

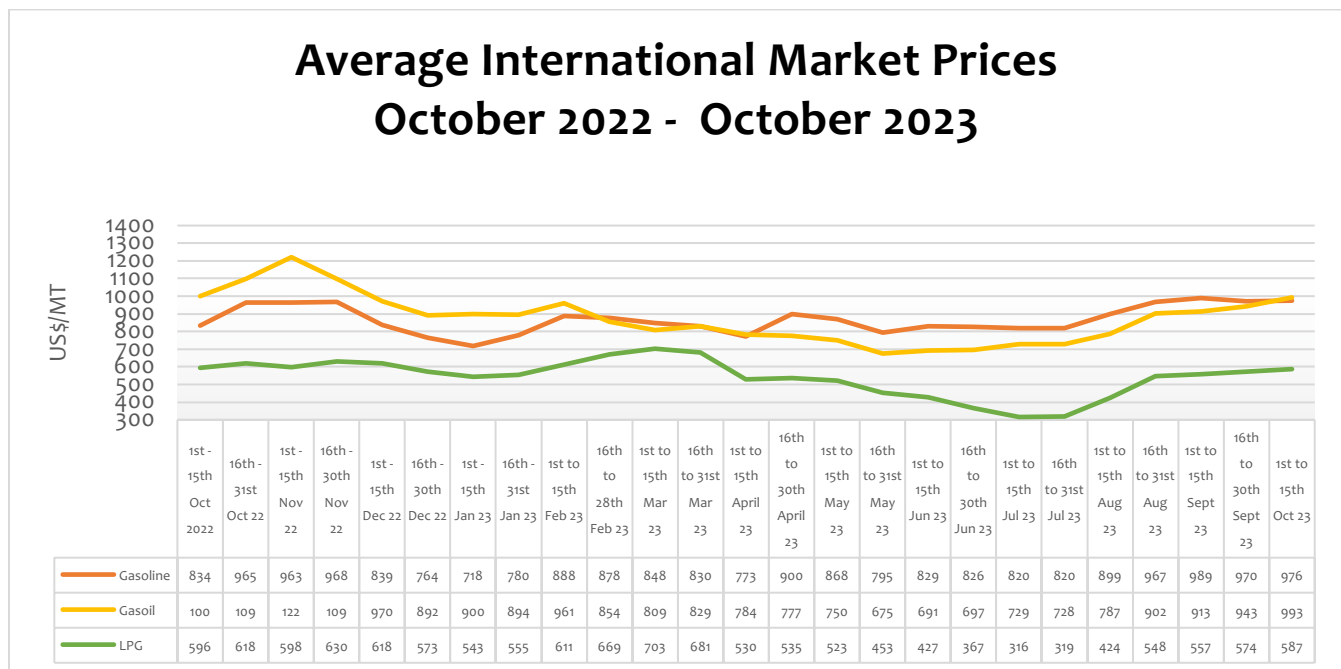
# CBOD MARKET OUTLOOK

## 1<sup>st</sup> to 15<sup>th</sup> October 2023 Pricing Window

### Refined Products Review and Outlook

The price of crude and refined petroleum products on the global market has risen significantly throughout the third quarter of 2023, largely due to dwindling crude supply by the OPEC+, the resumption of economic activities in China, an increase in air travel, and surging demand for petrochemical feedstock. According to the International Energy Agency (IEA), global demand remains on track to grow by 2.2 million b/d in 2023 to 101.8 million b/d. Due to the increased demand, observed global oil inventories plunged significantly by about 2.5 million b/d in August.

Output by the OPEC+ nations has declined in 2023 by about 2 million b/d due to output cuts by Saudi Arabia and Russia. However, supply from the non-OPEC+ nations rose by about 1.9 million b/d to about 50.5 million b/d in August 2023. Supply of crude in 2023 is projected to increase by 1.5 million b/d driven by some non-OPEC+ nations such as the US, Iran, and Brazil.



The IEA has projected that global oil demand in the second half of the year will surpass that of the first half by about 1.5 million b/d. This implies that the global demand will eclipse supply by about 1.2 million b/d, hence prices of petroleum product are expected to rise in throughout the last quarter.

The international market price of petrol, diesel, and LPG rose by 35.9%, 10.3%, and 8.1% respectively year-on-year.

### FuFeX30 And Spot Rates

The Fufex30<sup>1</sup> for the Second selling window of September (1<sup>st</sup> to 15<sup>th</sup> October 2023) is estimated at **GHS11.8500/USD**, while the applicable spot rate for cash sales is **GHS11.6000/USD** based on quotations received from oil financing commercial banks.

