

COMMODITY MARKET OVERVIEW

- In the just ended week, with the exception of Gold, the prices of all tracked commodities increased in price.
- Gold went down by 0.51% to \$1,645.70 compared to the previous week's price of \$1,654.10.
- WTI and Brent Crude appreciated by 31.75% and 36.82% to \$28.34 and \$34.11 respectively to close the trading week.
- Cocoa price also inched up by 1.71% to end the week at \$2,218.47 compared to its price of \$2,181.13 in the previous week.
- On a year-to-date basis, gold edged up in price by 8.05% while cocoa dipped by 9.73%. WTI and Brent crude oil also declined by 53.59% and 48.32% respectively.
- Year-on year, gold advanced in price by 27.05% whilst cocoa decreased by 5.21%. WTI and Brent crude oil also depreciated by 54.63% and 50.79%.

MARKET UPDATE AND OUTLOOK

CRUDE OIL

OIL SURGES MORE THAN 13% ON HOPES OF OUTPUT DEAL

- Crude oil surged to close the week, with both U.S. and Brent contracts posting their largest weekly percentage gains on record due to hopes that a global deal to cut crude supply worldwide will emerge early next week.

- On Thursday (02/04/2020), oil staged its largest one-day rally in history on prospects for a cut in supply equivalent to anywhere from 10% to 15% of world demand.

- The sharp rebound from weeks of losses came after U.S. President Donald Trump said Russia and Saudi Arabia will negotiate to end a price war that slashed prices last month by more than half.

- OPEC has scheduled a Monday (06/04/2020) emergency meeting, led by Saudi Arabia, where cuts equal to 10% of world supply - about 10 million barrels per day - could be agreed-upon. We therefore expect oil price to remain stable in the week ahead.

GOLD

GOLD SLIPS ON FIRM DOLLAR, POOR U.S. DATA LIMITS LOSSES

- Gold inched down on Friday after rising 1.4% in the previous session as the U.S. dollar firmed, but record high weekly U.S. jobless claims filings kept a check on bullion's downside.

- The number of Americans filing claims for unemployment benefits last week shot to a record high of 6.65 million, as more jurisdictions enforced stay-at-home measures to curb the coronavirus.

- Also, Global coronavirus cases surpassed 1 million on Thursday with more than 52,000 deaths as the pandemic further exploded in the United States and the death toll climbed in Spain and Italy, according to a Reuters tally of official data.

- The metal was down over 0.51% for the week after an 8% jump in the previous week.

- We therefore expect the price of gold to rebound in the coming week as investors turn again to the comfort of safe havens after epic U.S. job losses for March from the Covid-19 pandemic.

COCOA

COCOA SETTLES MIXED WITH LONDON COCOA AT A 1-WEEK HIGH ON WEAKNESS IN BRITISH POUND

- Cocoa prices on Friday settled mixed with London cocoa climbing to a 1-week high. NY cocoa moved lower on ample supplies and suspect demand. However, London cocoa gained on weakness in GBP/USD which fell -1.09% Friday to a 1-week low. A weaker pound boosts the price of cocoa that is priced in sterling.

- NY cocoa earlier in the week on Wednesday fell to a 1-week low, and London cocoa fell to a 3-month low, on ample cocoa supplies. The Ivory Coast estimated Wednesday that its cocoa farmers delivered a record 1.76 MMT of cocoa in its 2019/2020 main crop (Oct-Mar), up +5.4% y/y.

- Also, cocoa output in Ghana, the world's second-largest cocoa producer, is ample after the Ghana Cocoa Board reported Wednesday that it purchased 685,032 MT of cocoa from farmers during Oct 1-Mar 12, up +1.0% y/y.

- The coronavirus pandemic is undercutting cocoa demand as the global lockdown of millions of people curbs demand for chocolate and other cocoa products. Research firm IRI on Wednesday reported that U.S. chocolate sales slumped -13% in the four weeks ended March 22. Cocoa processing demand in Q1 may also decline as some cocoa grinders see pandemic-related business disruptions. We therefore expect price to be stable in the week ahead due to demand and supply factors.

