

## COMMODITY MARKET OVERVIEW

- In the just ended week, the price of Cocoa dropped whilst that of Gold, WTI and Brent Crude Oil increased.
- Gold inched up by 0.83% to \$1,586.40 compared to the previous week's price of \$1,573.40.
- WTI and Brent Crude increased by 3.44% and 5.23% to \$52.05 and \$57.32 respectively to end the trading week.
- Cocoa price decreased by 0.46% to close the week at \$2,752.58 compared to its price of \$2,765.33 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 declined. Gold and Cocoa rose by 4.16% and 12.01% respectively. WTI and Brent crude oil have dropped by 14.76% and 13.15% respectively.
- Year-on year, Gold and Cocoa have increased in price by 20.74% and 22.92% respectively whereas WTI and Brent crude oil have decreased by 4.34% and 11.23%.

## MARKET UPDATE AND OUTLOOK

### CRUDE OIL

#### OIL RISES OVER 1% ON HOPES DEMAND WILL REBOUND FROM CORONAVIRUS EFFECT

- Oil prices rose over 1% on Friday, posting its first weekly gain since early January as investors bet the economic impact of the coronavirus would be short-lived and hoped for further Chinese central bank stimulus to tackle any slowdown.

- Crude oil had earlier on fallen due to worries the coronavirus outbreak would impact greatly on the global economy. More than 1,380 people have died from the virus in China. However, market sentiment improved as factories in China started to reopen and the government eased monetary policy in the world's second largest economy.

- Also, the International Energy Agency (IEA) said the virus is set to cause oil demand to fall by 435,000 barrels per day (bpd) year-on-year in the first quarter, in what would be the first quarterly drop since the financial crisis in 2009.

-In response to the demand slump, the Organization of the Petroleum Exporting Countries (OPEC) and allied producers, known as OPEC+, are considering deepening production cuts.

- We therefore expect crude oil prices to remain stable as investors are anticipating that OPEC and its allies, including Russia, will approve a proposal to deepen production cuts to tighten global supplies and support prices.

### GOLD

#### GOLD HOLDS NEAR 2-WEEK HIGH ON UNCERTAINTY OVER VIRUS IMPACT

- Gold prices held near a two-week high as uncertainty prevailed over the impact of the coronavirus outbreak on the global economy.

- Gold rose as investors attempted to gauge the economic impact of the spread of the coronavirus in China.

- Also, Gold maintained gains after Labor Department data Thursday showed that initial weekly U.S. jobless claims rose by 2,000 to a lower-than-forecast, seasonally adjusted 205,000 in the week to Saturday.

- Since the virus remains a threat to the global economy and has no cure yet, investors are seen looking for a safe haven in gold as they wait to see what happens next.

- In the week ahead, we expect Gold prices to remain elevated as the virus continues to take a toll on human life killing over 1,700 people.

### COCOA

#### COCOA PRICES DECLINE ON AMPLE COCOA SUPPLIES FROM GHANA

- Cocoa prices retreated on Friday as ample supplies from Ghana sparked long liquidation in cocoa futures. The Ghana Cocoa Board on Friday reported that it purchased 630,578 MT of cocoa from farmers during Oct 1-Jan 23, up +0.3% y/y.

- On the negative side, is ample supply from the Ivory Coast, the world's biggest cocoa producer. The Ivory Coast government on Monday reported that Ivory Coast farmers on a cumulative basis sent a total of 1.53 MMT of cocoa to ports during Oct 1-Feb 9, up +8.5% y/y.

- Ample rainfall last week in some of Ivory Coast's cocoa-growing regions brought welcome relief following a dry spell that had threatened to deplete the upcoming mid-crop harvest.

