

COMMODITIES UPDATE



August 29, 2023

Burning Economic Issues



- Brent down 0.06% (\$84.37pb) on prospects of a further hike in interest rates by the US Fed—**Reuters**
- Eni starts oil and gas production from Baleine field in Ivory Coast- **WSJ**
- LNG rose 3.78% (\$2.64/mmbtu) as possible strike actions in Australia threaten supply
- Cocoa futures up 0.66% (\$3,489.00/mt) owing to a global supply deficit for the 2023-24 season –**Reuters**
- Naira appreciates by 0.76% to N918/\$ at the parallel market and remains flat at N799.90/\$ at the I&E

window



The Downers



- Lower oil prices will weigh on Nigeria's oil export earnings and further deplete the external reserves.

Impact

The Goodies



- Higher LNG prices will improve fiscal revenue and trade balance.
- Rising cocoa prices would bolster export earnings and farmer's income.





Domestic Commodities Price Movement

Commodities	Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Garri (50kg) Yellow	N26,500	N19,000	↓	N16,000	N28,000
Rice (50kg) short grain	N41,000	N55,000	↑	N33,000	N55,000
Flour (50kg)	N31,500	N35,000	↑	N28,500	N31,500
Beans (Oloyin)(50kg)	N34,000	N36,000	↑	N30,000	N56,000
Cement (50kg)	N4,700	N4,700	↔	N4,200	N4,700
Tomatoes (50kg)	N90,000	N65,000	↓	N15,000	N110,000
Pepper (bag)	N65,000	N40,000	↓	N15,000	N65,000
Onions (bag)	N40,000	N55,000	↑	N25,000	N55,000

- Prices of commodities begin to taper as the harvest season begins

Domestic Commodities Price Movement

Relatively Elastic Products

Commodities		Previous Month Prices	Current Prices	Directional Change	Year Low	Year High
Palm Oil (25l)		N37,500	N22,500	↓	N22,000	N37,500
Semovita (10kg)		N6,800	N7,200	↑	N6,700	N7,200
New Yam (3 tubers)		N6,000	N10,500	↑	N3,000	N10,500
Sugar (50kg)		N42,000	N42,000	↔	N31,000	N42,000

Consumer Goods – Current price



Goods	Street price	Supermarket price	% difference
Pepsi (50cl)	N250	N250	0%
Heineken beer (60cl)	N630	N650	-3.17%
Bread Loaf	N1000	N1000	0%
Indomie (1 carton)	N4,300	N4,300	0%
Gala (big size)	N150	N150	0%



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Stock Market

NSE ASI  0.90% to close at 66,151.38pts on August 28th 2023

	Share Prices (₦)		Daily % Change (August 28 th)		YTD (% Change)
Nestle	1,170.00		0.00		6.36
Honeywell	3.12		2.50		36.80
Flour Mills	29.50		0.00		3.87
Cadbury	13.80		0.73		15.10
Dangote Sugar	36.00		2.86		118.00
Unilever	14.50		0.00		25.00
Ikeja Hotels	3.13		0.00		198.00



Oil Markets Today

COMMODITY	DAILY CHANGE August 28 th – August 29 th	YTD	CURRENT PRICE
BRENT	↓ 0.06%	↓ 1.79%	\$84.37pb
WTI	↓ 0.16%	↓ 0.36%	\$79.97pb
NATURAL GAS	↑ 3.78%	↓ 40.94%	\$2.64MMBtu



Oil Prices



- Brent down 0.06% to \$84.37pb
- WTI lost 0.16% to \$79.97pb
- Oil prices decreased as worries over an additional interest rate hike by the US Fed offset supply concerns.

Agricultural Commodities

Wheat



Decreased 0.56% to \$618.25/bushel, owing to ample Russian supplies.

Corn



Rose by 1.02% to \$493.00/bushel, as hot weather conditions in the US weigh on supply outlook.

Cocoa



Gained 0.66% to \$3,489.00/mt on supply tightness from major cocoa-producing West African countries.

Sugar



Increased by 0.52% to \$24.96/pound, on prospects of reduced supply from India.

Outlook – Oil Prices

- Oil prices are expected to remain bearish as easing sanctions in Iran and Venezuela could boost supply.



Outlook – Agricultural Prices



GRAINS

- Wheat prices would remain bearish due to ample supply from Russia.
- Corn prices would sustain an upward trend as dry weather conditions in the US dampen supply outlook.

SOFTS

- Cocoa prices will likely remain bullish, driven by global supply deficit
- Sugar price would increase further owing to a bleak supply outlook from India

