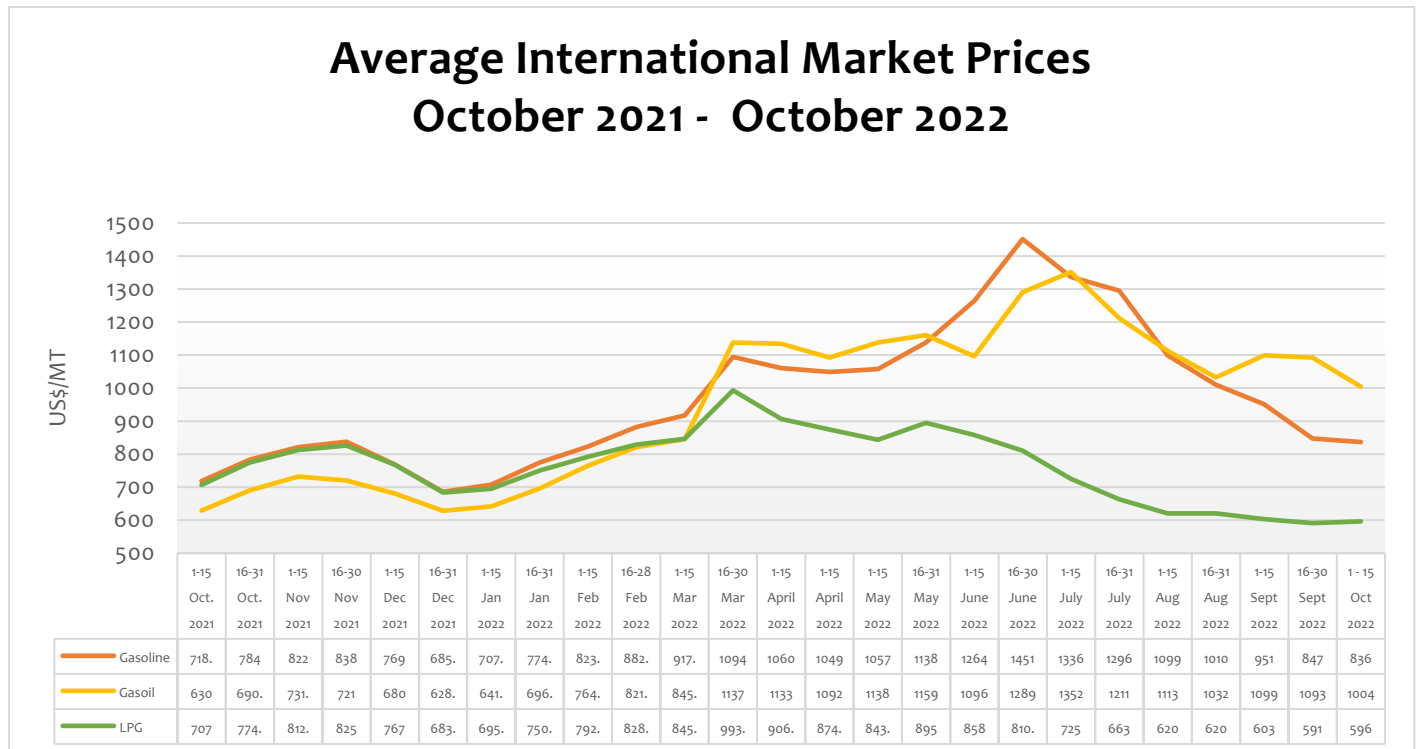


# CBOD MARKET OUTLOOK

## 1<sup>st</sup> to 15<sup>th</sup> October 2022 Pricing Window

### Refined Products Review and Outlook

The international market prices of refined petroleum products in the 12<sup>th</sup> to 26<sup>th</sup> September 2022 international pricing window, which are premiums applicable to the selling window of 1<sup>st</sup> to 15<sup>th</sup> October 2022, witnessed varied movements as diesel and petrol prices declined by 8.11% and 1.28% respectively while that of LPG increased marginally by 0.92% relative to the previous pricing window of 27<sup>th</sup> August to 11<sup>th</sup> September 2022. Oil prices continues to tumble amid concerns of a global economic slowdown and a stronger US dollar due to the rising interest rates in the US and Europe. The Federal reserve announcement to raise interest rate by 0.75 percentage points will raise the federal fund rate to a range of 3.0 to 3.25 percent. The rise in the interest rate is expected to adversely impact economic growth of the world’s largest economy, hence the fall in demand for petrol and diesel.