COMMODITY	Unit	Price (week start)	Price (week close)	Previous week close	Wkly (%Δ)
Gold (Comex)	USD/oz	1,643.20	1,645.70	1,654.10	(0.51)
Cocoa ICCO	USD/ton	2,225.95	2,218.47	2,181.13	1.71
WTI Crude	USD/bbl	20.09	28.34	21.51	31.75
Brent Crude	USD/bbl	22.76	34.11	24.93	36.82

Source: Bloomberg; International Cocoa Organization

COMMODITY	Weekly high	Weekly low	YTD (%Δ)	YoY (%Δ)
Gold (Comex)	1,645.70	1,591.40	8.05	27.05
Cocoa ICCO	2,230.01	2,201.24	(9.73)	(5.21)
WTI Crude Oil	28.34	20.09	(53.59)	(54.63)
Brent Crude	34.11	22.74	(48.32)	(50.79)

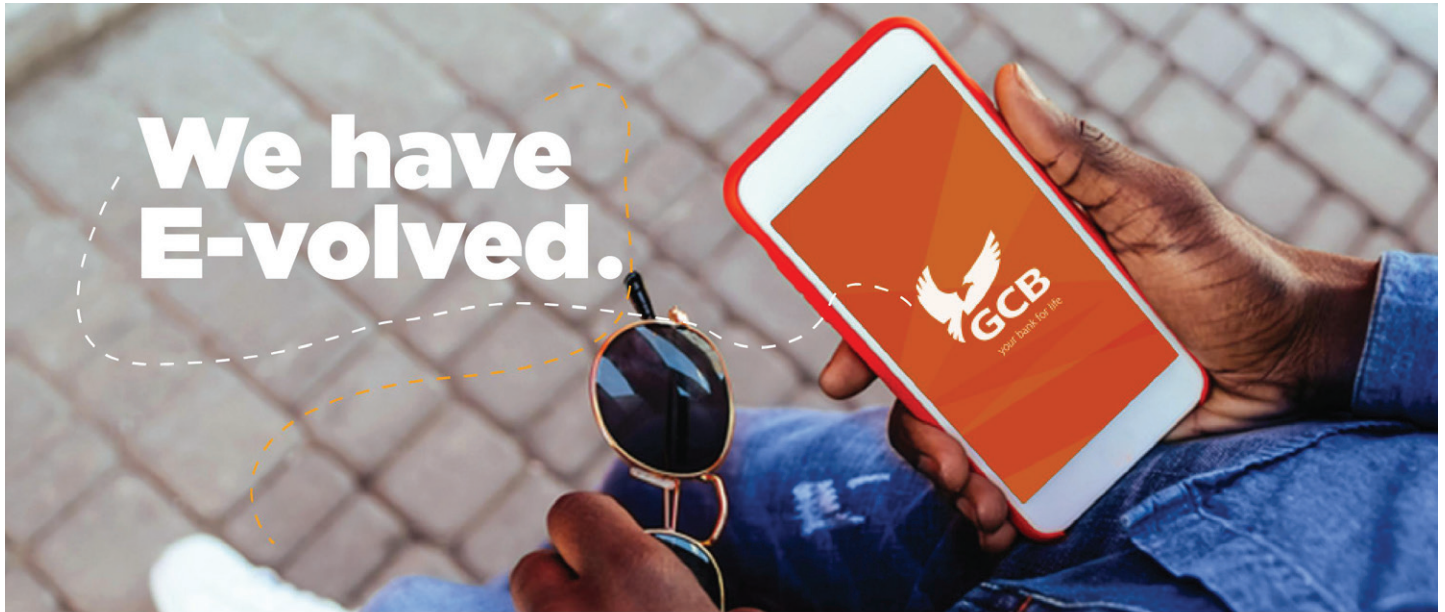
Source: Bloomberg; International Cocoa Organization

Commodity Price, 01 Jan to date



Commodity Market Update

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