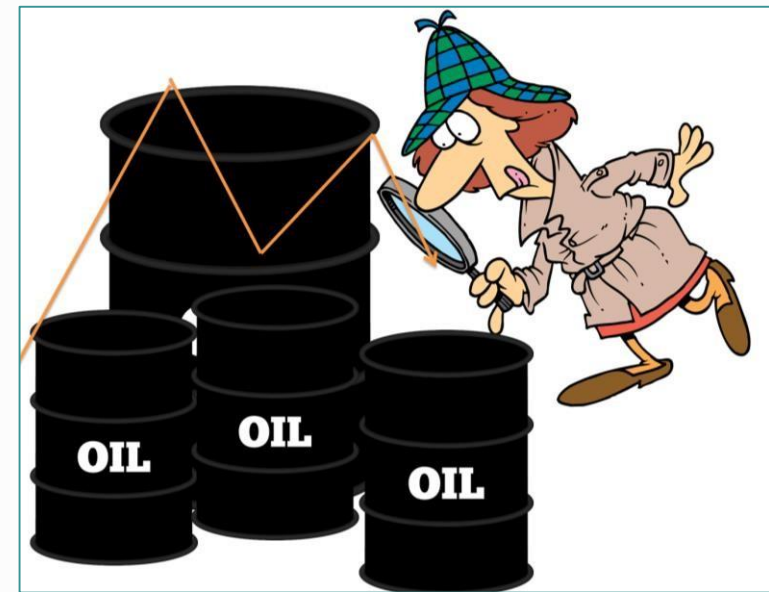
# Oil Prices



- Brent rose by 3.48% to \$68.57pb
- WTI down 4.19% to \$65.40pb
- Oil prices lost as OPEC+ plans to increase output and Trump's tariffs on Canada and Mexico

# Outlook – Oil Prices

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



# Agricultural Commodities

## Wheat



Rose by 0.31% to \$557.50/bushel due to weaker dollar and concerns over crop conditions in the US and Black Sea region

## Corn



Down 0.48% to \$467.25/bushel on growing supply concerns in the U.S. as farmers increase acreage

## Cocoa



Lost 6.65% to \$8,517.00/mt driven by improved supply prospect in West Africa countries and increased inventories

## Sugar



Slipped 0.97% to \$18.34/pound due to subdued Brazilian Real and imminent expiration of front month contract

# 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

