

29<sup>th</sup> April 2024.

## FUEL PRICE TO STABILIZE IN THE COMING DAYS

### REVIEW OF APRIL 2024 SECOND PRICING WINDOW

#### Local Fuel Market Performance

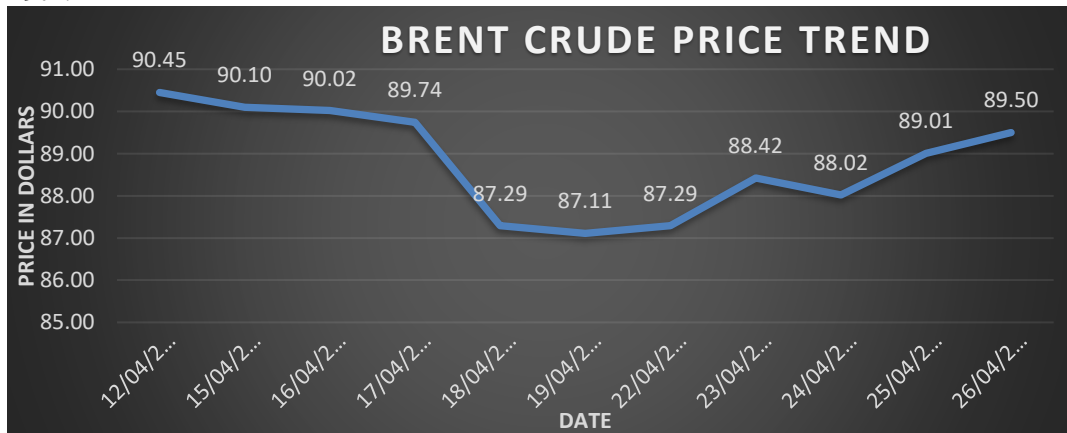
On daily rolling basis tracking of price movements on the local fuel market, refined product price has jumped since opening of the second pricing-window for April 2024. Tracking of Oil Marketing Companies (OMCs) price data show liquid fuels increased by a combined average of about 0.30%. On Liquefied Petroleum Gas (LPG), the space has seen intense debate between industry players and the regulator (National Petroleum Authority) attempting an imposition of an \$80 per metric ton tax on LPG.

The Institute for Energy Security (IES) computation of national average price for the 3 refined petroleum products over the past two weeks indicate, Gasoline wells GHC13.81, Gasoil GHC14.25 per litre respectively, and Liquefied Petroleum Gas (LPG) sells at GHC13.65 per kilogram (kg).

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

#### World Oil Market

Oil prices have held steady week on week despite a significant inventory build in U.S. crude two weeks ago, which was countered by a draw in U.S. crude stockpiles for the week ending April 19th.



Source: oilprice.com

The crude inventory builds at the middle of the month triggered fears that oil demand could be weakening; however, analysts at Standard Chartered estimates that global inventories will increase by only 74,000 barrels per day in the month of April, a much smaller build compared with 2.2 million barrels per day (mb/d) build in April 2023 and the 1.4 mb/d build in April 2022. StanChart analysts notes that the markets could be more sensitive to this change in trajectory following the strong counter-seasonal inventory draws during the first quarter of 2024.

Even better for the bulls, StanChart analysts forecast that global oil demand will pick up strongly in May and June, exceeding 103 mb/d for the first time in May (at 103.15 mb/d), increasing further in June to 103.82 mb/d.

The commodity experts have predicted global inventory draws of 1.53 mb/d in May and 1.69 mb/d in June, tightening physical spreads significantly. Analysts at StanChart also says that OPEC is



Nii Leshie Avenu,  
Agbogba North Legon,  
Accra

**INSTITUTE FOR ENERGY SECURITY**

unlikely to increase output in the near-term thanks to the stall in the oil price rally despite having room for at least 1 mb/d of extra OPEC output in Q3 without increasing inventories.

The price rally Brent Crude saw in the early days of the month of April slowed down towards the of second pricing window, price per barrel fell from \$90 to around \$87.11. The product closed trade at \$89.50 per barrel and averaged at about \$88.10 per barrel.

### **World Fuel Market**

The Global Standard & Poor (S&P) Platts monitoring of refined petroleum products posted the following closing price for the second pricing-window for April 2024: Gasoline \$942.30, Gasoil \$792.02, and LPG \$483.45, per metric tonne respectively.

The change in price reflect a net effect of 0.49% increase in per metric tonne price of Gasoline and 5.87% decrease in the price per metric tonne for Gasoil, also LPG price fell by a 6.56% per metric tonne.

### **Local Forex**

IES Economic Desk monitoring of Ghana Cedi performance in the last 15 days of April on the foreign exchange market (Forex) shows the local currency is still underperforming against the U.S. Dollar. The Ghana Cedi previously traded at GHC13.38 to its counterpart but closed trade at GHC13.52 representing a loss of 1.06% depreciation of its value.

### **IES ESTIMATIONS FOR MAY 2024 FIRST PRICING-WINDOW**

Considering the recent price movements recorded on the international market by the refined petroleum products. Gasoil and Liquified Petroleum Gas (LPG) recorded a fall of about 5.87% and 6.56% respectively, Gasoline has seen its price increase marginally by about 0.49%. The Ghana Cedi's performance continues to fall against the U.S. Dollar, it recent fall is estimated at about 1.06%.

In the coming days of May 2024, consumers are likely to see price slow down for all petroleum products after several weeks of hikes. This is coming largely as a result of slowed price increments recorded by refined products on the international market.

Adam Yakubu,

IES Research Analyst ([adam@iesgh.org](mailto:adam@iesgh.org))

Kindly reach Adam Yakubu at **0248490422**, and Derick Xatse at **0240851221** for media engagements.