

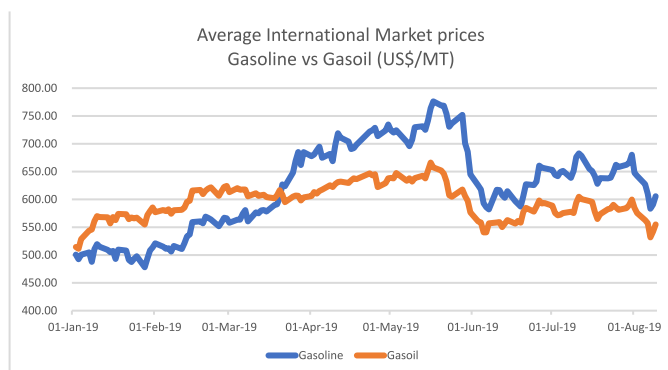
CBOD PETROLEUM PRICE OUTLOOK



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Refined Products Review and Outlook

The international market prices of gasoline and gasoil for the second pricing window of July (27th July-11th August) averaged \$631.53/mt and \$568.30/mt respectively. This was 2.69% (\$17.45/mt) and 2.81% (\$16.43/mt) lower for gasoline and gasoil respectively relative to the previous pricing window. The fall in price is attributable to the ongoing trade war between USA and China which has slowed the growth in China's demand. Average international prices were 14% and 15% higher year-on-year for both gasoline and gasoil respectively. Prices for the second pricing window (27th July -11th August) were 25% and 4% higher than average prices observed in the beginning pricing window of the year.



FuFeX

The CBOD has revised the benchmark FX forward from 60 days to 30 days (60-days forwards rate to 30-days forwards rate) to encourage industry to revise their fx rate downwards and help reduce pump prices to consumers. Hence the FuFeX30 shall be the benchmark fx rate instead of the FuFeX60 for establishing the price indicators. The forward FX rate (FuFeX) used is the average of the quoted indicative forward forex rate from major oil financing banks adjusted by the covered-interest parity pricing model and the CBOD

internal research outlook. The Fufex30 to be applied for the second selling window of August (16th -31st August 2019) is **Ghs5.57/USD**

The Ex-refinery Price Indicator (Xpi)

The Ex-ref price indicator (Xpi) is computed using the referenced international market prices as observed to be usually adopted by BDCs, factoring the CBOD economic breakeven benchmark premium for a given window and converted from USD/mt to Ghs/ltr using the FuFeX. The adoption of a Fufex30 and the fall in international market prices of gasoline and gasoil will translate to about a 2% to a 3% fall in ex-pump prices for the coming window (16th August -31st August) all other things being equal.

$$XPI = \frac{(\text{International Market Price} + \text{CBOD Benchmark Premium}) \times \text{FuFeX}}{\text{Conversion Factor}}$$

Ex-ref Price for 16th - 31st August 2019

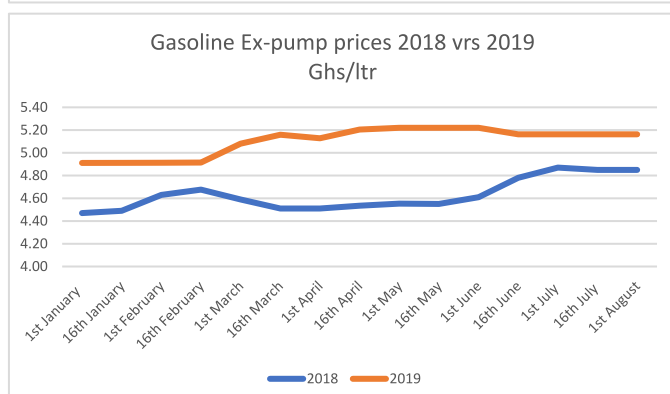
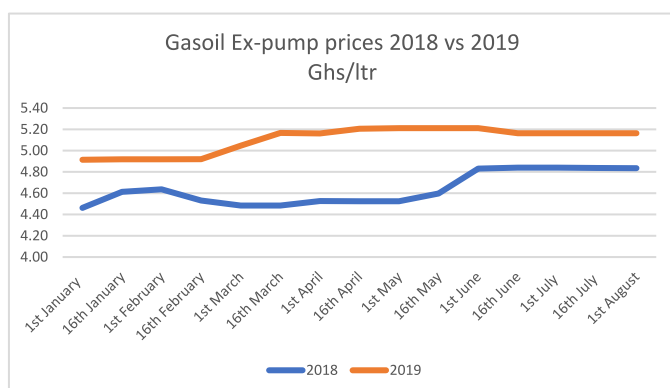
PRICE COMPONENT	PMS	AGO
Average World Market Price (US\$/MT)	631.525	568.300
27 th July-11 th August Pricing window		
CBOD Benchmark Breakeven Premium (US\$/MT)	60	80
FuFeX30 (GHS/USD)	5.57	5.57
Volume Conversion Factor (ltrs/mt)	1324.50	1183.43
Ex-ref Price (Ghs/ltr)	2.908	3.051
Price Tolerance	+1%/-1%	+1%/-1%

OMC Pricing Performance

Average ex-pump prices for gasoline and gasoil for the first window of August remained the same as the previous two windows. Ex-pump prices in first window of August stood at Ghs5.163/ltr for both gasoline and gasoil. Prices for the year have consistently remained above the Ghs5/ltr mark since the first window of March.

Average ex-pump prices of gasoline and gasoil have increased by 5.13% and 5.06% year-to-date, compared to the 8.24% and 8.36% increase observed same period last year and a year-on-year increase of about 6%.

Ex-pump prices for both gasoil and gasoline are however expected to fall between 2% (Ghp10/ltr) to 3% (Ghp15 /ltr) in the next selling window (16th - 31st August).



OMC Pricing Performance

Out of the top 10 OMCs, Vivo Energy Shell, Goil and Total displayed the highest prices at their pumps. For the first selling window of August (1st-15th August) the top three highest selling OMCs sold gasoline and gasoil at an average price of GHS 5.195/ltr. Star Oil displayed the least price at the pump for both gasoline and gasoil, with a price of Ghs 5.110/ltr at its pumps for both gasoline gasoil respectively.

Average Ex-Pump prices for 1st-15th August 2019 (Ghs/ltr)

OMCs	Gasoline	Gasoil
Goil	5.195	5.195
Total	5.195	5.195
Vivo Energy Shell	5.195	5.195
Glory Oil	5.188	5.188
Allied Oil	5.160	5.160
Puma Energy	5.155	5.155
Petrosol	5.150	5.150
Frimps Oil	5.150	5.150
Radiance	5.130	5.130
Star Oil	5.110	5.110

NB: Table is arranged in descending order, from highest priced OMC to lowest priced OMC

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CBOD RESEARCH