

2nd January, 2023

EXPECT MARGINAL FALL IN FUEL PRICE IN JANUARY **REVIEW OF DECEMBER 2023 SECOND PRICING WINDOW**

Local Fuel Market Performance

The second pricing-window for December saw prices for all petroleum products reduced on the domestic fuels market. Monitoring Oil Marketing Companies' (OMC's) activities in the last two weeks showed price per litre of both Gasoline and Gasoil had reduced significantly across the market. The average price reduction realized for Gasoil and Gasoline was about 0.35% and 0.32% respectively in the pricing-window under review.

The Institute for Energy Security's (IES's) analysis of sampled fuel price data gathered in the last 15 days pegged the national average litre and kilogram (kg) price as follows: Gasoline at GH¢11.89, Gasoil at GH¢12.74 and Liquefied Petroleum Gas (LPG) at GH¢13 per kilogram (kg). The IES Marketscan puts Star Oil, So, Benab Oil, Zen Petroleum, and IBM as OMCs selling at least priced over the last two weeks.

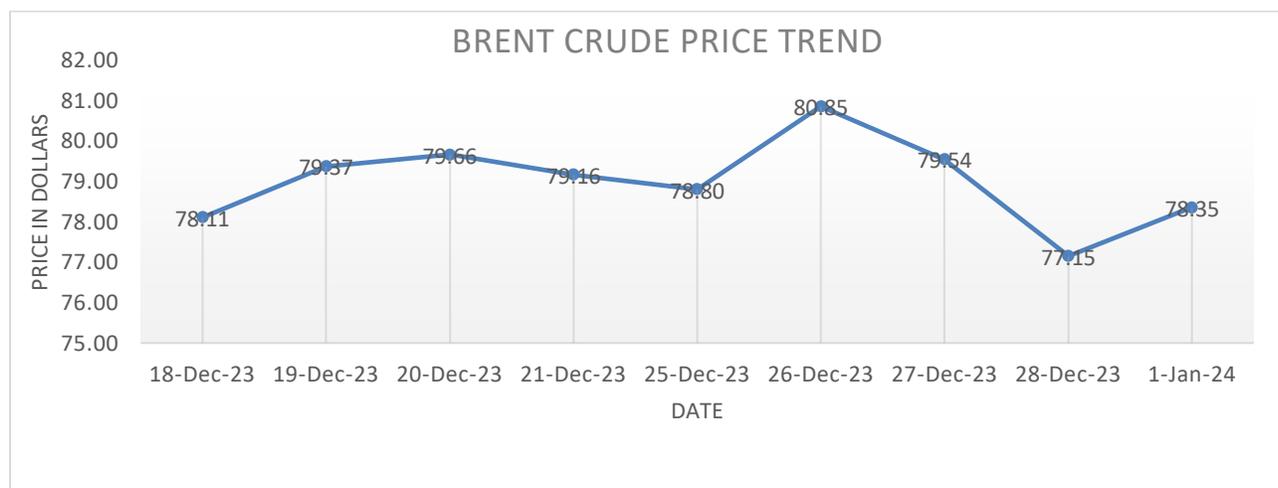
World Oil Market

Oil prices recouped some losses on the last trading day of the year with Brent crude set to close well below \$80 per barrel. The slowing down of industry news into the Christmas period has stemmed the recent uptick in oil prices. Brent futures have marginally declined to \$78 per barrel after Maersk and CMA CGM announced their resumption of transit through the Suez Canal, widely seen as a sign of impending normalization.

At their latest meeting in early December, the Organization of Petroleum Exporting Countries (OPEC) and its partners, led by Russia, agreed to reduce their combined production of crude oil to some 2.2 million barrels daily.

In recent time, consistent production cuts have failed to drive Crude Oil price towards an upward trend following decisions by OPEC+ members. However, going into 2024, the organization and its partners are hopeful the new productions cuts will push prices upward.

Latest data on Brent Crude performance indicate the product sold at about \$78.85 per barrel on first day of the year when it traded at about \$80.85 per barrel as of 26th December 2023.



Source: Oilprice.com



Nii Leshie Avenu,
Agbogba North Legon,
Accra

INSTITUTE FOR ENERGY SECURITY

World Fuel Market

The Global Standard & Poor (S&P) Platts monitoring of activities on the world fuel market published the following information on refined petroleum products as of 26th December 2023: \$753.69, \$782.78, and \$572.39 per metric tonne for Gasoline, Gasoil, and Liquefied Petroleum Gas respectively. An analysis of petroleum price performance shows price fell for all refined petroleum products on the world fuel market.

Specifically, Gasoline price fell by 1.76%, Gasoil 3.44%, and Liquefied Petroleum Gas (LPG) 0.14% respectively.

Local Forex

IES Economic Desk analysis monitoring of Ghana Cedi performance on the domestic foreign exchange (Forex) market indicates a depreciation of 0.41% recorded against the U.S. Dollar in the last two weeks, closing the window at Gh¢12.10 to the Dollar.

IES ESTIMATIONS FOR JANUARY, 2024 FIRST PRICING-WINDOW

Following the 1.76%, 3.44%, and 0.14% fall in price of Gasoline, Gasoil, and LPG on the international market, the domestic market is expected to respond to these changes going into the first two weeks in the month of January 2024.

The Institute for Energy Security (IES) is projecting a marginal decline in prices of all petroleum products on the domestic fuel market, this projection however may not be realized due to the Ghana Cedi recorded depreciation of about 0.41% against the U.S. Dollar which can reap the expected gains.

Adam Yakubu,

IES Research Analyst (adam@iesgh.org)

Kindly reach Adam Yakubu at **0248490422**, Derick Xatse at **0240851221**, or Fritz Moses at **0241681742** for media engagements.