- We therefore expect the prices of cocoa to remain

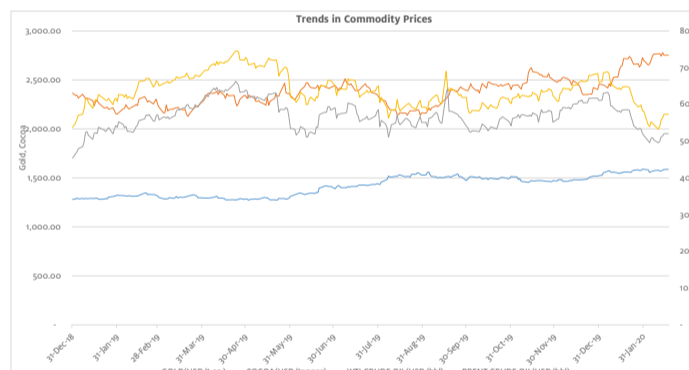
COMMODITY	Unit	Price (week start)	Price (week close)	Previous week close	Wkly (%Δ)
Gold (Comex)	USD/oz	1,579.50	1,586.40	1,573.40	0.83
Cocoa ICCO	USD/ton	2,766.34	2,752.58	2,765.33	(0.46)
WTI Crude	USD/bbl	49.57	52.05	50.32	3.44
Brent Crude	USD/bbl	53.27	57.32	54.47	5.23

Source: Bloomberg; International Cocoa Organization

WEEKLY HIGHS AND LOWS				
COMMODITY	Weekly high	Weekly low	YTD (%Δ)	YoY (%Δ)
Gold (Comex)	1,586.40	1,570.10	4.16	20.74
Cocoa ICCO	2,778.37	2,744.50	12.01	22.92
WTI Crude Oil	52.05	49.57	(14.76)	(4.34)
Brent Crude	57.32	53.27	(13.15)	(11.23)

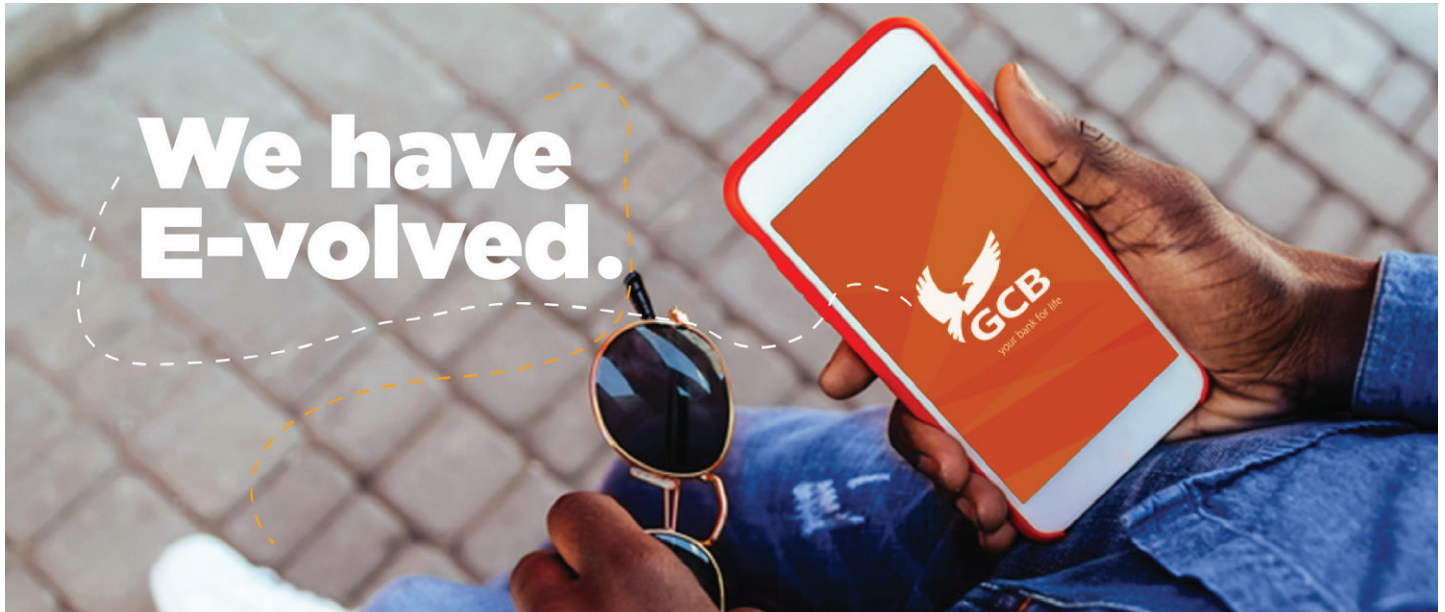
Source: Bloomberg; International Cocoa Organization

## Commodity Price, 01 Jan to date



# Commodity Market Update

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