In absolute terms, the international market prices for petrol, diesel, and LPG plummeted from US\$847.11/mt, US\$1,092.97/mt, and US\$590.97/kg in the previous window to US\$836.28/mt, US\$1,004.28/mt, and US\$596.40/kg in the pricing window under consideration.

After the international prices of refined petroleum products peaked in June 2022, the subsequent declines in prices have brought the year-to-date changes in prices in the international market to 18%, 57%, and -14% for gasoline, gasoil, and LPG respectively.

Moreover, when compared to the same period last year (12<sup>th</sup> to 26<sup>th</sup> September 2021), the international prices of gasoline and gasoil are up by 16% and 60%, while that of LPG has tumbled by 16%.

### FuFeX30

The Fufex30<sup>1</sup> is a 30-day forward GHS/USD FX rate for the petroleum downstream industry. It is estimated using the average quoted indicative forward forex rate from major oil financing banks adjusted by the covered-interest parity pricing model. The Fufex30 for the first selling window of October (1<sup>st</sup> to 15<sup>th</sup> October 2022) is estimated at GHS11.0000/USD, which is the weighted average of quoted indicative 30-day forward forex rate from major oil financing banks as monitored on the market and the Bank of Ghana FX auction rate to the BIDECS.

SUMMARY REPORT OF BANK OF GHANA FX AUCTIONS TO BIDECS		
Window	Percentage Offered	Auction FX Rate (GHS/USD)
1 <sup>st</sup> – 15 <sup>th</sup> Apr 2022	85%	7.3886
16 <sup>th</sup> – 30 <sup>th</sup> Apr 2022	50%	7.4995
1 - 15 May 2022	50%	7.5014
16 <sup>th</sup> – 31 <sup>st</sup> May 2022	29%	7.5547
1 <sup>st</sup> – 15 <sup>th</sup> June 2022	24%	7.6144
16 <sup>th</sup> – 30 <sup>th</sup> June 2022	21%	7.7451
1 <sup>st</sup> – 15 <sup>th</sup> July 2022	21%	7.9252
16 <sup>th</sup> – 31 <sup>st</sup> July 2022	27%	7.9756
1 <sup>st</sup> – 15 <sup>th</sup> Aug 2022	42%	8.2620
16 <sup>th</sup> – 31 <sup>st</sup> Aug 2022	29%	8.8192
1 <sup>st</sup> – 15 <sup>th</sup> Sept 2022	30%	9.7554
16 <sup>th</sup> – 30 <sup>th</sup> Sept 2022		9.8409
1 <sup>st</sup> – 15 <sup>th</sup> Oct 2022	50%	10.1716

<sup>1</sup> The Fufex30 is a 30-day Ghs/USD forward fx rate used as a benchmark rate for BIDECS ex-ref price estimations.

## The Ex-refinery Price Indicator (Xpi)

The Ex-ref price indicator (Xpi) is computed using the referenced international market prices usually adopted by BIDECS, factoring the CBOD economic breakeven benchmark premium for a given window and converted from USD/mt to Ghs/ltr using the FuFex30.

$$XPI = \frac{(\text{International Market Price} + \text{CBOD Benchmark Premium}) \times \text{Fufex30}}{\text{Conversion Factor}}$$

## Ex-ref Price Effective 1<sup>st</sup> to 15<sup>th</sup> October 2022

PRICE COMPONENT	Petrol	Diesel	LPG
Average World Market Price (US\$/MT)	823.28	1,004.28	596.40
CBOD Benchmark Breakeven Premium (US\$/MT)	120	230	170
FuFex30 (GHS/USD)	11.0000	11.0000	11.0000
Volume Conversion Factor (ltr/mt)	1324.50	1183.43	1000
Ex-ref Price (Ghs/ltr)	7.9419/Ltr	11.4727/Ltr	8.4304/kg
Price Tolerance	+1%/-1%	+1%/-1%	+1%/-1%