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> April 2023	20%	12.0000
16 <sup>th</sup> – 30 <sup>th</sup> April 2023	24%	11.4467
1 <sup>st</sup> – 15 <sup>th</sup> May 2023	20%	11.7575
16 <sup>th</sup> – 31 <sup>st</sup> May 2023	26%	11.6943
1 <sup>st</sup> – 15 <sup>th</sup> June 2023	39%	11.1657
16 <sup>th</sup> – 30 <sup>th</sup> June 2023	33%	11.1781
1 <sup>st</sup> – 15 <sup>th</sup> July 2023	25%	11.3737
16 <sup>th</sup> – 31 <sup>st</sup> July 2023	30%	11.3737
1 <sup>st</sup> – 15 <sup>th</sup> August 2023	27%	11.3312
16 <sup>th</sup> – 31 <sup>st</sup> August 2023	30%	11.3460
16 <sup>th</sup> – 30 <sup>th</sup> September 2023	22%	11.4232

The BoG's bi-weekly FX auction to BIDECS in the 16<sup>th</sup> to 30<sup>th</sup> September 2023 pricing window for the purchase of petroleum products was US\$20 million, representing 22% of BIDECS' bid. The FX rate auctioned by BOG to BIDECS was GHS11.4232/USD representing a depreciation of 0.02% compared to the previous auction rate.

### Taxes, Levies, and Regulatory Margins

Total taxes, levies, and regulatory margins within the 16<sup>th</sup> to 30<sup>th</sup> September 2023 selling window accounted for 23%, 22%, and 15% of the ex-pump prices of petrol, diesel, and LPG respectively.

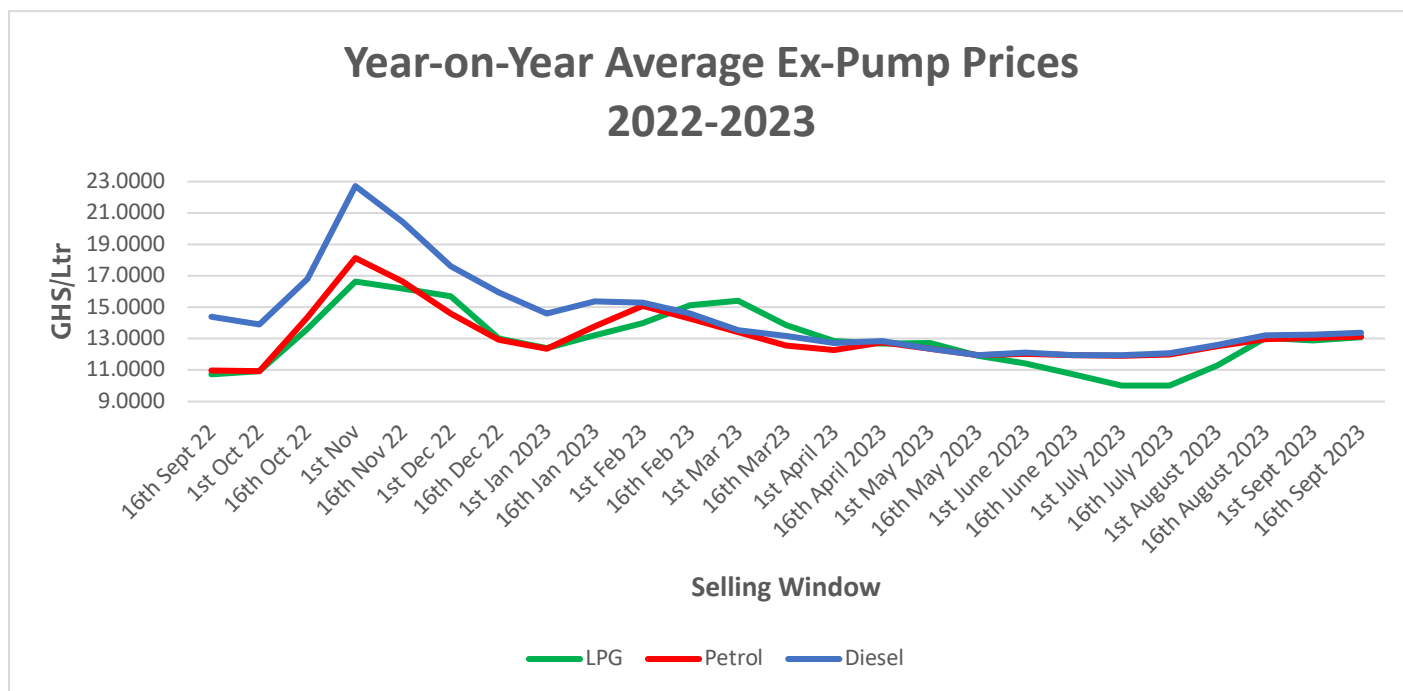
TRM Components	Gasoline (GHS/ltr)	Gasoil (GHS/ltr)	LPG (GHS/KG)
ENERGY DEBT RECOVERY LEVY	0.49	0.49	0.41
ROAD FUND LEVY	0.48	0.48	-
ENERGY FUND LEVY	0.01	0.01	-
PRICE STABILISATION & RECOVERY LEVY	0.16	0.14	0.14
SANITATION & POLLUTION LEVY	0.10	0.10	-
ENERGY SECTOR RECOVERY LEVY	0.20	0.20	0.18

