

COMMODITY MARKET OVERVIEW

- In the just ended week, the price of all tracked commodities improved with the exception of Cocoa price.
- Gold price rose by 2.22% to close the week at \$1,848.40 compared to the previous week's price of \$1,808.20.
- On the other hand, Cocoa price declined by 1.23% at \$2,320.23 to close the week compared to its price of \$2,349.04 in the previous week.
- WTI and Brent Crude also advanced in price by 4.94% and 0.90% at \$113.23 and \$112.55 respectively to close the trading week.
- On a year-to-date basis, the price of Gold, WTI and Brent Crude increased by 1.08%, 50.55% and 44.70% respectively. However, Cocoa plunged in price by 4.88%.
- Year-on year, the price of gold and cocoa stumbled by 1.88% and 4.09% respectively. Whereas, WTI and Brent Crude gained by 82.81% and 72.86% respectively.

MARKET UPDATE AND OUTLOOK

CRUDE OIL OIL RESUMES UPWARD MOMENTUM

- Oil prices strengthened on Friday (20/05/2022), on the back of expected demand recovery in China, a looming EU ban on Russian oil and fears about a global economic slowdown.

- Oil demand is expected to rebound in China as authorities in Shanghai lifted some Covid curbs and gave residents freedom to go out to shop for groceries for the first time in nearly two months.

- The EU also proposed this month a total ban on oil imports from Russia, with approval being delayed due to a holdout from some member states.

- In the US, data showed American driving mileage exceeded pre-pandemic levels in March as gasoline and diesel prices are hitting record highs.

- Meanwhile, investors feared that high inflation and rising interest rates could lead to a global recession. Recent sharp equity selloffs highlighted this risk, with analysts warning that oil could get caught up in the negative stock market feedback loop.

- We therefore expect oil price to continue its rally this week due to demand side factors.

GOLD GOLD CLIMBS SLIGHTLY ON GROWTH WORRIES

- Gold held its recent advance to around \$1,848 an ounce on Friday (20/05/2022) and was headed for its first weekly gain since mid-April, as continued softness in US economic data amid the Federal Reserve's aggressive monetary tightening fueled growth concerns.

- The Fed has raised its benchmark policy rate by an aggregate of 75 basis points this year, and is on track to increase it again in 50-basis point increments at each of the next two meetings in June and July.

- Fed Chair Jerome Powell also stated that the central bank was intent on using its tools to bring down multi-decade high inflation even if it involves moving past broadly understood neutral levels, raising the risk of a recession.

- Fears of a US economic slowdown dragged the dollar and US Treasury yields lower, benefiting the safe-haven gold.

- We therefore expect gold price to remain stable in the coming week as signs of progress in China's effort to bring coronavirus outbreaks under control takes investors away from the safe-haven currency.

COCOA COCOA TUMBLES ON OUTLOOK FOR BUMPER WEST AFRICAN COCOA CROPS

- Cocoa prices Friday (20/05/2022) retreated, with NY cocoa falling to a 5-1/2-month low, on the prospects for bumper cocoa crops this year in West Africa.

- Cocoa farmers in the Ivory Coast and Ghana, the world's two largest cocoa producers, have reported favorable weather conditions that should boost cocoa yields.

- Cocoa supplies from the Ivory Coast remain ample. The Ivory Coast government reported that Ivory Coast cocoa farmers sent a cumulative 2.10 MMT of cocoa to Ivory Coast ports from Oct 1-May 15, down only -0.5% y/y.

- Higher precipitation in growing regions of the Ivory Coast improved the outlook for the mid-crop in the world's top producer.

- Also, farmers from Ghana reported favorable growing conditions.

- In the meantime, lower global demand for chocolate amid soaring inflation and recession fears is putting a downward pressure on the price of cocoa.

- We expect the price of cocoa to remain stable amid expectations of higher production among largest producers.

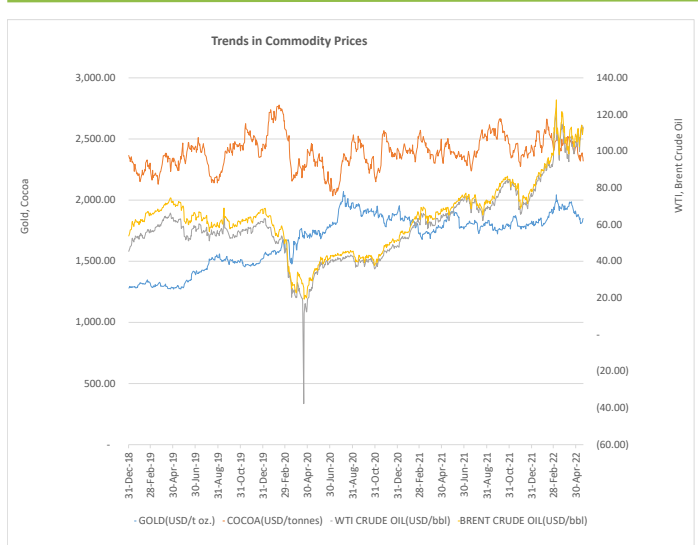
| COMMODITY | Unit | Price (week start) | Price (week close) | Previous week close | Wkly (%Δ) |
|--------------|---------|--------------------|--------------------|---------------------|-----------|
| Gold (Comex) | USD/oz | 1,814.00 | 1,848.40 | 1,808.20 | 2.22 |
| Cocoa ICCO | USD/ton | 2,377.87 | 2,320.23 | 2,349.04 | (1.23) |
| WTI Crude | USD/bbl | 114.20 | 113.23 | 107.90 | 4.94 |
| Brent Crude | USD/bbl | 114.24 | 112.55 | 111.55 | 0.90 |

Source: Bloomberg; International Cocoa Organization

| WEEKLY HIGHS AND LOWS | | | | |
|-----------------------|-------------|------------|----------|----------|
| COMMODITY | Weekly high | Weekly low | YTD (%Δ) | YoY (%Δ) |
| Gold (Comex) | 1,848.40 | 1,814.00 | 1.08 | (1.88) |
| Cocoa ICCO | 2,387.14 | 2,320.23 | (4.88) | (4.09) |
| WTI Crude Oil | 114.20 | 109.59 | 50.55 | 82.81 |
| Brent Crude | 114.24 | 109.11 | 44.70 | 72.86 |



Source: Bloomberg; International Cocoa Organization

Commodity Price, 01 Jan to date



Commodity Market Update

Date Issued | 23rd 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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