## Taxes, Levies, and Regulatory Margins

The National Petroleum Authority (NPA) reviewed the Unified Petroleum Pricing Fund (UPPF) Margin effective 16<sup>th</sup> August 2022 and advised Oil Marketing Companies (OMCs) and Liquefied Petroleum Gas Marketing Companies (LPGMCs) to apply the new margins in their price build-up effective 16<sup>th</sup> August 2022. Therefore, total taxes, levies, and regulatory margins for the 16<sup>th</sup> to 30<sup>th</sup> September 2022 selling window stood at Ghp244/ltr for petrol, Ghp242/ltr for diesel, and Ghp162/kg for LPG, accounting for 22%, 17%, and 15.0% of ex-pump prices of petrol, diesel, and LPG respectively for the 16<sup>th</sup> to 30<sup>th</sup> September 2022 selling window.

## Window 16<sup>th</sup> to 30<sup>th</sup> September 2022

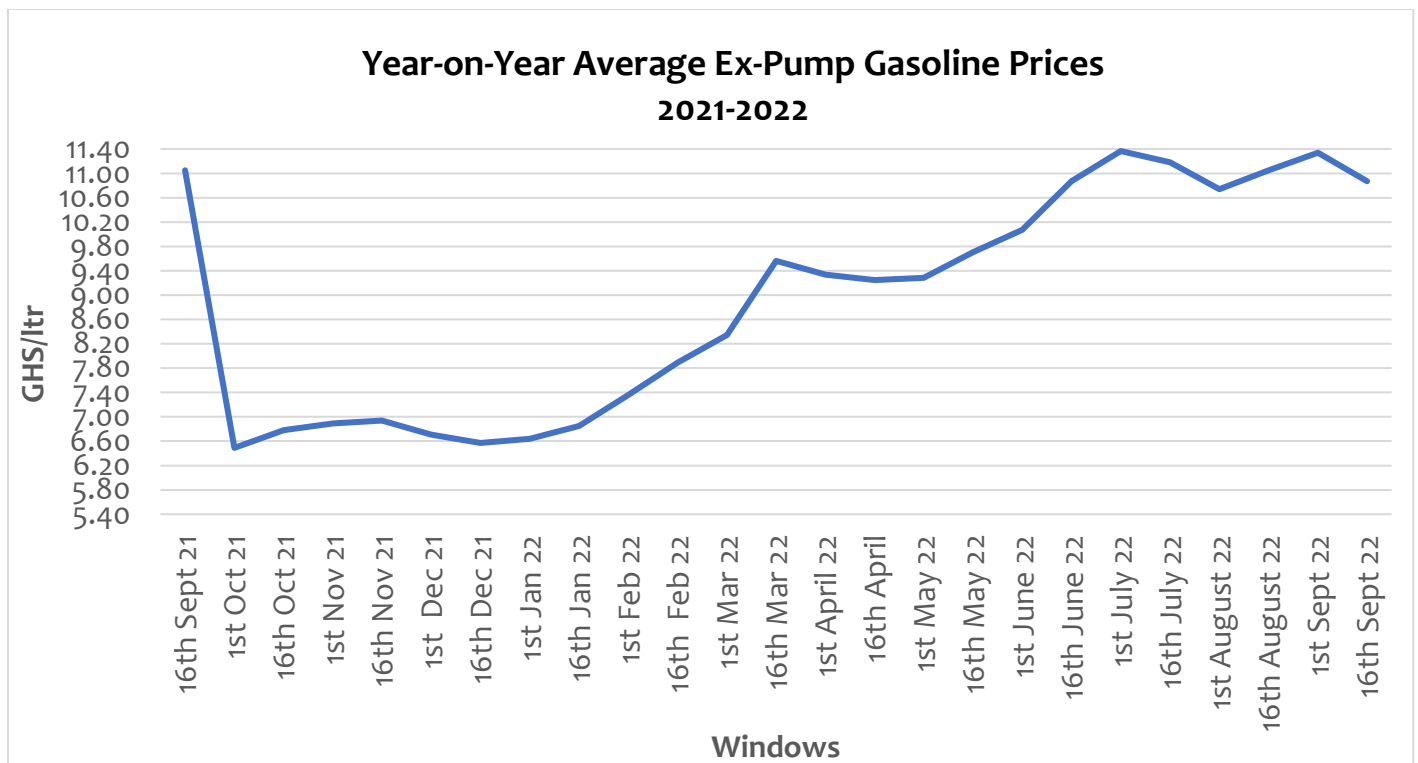
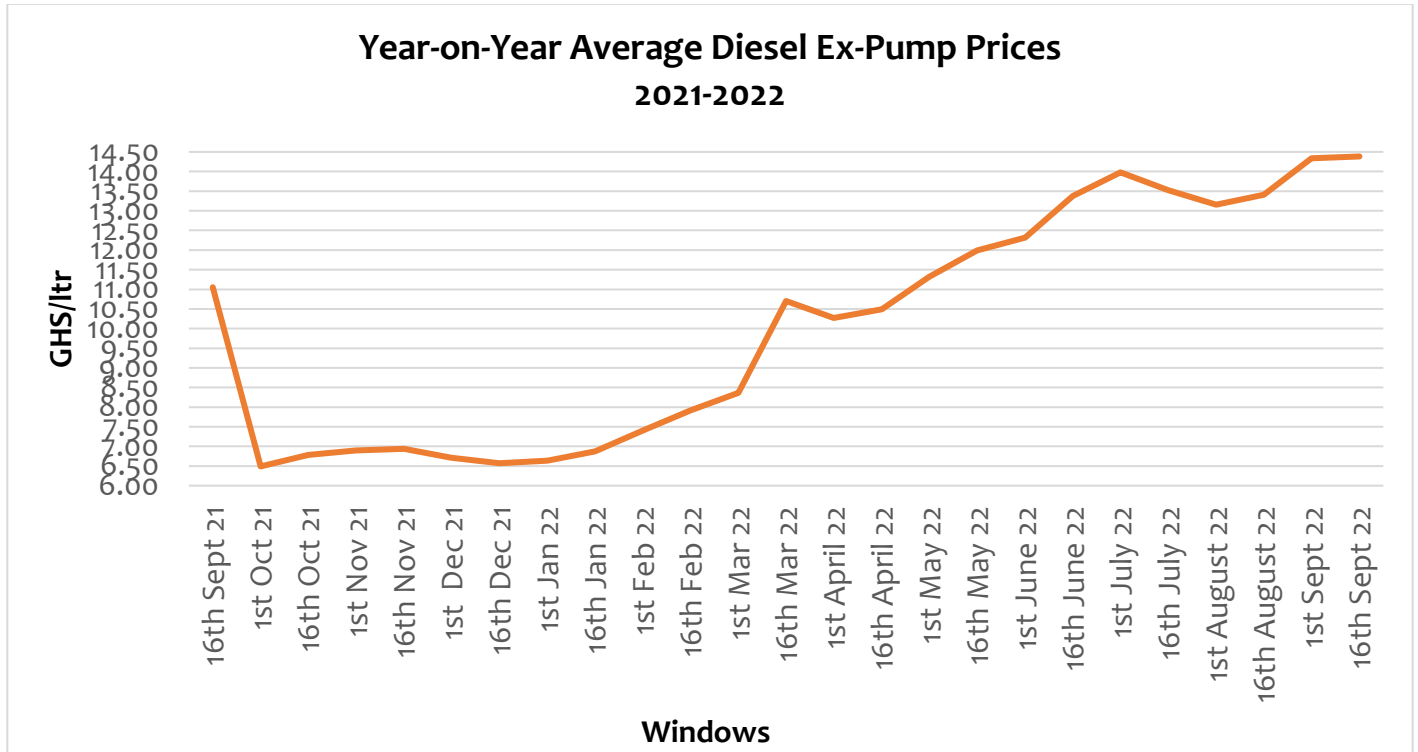
TRM Components	Gasoline (GHp/ltr)	Gasoil (GHp/ltr)	LPG (GHp/KG)
ENERGY DEBT RECOVERY LEVY	49	49	41
ROAD FUND LEVY	48	48	-
ENERGY FUND LEVY	1	1	-
PRICE STABILISATION & RECOVERY LEVY	16	14	14
SANITATION & POLLUTION LEVY	10	10	-
ENERGY SECTOR RECOVERY LEVY	20	20	18
PRIMARY DISTRIBUTION MARGIN	7	7	-
BOST MARGIN	7	7	-
FUEL MARKING MARGIN	4	4	-
SPECIAL PETROLEUM TAX	46	46	48
UPPF	36	36	36
DISTRIBUTION/PROMOTION MARGIN	-	-	5
TOTAL	244	242	162