<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.

<b>PRIMARY DISTRIBUTION MARGIN</b>	0.13	0.13	-
<b>BOST MARGIN</b>	0.09	0.09	-
<b>FUEL MARKING MARGIN</b>	0.5	0.09	-
<b>SPECIAL PETROLEUM TAX</b>	0.46	0.46	0.48
<b>UPPF</b>	0.75	0.75	0.75
<b>DISTRIBUTION/PROMOTION MARGIN</b>	-	-	0.05
<b>TOTAL</b>	<b>2.96</b>	<b>2.94</b>	<b>2.01</b>

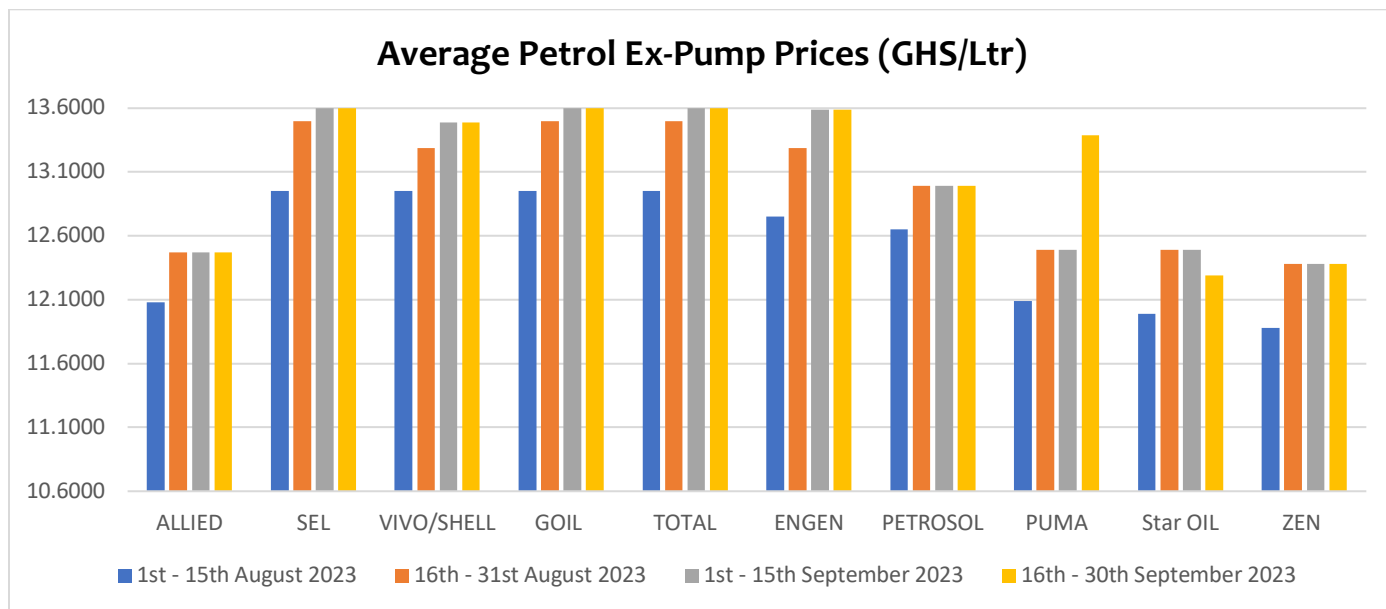
## OMC Pricing Performance: 16<sup>th</sup> to 30<sup>th</sup> September 2023

In tandem with global trends, local petroleum prices have continued to surge at the pumps since May 2023. Global demand for crude and petroleum products continues to surge, with crude oil rising to as high as USD95/bbl. Pump prices in September have risen to similar levels as April 2023 when the OPEC+ nations decided to cut production by over 1 million b/d. The continued supply tightness amidst the surging demand for petroleum and petroleum products will further increase local pump prices in the last quarter of the year. According to CITAC, the US oil demand is expected to reach record-high levels in Q4 due to increased consumer purchasing power. Petroleum demand in China has increased beyond expectations driven by strong gasoline and jet fuel sales.

