

CBOD PETROELUM MARKET UPDATE

Crude

Crude prices dropped to a 12-year low at \$27.67 on the ICE Brent market which continued to see high volatility on the back of a supply glut and waning global demand amidst faltering global economic growth. This was mainly due to Iran's return to the international oil market with a promise to increase oil shipments by 500,000 barrels per day, after international sanctions were lifted.

According to the International Energy Agency, Iran is expected to be able to ramp up production to pre-sanction levels at 3.6 million barrels per day within six months. This prospect continues to pose a bearish outlook on crude prices.

Refined Products Window Review

The average world market price for the December 27 to January 11 pricing window (used to set prices for sales between the 16th and 31st of January) dropped by 3.95%, 0.83% and 5.19% for Gasoil, Gasoline and LPG respectively as compared to the previous pricing window.

With just half-way through the 12th- 26th January pricing window, which is used to set pump prices for the first half of February in Ghana, prices have already recorded a further fall of about 12.7%, 10.5% and 15.54% for Gasoil, Gasoline and LPG respectively on the world market.

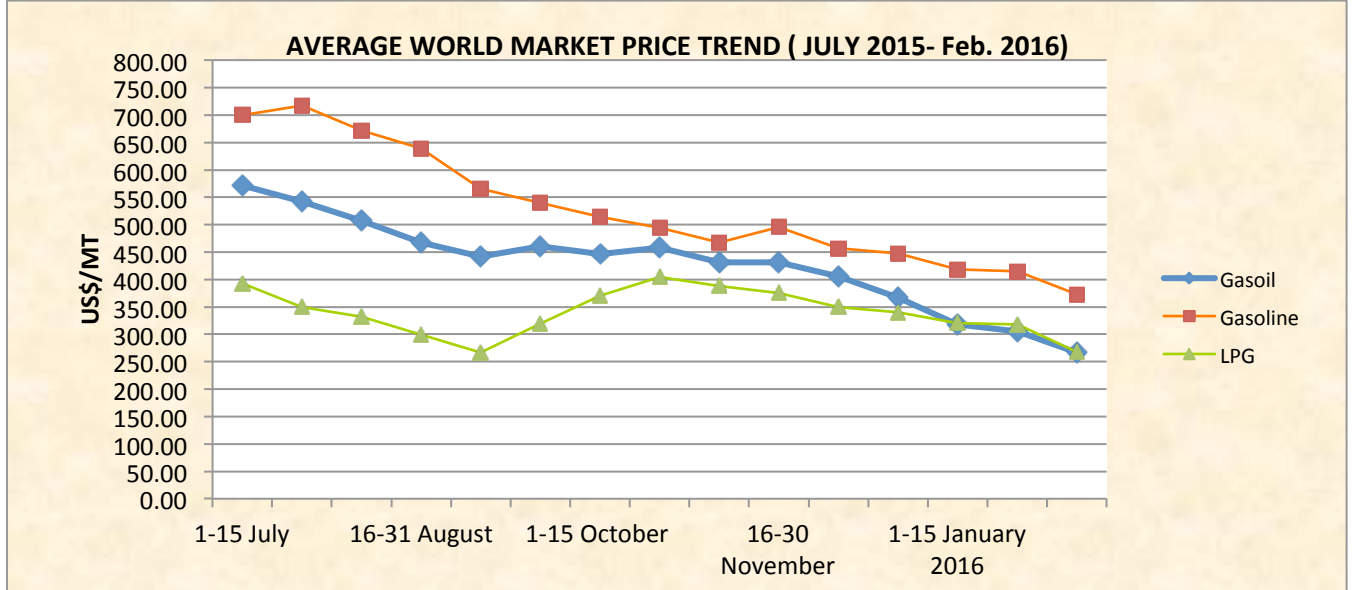
The fall in prices was occasioned by a surge in demand for winter-grade products and less interest in summer-grade products which are consumed in West Africa.

CBOD XPi Review

PRICE COMPONENT	PMS	AGO	LPG
Average World Market Price (USD/MT)	415.47	305.33	317.56
FuFeX (GHS/USD)	4.0927	4.0927	4.0927
XPi (Ghp/Ltr)	160.88	144.39	187.27
XPi Percentage Change	1.08%	-1.23%	0.99%

The marginal fall in refined products prices was not transferred entirely to XPi prices due to the depreciation of the GHS to the USD, which saw the FuFex 60 day forward rate used in the previous window's XPi rise from 4.0227 to 4.0927 in this current window.

Price Trend July 2015 – February 2016



Note:

- **The X_{Pi}**
The **X_{Pi}** is an estimate of the EX refinery price at which BDCs may sell petroleum products to oil marketing companies. It is based on the maximum allowable US dollar indexed price BDCs would have sold petroleum products under the immediate past regulated regime, and converted in Ghana Cedis at a referenced foreign exchange rate FuFeX.
- **FuFeX**
The **FuFeX** is an average of the quoted indicative forward forex rates from major oil financing banks.