## OMC Pricing Performance: 16<sup>th</sup> to 30<sup>th</sup> September 2022

Pump prices for petrol and diesel within the 16<sup>th</sup> to 30<sup>th</sup> September 2022 selling window declined by an average of 4.3% and 0.03% respectively relative to the previous window (1<sup>st</sup> to 15<sup>th</sup> September 2022) pump prices. Because of the BOG's auction of \$60 million to the BDCs for the purchase of petroleum products, the GHS/USD exchange rate was relatively stable, which contributed to the drop in pump prices in the window. Furthermore, domestic gasoline and diesel pump prices decreased as a result of the decline in petroleum product prices on the global market. The primary determinants of the Ex-refinery and Ex-Pump Price are the GHS/USD exchange rate and the price of petroleum products on the global market. Hence, the volatilities in the GHS/USD exchange rate and world prices of petroleum products are directly translated to pump prices of petroleum products in Ghana. Prices of petrol continue to decline in the international market due to growing concerns of a global economic slowdown and Covid-19-related lockdowns in China, which are softening fuel demand. However, the price of diesel remains rigid due to the cut down in the Russian supplies of diesel to Europe.

The pump price of petrol and diesel declined from an average of GHS11.3640/ltr to GHS14.3880/ltr in the previous selling window (1<sup>st</sup> to 15<sup>th</sup> September 2022) to GHS10.8700/ltr to GHS14.3838/ltr. On a year-on-year basis, pump prices of petrol and diesel experienced about -2% and 30% increases over the period. This is an indication that from the beginning of the year until now, the ex-pump prices of gasoline and gasoil recorded an average of 64% and 117% increases respectively, with gasoline and gasoil

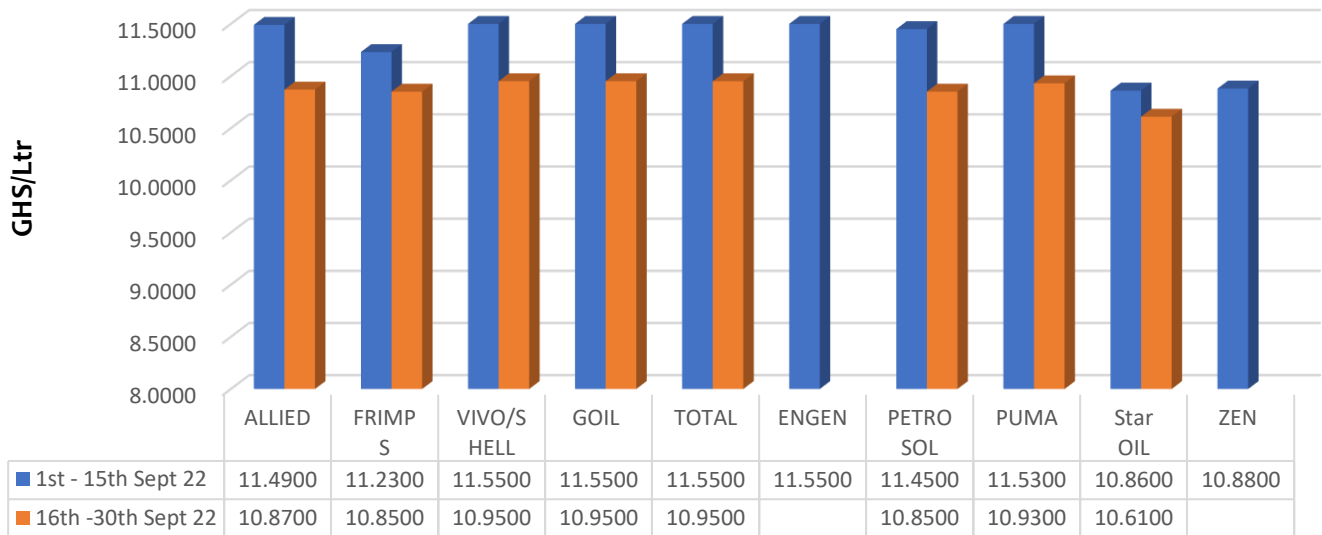
prices both increasing from GHS6.637/ltr in the first selling window of 2022 (1<sup>st</sup>-15<sup>th</sup> January) to GHS10.8700/ltr and GHS14.3838/ltr respectively in the first selling window of September 2022 (1<sup>st</sup> to 15<sup>th</sup> September).



