

# COMMODITIES UPDATE



November 21<sup>st</sup>, 2024

# Burning Economic Issues

- Nigeria's Dangote plant buys US oil for the first time in 3 months- **Bloomberg**
- Brent futures rose 0.53% (\$73.77pb) as traders weigh war risks against stockpile gains- **Bloomberg**
- Naira depreciated by 0.11% to N1,745/\$ (parallel market) and fell by 0.51% to N1,687.52/\$ (official market)
- Cocoa lost 0.25% (\$8,492.00/mt) driven by favourable harvest weather in West Africa– **Nasdaq**
- LNG surged 4.10% (\$3.12/MMBtu) owing to increased heating demand due to forecasts of colder weather -**NGI**
- Domestic commodity prices increased due to strong demand and rising transport costs
  - Rice (Bag) ↓ 20% (N104,000), Vegetable oil (5 litre) ↑ 30.77% (N17,000), Palm oil (5 litre) ↑ 57.14% (N11,000), Sugar (Bag) ↔ (N85,000), Flour ↔ (N65,000)

## The Downers



- A fall in cocoa prices will reduce non-oil export earnings and deplete the foreign reserve.

## Impact

## The Goodies






- Oil exports account for approximately 80% of Nigeria's export revenue. An increase in oil prices will improve Nigeria's earnings and trade balance
- Dangote's purchase of oil from the US will ease supply shortages caused by domestic production.

# Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	% change	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N38,000	N37,000	2.63	↓	N16,000	N50,000
Rice (50kg) long grain	N130,000	N104,000	20.00	↓	N33,000	N140,000
Flour (50kg)	N65,000	N65,000	0.00	↔	N28,500	N70,000
Beans (Oloyin)(50kg)	N180,000	N140,000	22.22	↓	N30,000	N180,000
Cement (50kg)	N7,400	N8,400	13.51	↑	N4,200	N9,500
Tomatoes (Basket)	N27,000	N30,000	11.11	↑	N15,000	N150,000
Pepper (big bag)	N50,000	N40,000	20.00	↓	N15,000	N160,000
Onions (bag)	N115,000	N150,000	23.33	↑	N25,000	N140,000
Vegetable oil (5L)	N13,000	N17,000	30.77	↑		

# 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)	N16,500	N16,000	3.03	↓	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



