

COMMODITY MARKET OVERVIEW

- In the just ended week, the price of Cocoa edged up whilst that of Gold, WTI and Brent Crude Oil dropped.
- Gold dipped by 0.91% to \$1,582.40 compared to the previous week's price of \$1,587.90.
- WTI and Brent Crude declined by 2.40% and 6.34% to \$50.32 and \$54.47 respectively to end the trading week.
- Cocoa price inched up by 2.44% to close the week at \$2,765.33 compared to its price of \$2,699.56 in the previous week.
- On a year-to-date basis Gold and Cocoa have increased in price whereas the price of WTI and Brant Crude have decreased. Gold and Cocoa inclined by 3.30% and 12.53% respectively. WTI and Brent crude oil have declined by 17.59% and 17.47% respectively.
- Year-on year, Gold and Cocoa have improved in price by 19.72% and 24.47% respectively whereas WTI and Brent crude oil have fallen by 4.41% and 11.62%.

MARKET UPDATE AND OUTLOOK

CRUDE OIL

OIL FALLS AGAIN AS OPEC+ STRUGGLES TO STRIKE A DEAL

- Oil prices continue to slide as OPEC fails to cut oil production to the appropriate amount of 600,000 bpd in response to the coronavirus. This was due to Russia asking for more time to consider deeper cuts since Moscow believes the market will bounce back sooner than later.

- Moscow could make a decision by this weekend, but the discord was a setback for Saudi Arabia, and the disagreement could delay the scheduling of the ministerial meeting which had been projected to take place next week.

- Furthermore, oil prices were under pressure due to the fact that the world's biggest importer of crude (China) has shut down its factories in order to fight the spread of the coronavirus.

- We therefore expect crude oil prices to rise steadily this upcoming week due to report of China gradually opening some of its factories and injecting billions of dollars into the economy.

GOLD

GOLD PRICES WEAKEN AFTER UPBEAT U.S. JOBS REPORT

- Gold prices rose moderately into the weekend but was still down nearly 1% at the end of week due to caution across financial markets caused by strong U.S. job and wage growth.

- Positive job and wages data gave some investors reassurance that the record-long economic expansion still has room to run. This made gold dip nearly 1% as investor's regained confidence in the market and abandoned the safe haven asset.

- However, the figures weren't enough to revive risk appetite after a rally that some felt had gone too far and too fast due to the outbreak of the virus.

- For the coming week, we expect Gold prices to remain steady as China's president reported that the coronavirus is still severe. Currently the virus has affected over 40,000 people in the country and has resulted in over 900 deaths.

COCOA

COCOA PRICES SETTLE AT 1-WEEK HIGHS ON GLOBAL SUPPLY CONCERNS

- Cocoa prices settled high as NY cocoa extended its week-long rally to a 3-1/4 year nearest-futures high. Weather concerns in West Africa continue to push cocoa prices higher as above-average temperatures in Ghana threaten cocoa crops.

- The seasonal Harmattan winds started later than normal this year and have dried out cocoa fields in the Ivory Coast and Ghana. A possible lack of rainfall in West Africa may also reduce Ivory Coast and Ghana cocoa yields.

- Furthermore, strength in cocoa demand is bullish for prices after last Friday's data from Gepex, a group of the six largest cocoa grinders, showed that Jan cocoa processing rose +3.3% y/y to 48,464 MT.

- We therefore expect the prices of cocoa to remain upbeat in the upcoming week due to low rainfall reported in West Africa.

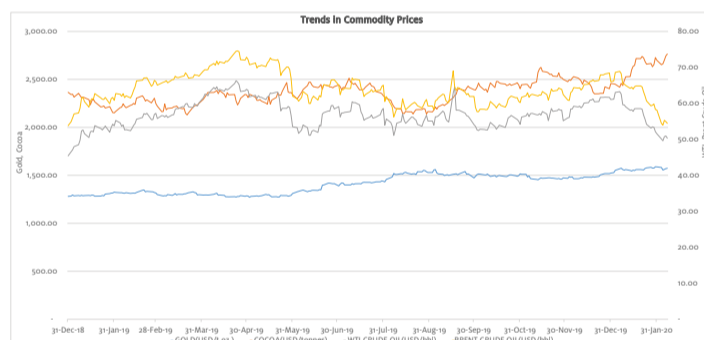
COMMODITY	Unit	Price (week start)	Price (week close)	Previous week close	Wkly (%Δ)
Gold (Comex)	USD/oz	1,582.40	1,573.40	1,587.90	(0.91)
Cocoa ICCO	USD/ton	2,652.57	2,765.33	2,699.56	2.44
WTI Crude	USD/bbl	50.11	50.32	51.56	(2.40)
Brent Crude	USD/bbl	54.45	54.47	58.16	(6.34)