## Average Petrol Ex-pump prices (GHS/ltr)

OMC	1st - 15th Sept 22	16th -30th Sept 22	% Change
ALLIED	11.4900	10.8700	-5.4%
FRIMPS	11.2300	10.8500	-3.4%
VIVO/SHELL	11.5500	10.9500	-5.2%
GOIL	11.5500	10.9500	-5.2%
TOTAL	11.5500	10.9500	-5.2%
ENGEN	11.5500		
PETROSOL	11.4500	10.8500	-5.2%
PUMA	11.5300	10.9300	-5.2%
Star OIL	10.8600	10.6100	-2.3%
ZEN	10.8800		
<b>AVERAGE</b>	<b>11.364</b>	<b>10.8700</b>	<b>-4.3%</b>

## Average Petrol Ex-pump prices (GHS/ltr)

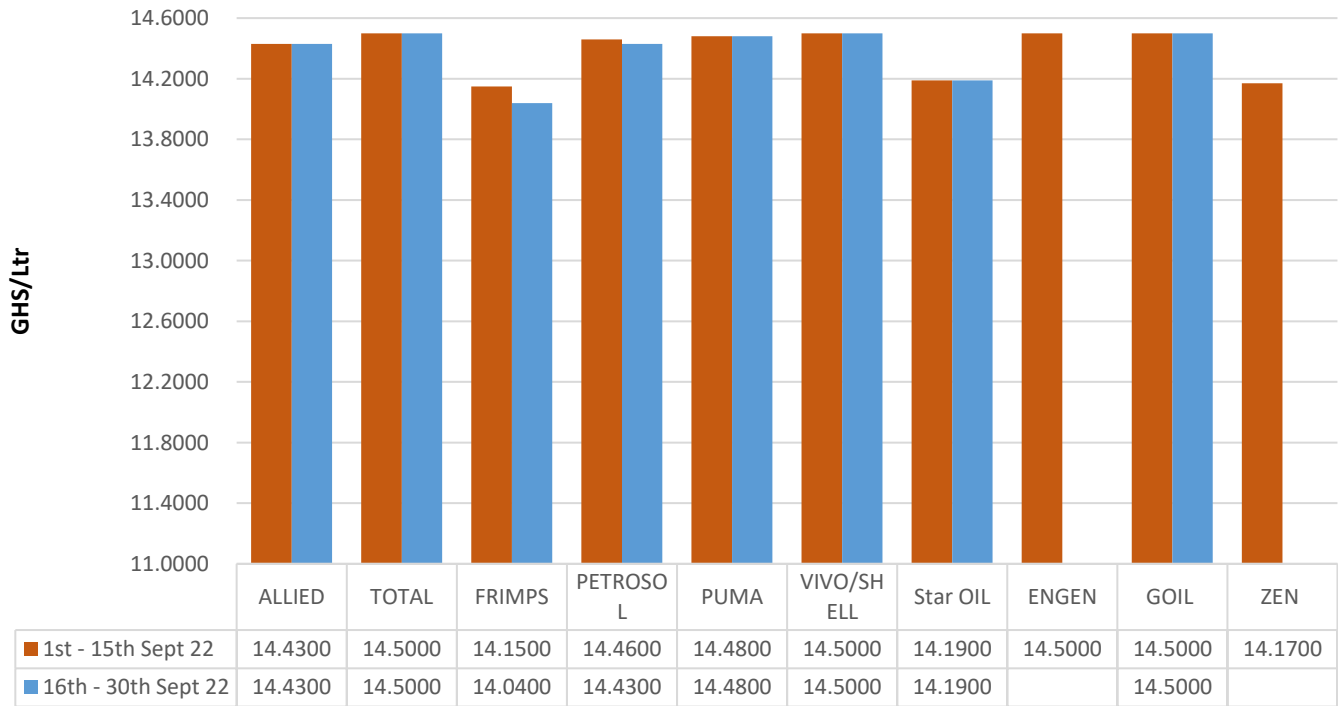


**Top 10 Pricing OMCs**

## Average Diesel Ex-pump prices (GHS/ltr)

OMC	1st - 15th Sept 22	16th - 30th Sept 22	% Change
ALLIED	14.4300	14.4300	0.0%
TOTAL	14.5000	14.5000	0.0%
FRIMPS	14.1500	14.0400	-0.8%
PETROSOL	14.4600	14.4300	-0.2%
PUMA	14.4800	14.4800	0.0%
VIVO/SHELL	14.5000	14.5000	0.0%
Star OIL	14.1900	14.1900	0.0%
ENGEN	14.5000		
GOIL	14.5000	14.5000	0.0%
ZEN	14.1700		
<b>AVERAGE</b>	<b>14.3880</b>	<b>14.3838</b>	<b>-0.030%</b>

## Average Diesel Ex-pump prices (GHS/ltr)



TOP 10 OMCs

## Weekly Petroleum Stock

The total petroleum stocks available in the country at the beginning of the week, Monday 26<sup>th</sup> September 2022, comprised Gasoline, Gasoil, LPG, ATK, Kerosene, Premix, and RFO. The breakdown of the total stocks and expected weekly consumption in the country is presented below.

Product	Total Stocks (Million Lts)	Forecasted Weekly Consumption (Million Lts)	Week-to-Last	Cargoes at anchorage (Million Lts)	Week-to-Last including cargoes at anchorage
Diesel	217.3	53.0	4 weeks	79.2	5 weeks 3 days
Petrol	210.8	49.0	4 weeks 1 day	47.4	5 weeks 1 day
LPG*	8.89	7.5	1 week 1 day	4.0	1 week 3 days
ATK	35.0	5.0	7 weeks	1.2	7 weeks 1 day