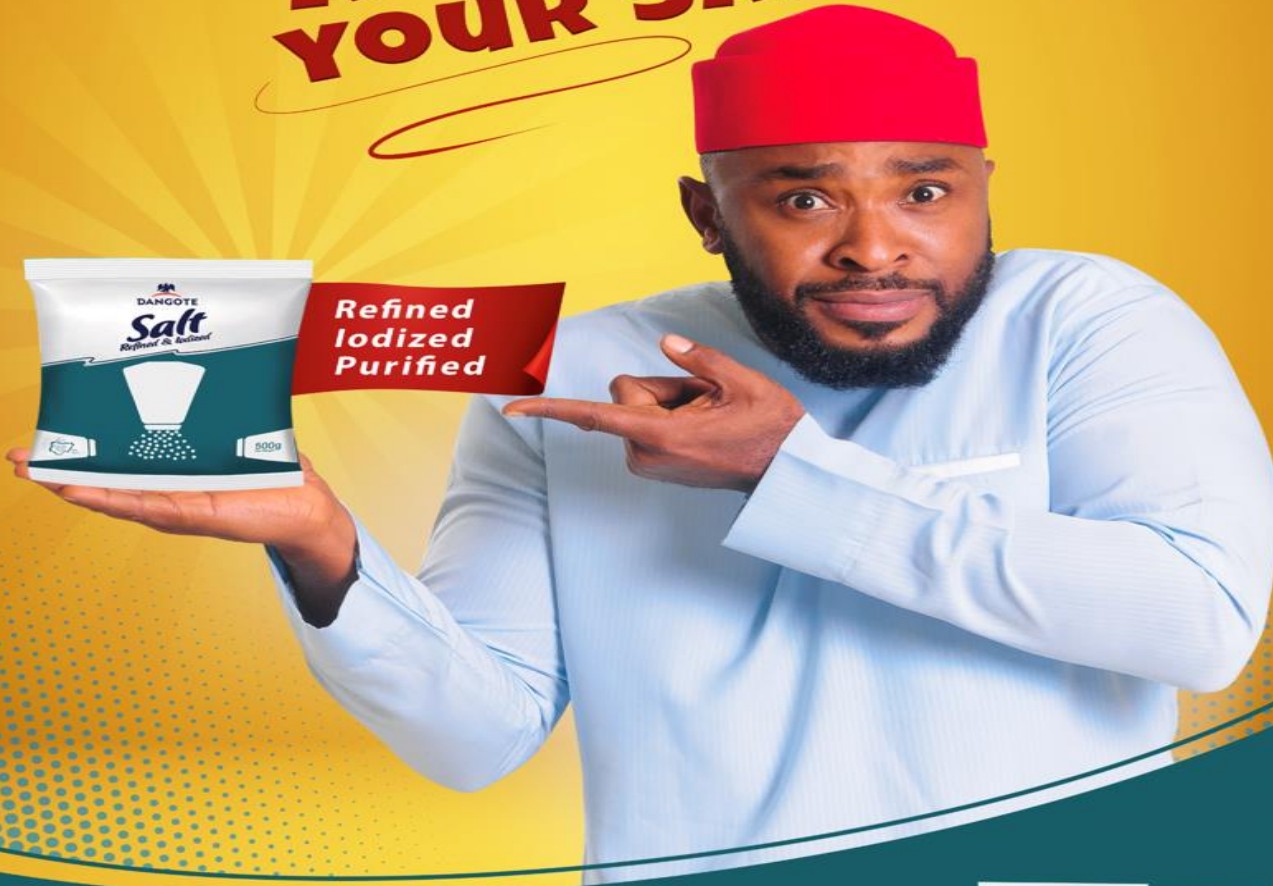
Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N350	N350	0%
Heineken beer (60cl)	N1000	N1200	-3.17%
Bread Loaf	N1600	N1200	-20%
Indomie (1 carton)	N7,600	N8,000	1.3%
Gala (big size)	N250	N250	0%



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# Stock Market

NSE ASI  0.26% to close at 98,227.5pts on November 20th, 2024.

	Share Prices (₦)		Daily % Change (November 20th)		YTD (% Change)
Nestle	850.00		0.00		19.55
Honeywell	4.16		0.24		27.71
Flour Mills	65.00		0.00		96.67
Cadbury	17.40		2.26		13.68
Dangote Sugar	30.00		2.60		47.37
Unilever	24.00		0.00		62.16
Ikeja Hotels	8.20		4.79		34.17



# Oil Markets Today

COMMODITY	DAILY CHANGE November 20th – November 21st	YTD	CURRENT PRICE
BRENT	↑ 0.53%	↓ 5.08%	\$73.77pb
WTI	↑ 0.94%	↓ 3.05%	\$70.04pb
NATURAL GAS	↑ 4.10%	↑ 23.81%	\$3.12/MMBtu



# Oil Prices



- Brent rose 0.53% to \$73.77pb
- WTI climbed 0.94% to \$70.04pb
- Oil prices lost due to an escalation in the Russian-Ukraine war

# Outlook – Oil Prices

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



# Agricultural Commodities

## Wheat



Rose by 0.92% to \$573.00/bushel due to an increase in Russia wheat export

## Corn



Up 0.29% to \$439.00/bushel driven by supply disruption from Ukraine's war

## Cocoa



Climbed 1.84% to \$8,542.00/mt, due to unfavourable weather conditions in the U.S.

## Sugar



Lost 1.95% to \$21.59/pound as ISO cuts forecast for 2024/25 global sugar deficit

# 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