Source: Bloomberg; International Cocoa Organization

WEEKLY HIGHS AND LOWS				
COMMODITY	Weekly high	Weekly low	YTD (%Δ)	YoY (%Δ)
Gold (Comex)	1,582.40	1,555.50	3.30	19.72
Cocoa ICCO	2,765.33	2,652.57	12.53	24.47
WTI Crude Oil	50.95	49.61	(17.59)	(4.41)
Brent Crude	55.28	53.96	(17.47)	(11.62)

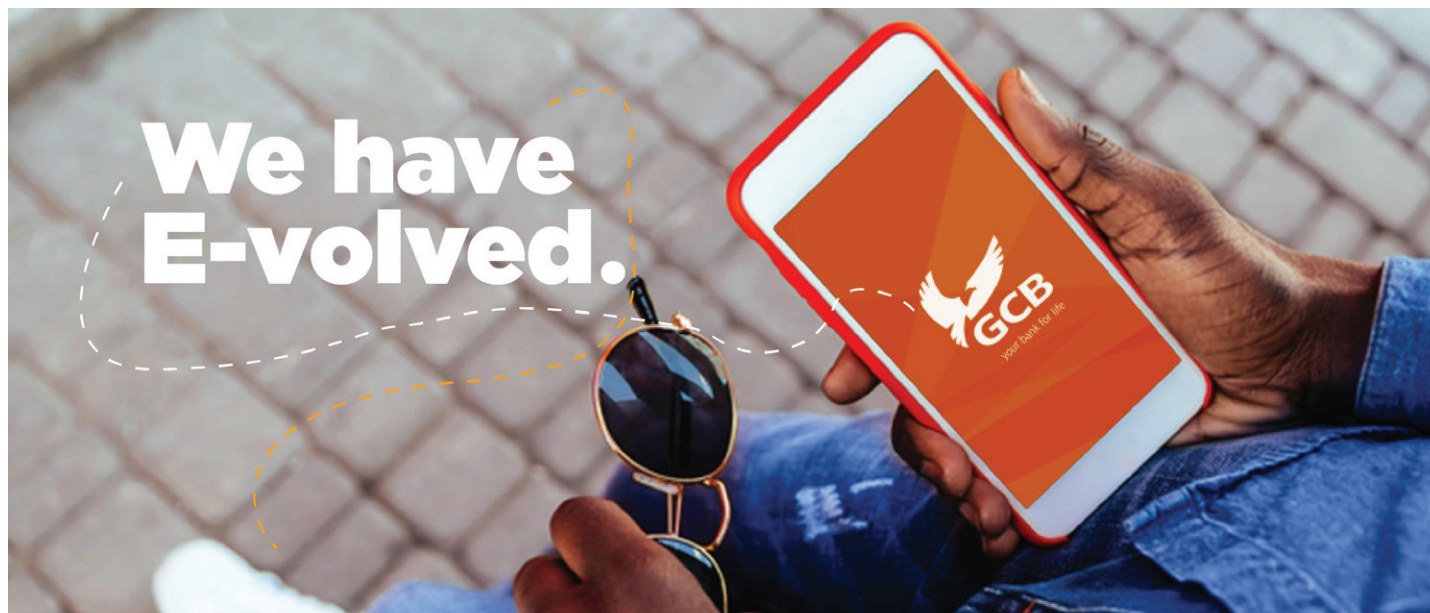
Source: Bloomberg; International Cocoa Organization

Commodity Price, 01 Jan to date



Commodity Market Update

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