Kero**	5.82	0.15	38 weeks 4 days	0	38 weeks 4 days
Premix	0.22	2.1	1 day	0	1 day
RFO	0.19	1.7	1 day	0	1 day

*\*LPG figures are in million kilograms \*High Kerosene stocks are from previous productions by TOR / Woodfields*

## Expected Cargoes in Week 39 (26<sup>th</sup> to 30<sup>th</sup> September 2022)

A total of about 126.52 million liters of petroleum products comprising gasoline and Gasoil are expected this week. About 79.17 million liters of gasoil and 47.35 million liters of gasoline are expected. Currently, 6 vessels are at anchorage and ready to discharge.

## Atuabo Gas Processing Plant

The Gas Processing Plant (GPP) at Atuabo is currently producing LPG at an average rate of about 349.6MT/day.

## Tema Oil Refinery

The RFCC unit at TOR remains shut down due to reconstruction whiles CDU is also shut down due to a lack of Crude Oil.



### Liquefied Petroleum Gas (LPG) Imports

MT Sahara Gas is expected to bring about 4000mt of LPG on behalf of Petroleum Warehouse and Supplies Limited (PWSL) and Alfapetro.

### Aviation Turbine Kerosene (ATK) Imports

MT Eco Revolution is expected to bring about 10,000MT on behalf of Blue Ocean.

### Expected Cargoes in Week 39 (26<sup>th</sup> to 30<sup>th</sup> September 2022)

NO.	BIDEC	Laycan	Volume Diesel (Lts)	Volume Petrol (Lts)	Vessel Name	Status
1	MOSL	Best Efforts	39,053,190	-	Baltic Mariner	Anchorage
2	TBC	Best Efforts	-	47,350,875	Sea Clipper	Anchorage
3	TBC	Best Efforts	40,118,277	-	Picton	Anchorage
<b>Total</b>			<b>79,171,467</b>	<b>47,350,875</b>		
<b>Expected weeks to last</b>			<b>1 Week 3 days</b>	<b>1 week</b>		

Source: National Petroleum Authority