

## COMMODITY MARKET OVERVIEW

- In the just ended week, the price of all tracked commodities advanced except the price of Gold
- Gold price depreciated by 0.38% to close the week at \$1,850.20 compared to the previous week's price of \$1,857.30.
- Cocoa price on the other hand appreciated by 0.97% at \$2,371.02 to close the week compared to its price of \$2,348.28 in the previous week.
- In the same way, WTI and Brent Crude improved in price by 3.30% and 0.24% at \$118.87 and \$119.72 respectively to close the trading week.
- On a year-to-date basis, the price of Gold was up by 1.18% while Cocoa went down by 2.80%. On the other hand, WTI and Brent Crude increased in price by 58.05% and 53.92% respectively.
- Year-on-year, the price of gold and cocoa fell by 1.23% and 0.24% respectively. On the other hand, WTI and Brent Crude edged up by 72.75% and 67.89% respectively.

## MARKET UPDATE AND OUTLOOK

### CRUDE OIL OIL SET FOR SIXTH WEEKLY GAIN

- Oil prices steadied on Friday (03/06/2022) and were set for a sixth weekly advance after a keenly anticipated OPEC+ meeting delivered only a modest increase in output.

- The group of major producers decided to increase output by 648,000 barrels per day in July and August instead of the previously agreed 432,000 bpd, in a move that was seen as hardly enough to compensate for lost supply from Russia.

- Russian output dropped by 1 million bpd since its invasion of Ukraine and is likely to fall even further as the EU's ban on Russian oil kicks in.

- There had been speculation that the Saudis were preparing to pump significantly more as part of a reset of relations with the US, and there were even suggestions that Russia might be exempted from OPEC+'s monthly supply agreements, but both did not happen.

- At the same time, investors eased their expectations of higher trade activity out of Ukrainian ports as the West is unlikely to relax sanctions on Moscow, a requirement by Russia to open trade corridors in Black Sea and Sea of Azov ports.

- This week, we expect oil price to continue its upward trajectory after Saudi Arabia sharply raised prices for its crude sales in July, highlighting tight global supplies even after OPEC+ agreed to accelerate its output increases over the next two months.

### GOLD GOLD PRICES FALL FURTHER AFTER UPBEAT PAYROLLS

- Gold prices extended losses to trade lower on Friday (03/06/2022), after the payrolls report showed the US economy added more jobs than expected and price pressures continued to ease in May, strengthening the case for the Fed to continue its tightening plans.

- Data showed the US economy added 390,000 jobs in May, posting higher than expected and reinforcing bets of additional rate hikes going into the second half of the year.

- Gold is on track to book its third consecutive weekly loss as traders bet interest rates will need to rise to contain inflation.

- Still, risks to the global economic outlook arising from the war in Ukraine, rising borrowing costs, ongoing supply disruptions and high commodity prices, offer the bullion some support.

- We expect gold price to rebound in the coming week as widespread concerns over high inflation countered pressure from a strong dollar and rising Treasury yields.

### COCOA COCOA HOVERS AROUND 3-WEEK HIGH

- Cocoa price were trading close to a 3-week high around \$2500 per tonne, on concerns that a surge in fertilizer costs could prompt farmers to use less fertilizers, leading to reduced cocoa yields.

- Further supporting prices were smaller cocoa supplies from the top producer Ivory Coast, after data showed that farmers sent a total 2.15 MMT of cocoa to Ivory Coast ports from Oct 1-May 29, down 1.8% from the same period a year ago.

- Meanwhile, the International Cocoa Organization projected that global 2021/22 cocoa production would fall by 5.2% on year to 4.95 MMT, from a record 5.23 in 2020/21, leading to a deficit of 181,000 metric tons in the world cocoa market from a surplus of 215,000 in 2020/21.

- We expect the price of cocoa to trade moderately lower in the coming week on signs of ample supplies after ICE cocoa inventories rose to a 7-month high of 5.308 mln bags.

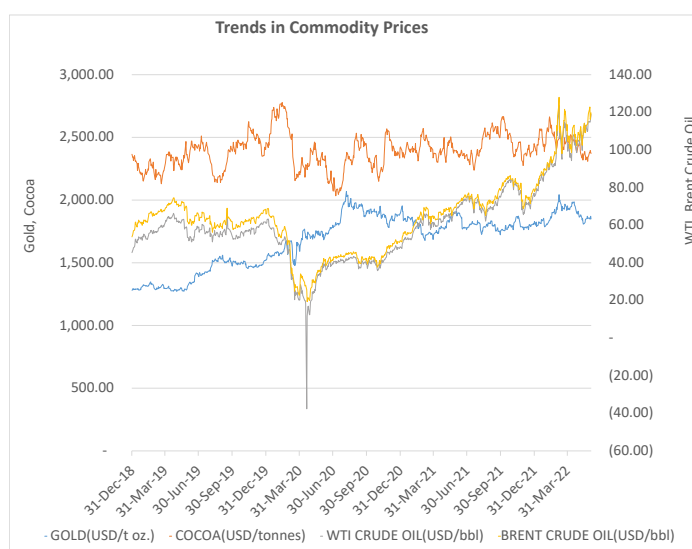
COMMODITY	Unit	Price (week start)	Price (week close)	Previous week close	Wkly (%Δ)
Gold (Comex)	USD/oz	1,857.30	1,850.20	1,857.30	(0.38)
Cocoa ICCO	USD/ton	2,379.85	2,371.02	2,348.28	0.97
WTI Crude	USD/bbl	115.07	118.87	115.07	3.30
Brent Crude	USD/bbl	121.67	119.72	119.43	0.24

Source: Bloomberg; International Cocoa Organization

WEEKLY HIGHS AND LOWS				
COMMODITY	Weekly high	Weekly low	YTD (%Δ)	YoY (%Δ)
Gold (Comex)	1,871.40	1,848.40	1.18	(1.23)
Cocoa ICCO	2,485.70	2,379.43	(2.80)	(0.24)
WTI Crude Oil	118.87	114.67	58.05	72.75
Brent Crude	122.84	116.29	53.92	67.89



Source: Bloomberg; International Cocoa Organization

### Commodity Price, 01 Jan to date



# Commodity Market Update

Date Issued | 6th June, 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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