

15TH APRIL, 2020

FUEL PRICES TO REMAIN LARGELY STABLE AT THE PUMP

REVIEW OF APRIL 2020 FIRST PRICING-WINDOW

Local Fuel Market Performance

Fuel prices at the pump experienced reduction across some major Oil Marketing Companies (OMCs) including Shell, Goil, Total Ghana, Puma and Zen Petroleum in the Pricing-window under review as projected by the Institute for Energy Security (IES). While Goil, Zen Petroleum, Puma and Total Ghana shaved-off to sell at an average price of Gh¢4.19 for Gasoil and Gasoline, Shell gave away a whopping 16% for Gasoline and Gasoil to sell at Gh¢4.29 per litre; thus making Shell Ghana the OMC with the largest percentage reduction. However, the second Pricing-window of February 2020 saw some OMCs maintaining their prices at the pump to record a national average price of Gh¢4.14 for Gasoil and Gasoline.

Within the period under review, Zen Petroleum, Benab Oil, Nick Petroleum, Frimps, Champion and Cash Oil, joined Santol as OMCs that sold the least-priced Gasoline and Gasoil on the local market relative to others in the industry as found by IES Market-scan.

World Oil Market

Crude oil prices remain largely around the \$30-margin for this window. Prices moved above \$30-margin from April 3rd, as the market reacted positively towards the scheduled OPEC+ meeting and as well as President Donald Trump suggestion that he had brokered a deal to end the oil price war. Following this, Brent crude declined marginally by 2.29% from \$30.58 per barrel to close at \$29.88 per barrel on average terms during the period under review.

S&P's Platts benchmark for fuels shows average Gasoline price tumbling by 8.59% to close at \$193.35 per metric tonne, from a previous average of \$211.52 per metric tonne; while Gasoil declined by 5.32% to close trading at \$288.38 per metric tonne, from a previous average of \$304.57 per metric tonne.

Local Forex

Data collated by IES Economic Desk from the Foreign Exchange market shows the Cedi depreciated by 0.72% against the U.S. Dollar, trading at an average price of Gh¢5.63 to the U.S. Dollar over the period under review; from a previous rate of Gh¢5.59 recorded in the second Pricing-window of March, 2020.

PROJECTIONS FOR APRIL 2020 SECOND PRICING-WINDOW

Taking into consideration the relatively modest reduction in prices of Gasoline and Gasoil on the international market, as well as the 2.29% marginal reduction in price of International Benchmark - Brent Crude; the Institute for Energy Security (IES) foresees prices of fuel on the local market remaining largely stable. However, competition between Oil Marketing Companies (OMCs) to control and gain more market shares may result in selling price of fuel falling marginally within the second Pricing-window of April 2020.

Signed:

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