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FUEL PRICES TO FALL ON ACCOUNT OF INTERNATIONAL MARKET DYNAMICS

REVIEW OF JULY 2024 SECOND PRICING WINDOW

Local Fuel Market Performance

The second pricing-window for July 2024 saw price of liquid fuels jump at the pumps on the local fuels market. Oil Marketing Companies (OMCs) increased price per litre of Gasoline by GH¢0.30 and Gasoil by GH¢0.20 respectively.

The Institute for Energy Security's (IES') computation of national average price for the three (3) refined petroleum products for the first pricing-window for July 2024 show Gasoline and Gasoil selling at GH¢14.23 and GH¢14.70 per litre respectively, whereas (LPG) went for GH¢15.22 per kilogram (kg).

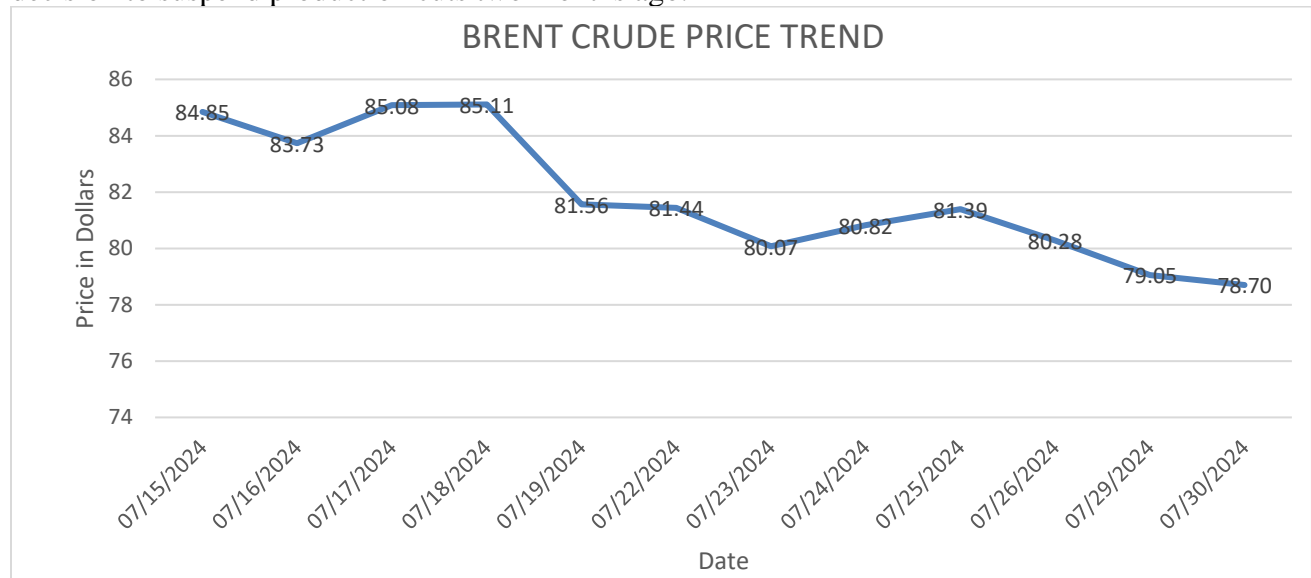
The IES Marketscan finds Star Oil, Zen Petroleum, and Benab Oil as OMCs selling at least priced over the last two weeks.

World Oil Market

The second pricing-window for July 2024 has for the first time since the post-OPEC+ meeting seen Brent futures dipped below \$80 per barrel, driven lower by disappointing global demand as Chinese imports in July are set to hit the lowest level in two years.

Analysts say, the decline might be somewhat overdone considering the geopolitical risk upside, with Israel-Lebanon flaring up over the weekend and Venezuela's highly contested election lifting the risk of operations in the Latin American nation.

Brent Crude traded at \$78.70 per barrel compared to \$83.03 per barrel at the start of the window, representing 5.21% fall in price. This fall is seen as the lowest price decline since the OPEC+ decision to suspend production cuts two months ago.



Source: oilprice.com



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World Fuel Market

The monitoring of the global Standard & Poor's (S&P's) Platts on petroleum products performance in the world fuel market shows that the price of Gasoline, Gasoil, and LPG fell in the second pricing-window for July 2024. Published data for the second pricing-window of July 2024 show Gasoline closed at \$817.75 per metric tonne, Gasoil closed at \$755.93 per metric tonne, and LPG closed at \$530.20 per metric tonne. The net changes indicate that the price of Gasoline has decreased by 2.99%, Gasoil by 4.59%, and LPG by 1.10%.

Local Forex

IES Economic Desk's tracking of the Ghana Cedi performance on the foreign exchange (forex) market for the second pricing-window for July 2024 show the local currency depreciated by 0.52% in value against the U.S. Dollar. The Ghana Cedi traded at GH¢15.54 after previously trading at GH¢15.46 at the start of the second pricing-window for July 2024.

IES ESTIMATIONS FOR AUGUST 2024 FIRST PRICING-WINDOW

Gasoline, Gasoil, and Liquefied Petroleum Gas (LPG) recorded favourable prices in the second pricing-window for July 2024. Precisely, price of Gasoline fell by 2.99%, Gasoil by 4.59%, and LPG by 1.10% in the second half of the month of July 2024. The Ghana Cedi also recorded slowed depreciation (0.52%), the lowest since February 2024.

Following the positive realized on the foreign fuel market coupled with the slowed depreciation of Ghana Cedi recorded on the domestic forex market, the Institute for Energy Security (IES) projects a fall in fuel prices in the coming days.

This anticipated fall in the first half of August 2024 is attributable to the favourable international market dynamics. Fuel Prices are expected to fall between 2% and 4% for the three petroleum products under review.

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