

COMMODITIES UPDATE



October 15th, 2024

Burning Economic Issues



- Brent futures lost 3.69% (\$74.60pb) on easing concerns over Middle East tension – **Bloomberg**
- Naira traded flat at N1,698.00/\$ in the parallel market
- Nigeria's oil production declined by 2.07% to 1.32mbpd in September- **OPEC**
- Price of cooking gas jumped to N1500/kg
- Cocoa lost 1.67% (\$7,669.00/mt) due to favourable weather conditions in Ivory Coast - **Reuters**
- Domestic commodity prices are mixed due to harvest season, and logistics costs
 - Pepper (Bag) ↓ 10% (N45,000), Tomatoes (Basket) ↓ 7.41% (N25,000), Flour (50kg) ↓ 7.14% (N65,000),
Rice (50kg) ↑ 8.33% (N130,000), Vegetable oil (5 litres) ↑ 4% (N13,000)



The Downers



Impact

- Nigeria's oil export earnings in Q2'24 stood at 74.98%. A decline in oil prices will reduce oil export earnings and deplete external reserves
- A fall in Nigeria's oil production below OPEC's quota will reduce government revenue and could lead to budget deficits
- A decline in cocoa price will lower non-oil export earnings and lower farmers income

The Goodies






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	N120,000	N130,000	8.33	↑	N33,000	N130,000
Flour (50kg)	N70,000	N65,000	7.14	↓	N28,500	N70,000
Beans (Oloyin)(50kg)	N150,000	N180,000	20	↑	N30,000	N180,000
Cement (50kg)	N9,500	N7,500	21.05	↓	N4,200	N9,500
Tomatoes (Basket)	N27,000	N25,000	7.41	↓	N15,000	N150,000
Pepper (big bag)	N50,000	N45,000	10.00	↓	N15,000	N160,000
Onions (bag)	N145,000	N115,000	26.09	↓	N25,000	N140,000
Plantain Bunch	N7,000	N5,500	21.43	↓		

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	N7,000	0.00	↔	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) 	N80,000	N83,000	3.75	↑	N31,000	N85,000
Wheat flour (10kg)	N12,500	N11,500	8.00	↓	N4,800	N13,000
Eggs (1 crate)	N5,500	N6,000	9.09	↑	N1,800	N5,500

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  0.62% to close at 98,215.13pts on October 14th, 2024.

	Share Prices (₦)		Daily % Change (October 14th)		YTD (% Change)
Nestle	890.00		0.00		19.09
Honeywell	4.65		0.00		40.06
Flour Mills	62.00		0.08		87.59
Cadbury	18.2		0.00		4.21
Dangote Sugar	32.40		5.88		43.16
Unilever	19.50		0.00		31.76
Ikeja Hotels	7.00		0.00		16.67



Oil Markets Today

COMMODITY	DAILY CHANGE October 14th – October 15th	YTD	CURRENT PRICE
BRENT	↓ 3.69%	↓ 0.35%	\$74.60pb
WTI	↓ 3.77%	↑ 2.35%	\$71.05pb
NATURAL GAS	↓ 1.24%	↑ 1.19%	\$2.46/MMBtu



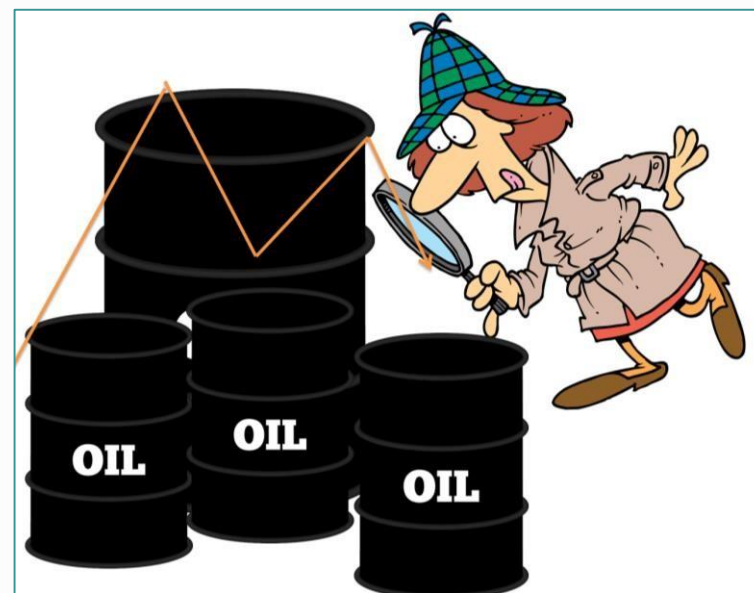
Oil Prices



- Brent fell by 3.69% to \$74.60pb
- WTI down by 3.77% to \$71.05pb
- Oil prices lost on China's demand concerns and after OPEC cuts demand quota

Outlook – Oil Prices

- Oil prices are likely to remain bullish in the near term due to concerns of an escalating conflict in the Middle East



Agricultural Commodities

Wheat



Fell by 0.83% to \$594.00/bushel driven by cheap Russian wheat export

Corn



Dropped 0.96% to \$411.75/bushel due to a forecasts of bumper US corn crop

Cocoa



Lost 0.26% to \$7,720.00/mt, supported by favourable weather condition in Ivory Coast

Sugar



Up by 0.05% to \$22.25/pound triggered by larger-than-expected drop in sugar production in centre South Brazil

Outlook – Agricultural Prices



GRAINS

- Grain prices are expected to adopt a bearish trend due to bumper harvest of autumn grain in China

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

