

## COMMODITY MARKET OVERVIEW

- In the just ended week, the price of gold and cocoa decreased further whilst WTI and Brent Crude, on the other hand improved in price to end the week.
- Gold price tumbled by 1.51% to close the week at \$1,882.80 compared to the previous week's price of \$1,911.70.
- Cocoa price also edged lower by 2.40% at \$2,370.96 to close the week compared to its price of \$2,429.26 in the previous week.
- Then again, WTI and Brent Crude advanced in price by 4.85% and 2.79% at \$109.77 and \$112.39 respectively to close the trading week.
- On a year-to-date basis, the price of Gold, WTI and Brent Crude strengthened by 2.96%, 45.95% and 44.50% respectively. But, Cocoa weakened in price by 2.80%.
- Year-on year, the price of gold and cocoa went up by 3.70% and 0.55% respectively. Similarly, WTI and Brent Crude increased by 69.63% and 65.06% respectively.

## MARKET UPDATE AND OUTLOOK

### CRUDE OIL OIL EXTENDS GAINS FOR 2ND WEEK

- Oil prices rose on Friday (06/05/2022) and booked their second straight weekly advance as concerns about tight global supply ahead of the European Union's impending embargo on Russian oil outweighed uncertainties about global economic growth and weak demand.

- Oil prices jumped about 5% this week, buoyed by the EU's proposal to phase out supplies of Russian crude in six months and refined products by the end of 2022.

- The proposal also included a ban on all shipping, brokerage, insurance, and financing services offered by EU companies to transport Russian oil in a month.

- On top of that, OPEC seems reluctant to pump more oil into the market to resolve any market tightness, sticking to the current strategy of gradually reducing record supply cuts.

- Also, keeping a lid on prices were lingering concerns about weak global growth and demand, particularly from top consumer China due to renewed coronavirus-induced lockdown.

- We expect oil price to remain steady this week as investors weigh a pledge by the G7 to ban Russian oil imports, as well as a cut in official prices by Saudi Arabia and China's ongoing lockdowns.

### GOLD GOLD PRESSURED BY STRONG DOLLAR, YIELDS

- Gold ended the week lower on Friday (06/05/2022), remaining under pressure from a strong dollar and elevated Treasury yields as investors continued to bet on further Federal Reserve tightening to bring decades-high inflation under control, even at the risk of some economic pain.

- The metal is down more than 6% on year to date as the dollar traded at its highest in 20 years against a basket of major currencies, while the benchmark US 10-year yield held firmly above 3.1%.

- Also, the Federal Reserve raised its benchmark overnight interest rate by 50 basis points, the biggest jump in 22 years, while Chair Jerome Powell added the bank was not considering a 75 basis-point move in the future.

- We therefore expect gold price to rebound slightly in the coming week after Federal Reserve Chair Jerome Powell assured Americans that the central bank will do what it takes to curb surging inflation, while acknowledging that this could risk economic pain.

### COCOA COCOA FALLS TO 1-WEEK LOW

- Cocoa price fell to over 1-week low of \$2370.96 per tonne as a surge in dollar index undercut most commodities including cocoa amid signs of ample global supplies from key producing regions.

- The Ivory Coast government reported that cocoa farmers sent a cumulative 2.03 MMT of cocoa to Ivory Coast ports from Oct 1-May 1, 2022 up +0.5% from the previous year.

- Adding further pressure to the prices were weak demand concerns after both North American Confectioners Association and the Cocoa Association of Asia registered a fall in Q1 cocoa grindings compared to last year.

- Cocoa prices have been on the defensive the past couple of weeks due to a stronger dollar and signs of abundant cocoa supplies.

- We therefore expect the price of cocoa to continue trading lower in the coming week amid lingering concerns about global supplies.

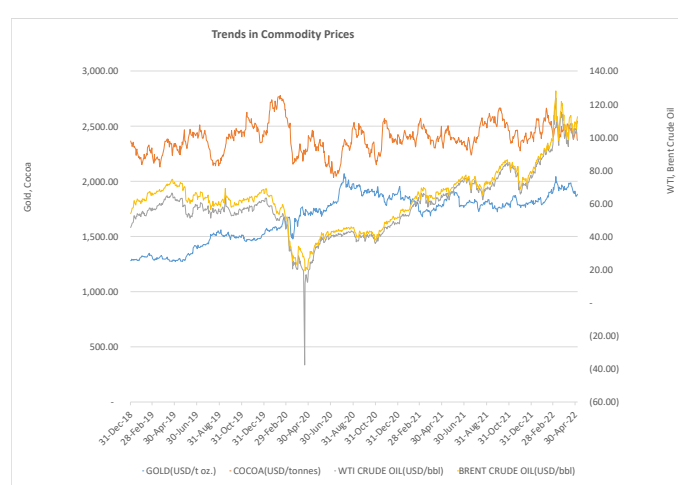
| COMMODITY    | Unit    | Price (week start) | Price (week close) | Previous week close | Wkly (%Δ) |
|--------------|---------|--------------------|--------------------|---------------------|-----------|
| Gold (Comex) | USD/oz  | 1,863.60           | 1,882.80           | 1,911.70            | (1.51)    |
| Cocoa ICCO   | USD/ton | 2,453.02           | 2,370.96           | 2,429.26            | (2.40)    |
| WTI Crude    | USD/bbl | 105.17             | 109.77             | 104.69              | 4.85      |
| Brent Crude  | USD/bbl | 107.58             | 112.39             | 109.34              | 2.79      |

Source: Bloomberg; International Cocoa Organization

| WEEKLY HIGHS AND LOWS |             |            |          |          |
|-----------------------|-------------|------------|----------|----------|
| COMMODITY             | Weekly high | Weekly low | YTD (%Δ) | YoY (%Δ) |
| Gold (Comex)          | 1,882.80    | 1,863.60   | 2.96     | 3.70     |
| Cocoa ICCO            | 2,459.97    | 2,370.96   | (2.80)   | 0.55     |
| WTI Crude Oil         | 109.77      | 102.41     | 45.95    | 69.63    |
| Brent Crude           | 112.39      | 104.97     | 44.50    | 65.06    |


Source: Bloomberg; International Cocoa Organization

### Commodity Price, 01 Jan to date



# Commodity Market Update

Date Issued | 9th May, 2022



**"Of late,  
I dey feel severe  
chest pains and cough.  
I for hide my symptoms  
before boys go  
label me as  
COVID-19 patient!"**

**Stigma prevents people from  
seeking the needed medical attention.**

**#StopTheStigma**



**When you see this,  
wash your hands.**

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