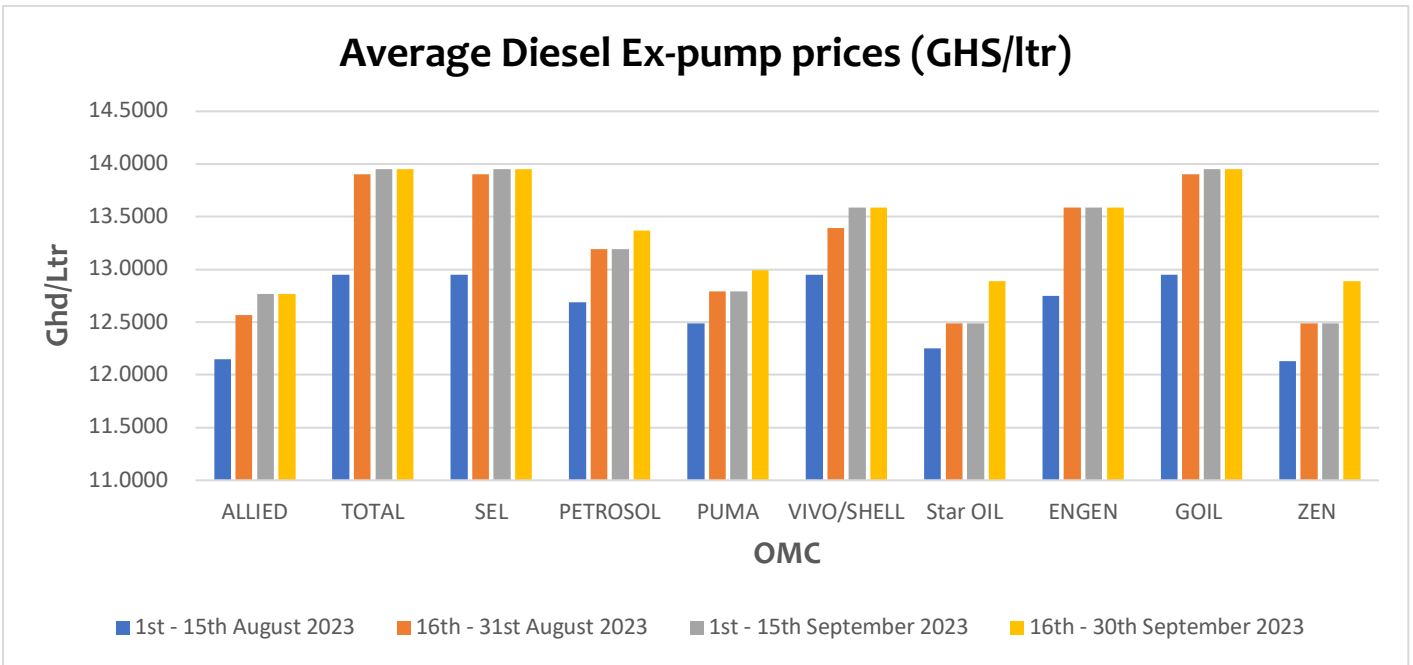


Pump prices of Petrol rose marginally by about 0.7% from an average of GHS13.0775/Ltr to GHS13.1400/Ltr in the second selling window of September. This was mainly due to the surge in global prices. On a y-o-y

basis, pump prices rose by about 20% while on a y-t-d basis, they rose by 6%. This rising trend is expected to continue throughout Q4 as Saudi Arabia and Russia have resolved to maintain their decision to cut production through to the end of the year. According to CITAC, gasoline demand in Europe is currently hovering at a 10-year high, despite growing electric vehicle penetration.



Similar to the pump price of petrol, diesel prices rose marginally by about 0.9% from an average of GHS13.2975/ltr to GHS13.23940/ltr in the 16<sup>th</sup> to 30<sup>th</sup> September 2023 selling window. On a year-on-year basis, pump prices of diesel declined by about 7% while on a year-to-date basis, they fell by about 8%. From the second selling window of June to the current pricing window, diesel pump prices have risen by about 12%. This is attributed to international market factors as the Cedi/USD exchange rate has remained steady throughout Q3.



As a result of the rise in global prices of refined petroleum products combined with the slight depreciation of the cedi compared to the previous selling window, pump prices of petrol, diesel, and LPG are expected to rise by about 2%, 6%, and 3% respectively in the first selling window of October 2023.