

COMMODITY MARKET OVERVIEW

- In the just ended week, the price of all tracked commodities appreciated.
- Gold price advanced by 0.48% to close the week at \$1,857.30 compared to the previous week's price of \$1,848.40.
- Cocoa price equally gained by 1.21% at \$2,348.28 to close the week compared to its price of \$2,320.23 in the previous week.
- In the same way, WTI and Brent Crude improved in price by 1.63% and 6.11% at \$115.07 and \$119.43 respectively to close the trading week.
- On a year-to-date basis, the price of Gold, WTI and Brent Crude edged up by 1.57%, 53.00% and 53.55% respectively. On the other hand, Cocoa tumbled in price by 3.73%.
- Year-on-year, the price of gold and cocoa fell by 2.17% and 1.97% respectively. On the other hand, WTI and Brent Crude grew by 72.13% and 71.94% respectively.

MARKET UPDATE AND OUTLOOK

CRUDE OIL OIL SET FOR WEEKLY GAIN

- Oil prices rose on Friday (27/05/2022), approaching a 14-year high hit in March and closing the week over 2% higher amid persistent concerns of tighter global supplies and rise in demand.

- The latest Energy Information Administration (EIA) data showed a larger-than-expected drawdown in US crude inventories last week due to soaring exports, highlighting a tight global market.

- Meanwhile, the EU continued to haggle with Hungary over banning oil imports from Russia with European Council Charles Michel saying he is confident that an agreement can be reached before the council's next meeting on May 30, 2022.

- Hungary said it could not back the EU's embargo until there was a deal on all issues the sanction would bring, as it requires up to 4 years and heavy investments to transition away from Russian crude.

- Elsewhere, OPEC+ is widely expected to stick to last year's oil production deal at its June 2nd meeting and raise July output targets by 432,000 barrels per day, according to Reuters.

- We therefore expect oil price to remain stable this week buoyed by persistent concerns about tight global supply.

GOLD GOLD RISES ON DOLLAR WEAKNESS

- Gold rose above \$1,850 an ounce on Friday and was on track for its second straight weekly gain, benefiting from recent weakness in the dollar.

- The dollar hit its lowest against a basket of major currencies as traders lowered Federal Reserve rate hike expectations amid signs the central bank might slow or even pause its tightening cycle later this year.

- Minutes of the last FOMC meeting showed that most participants believed that 50 basis point rate hikes would be appropriate at each of the next two meetings in June and July to get on top of inflation.

- However, many officials thought early hikes would allow room to pause later in the year to assess the effects of the policy tightening, while carefully watching the evolving economic outlook.

- We expect gold price to trade slightly lower in the coming week as investors weigh prospects of faster monetary policy tightening around the world against high inflation and recession fears.

COCOA COCOA RISES TO 1-WEEK HIGH

- Cocoa price rose above \$2,348 the most in over a week, amid reduced exports from top growing regions.

- Decline in supplies from Nigeria, the world's fourth-largest cocoa producer, sparked short-covering after data showed Nigeria's April cocoa exports fell 61% year on year to 12,497 metric tons. Further supporting the prices were signs of stronger global demand.

- Gepex, a cocoa exporter group that includes six of the world's biggest cocoa grinders, reported in May that the group processed 49,148 metric tons of cocoa in April, up 16.3% on year.

- 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 market from a surplus of 215,000 in 2020/21.

- We therefore expect the price of cocoa to remain steady on signs of stronger global cocoa demand.

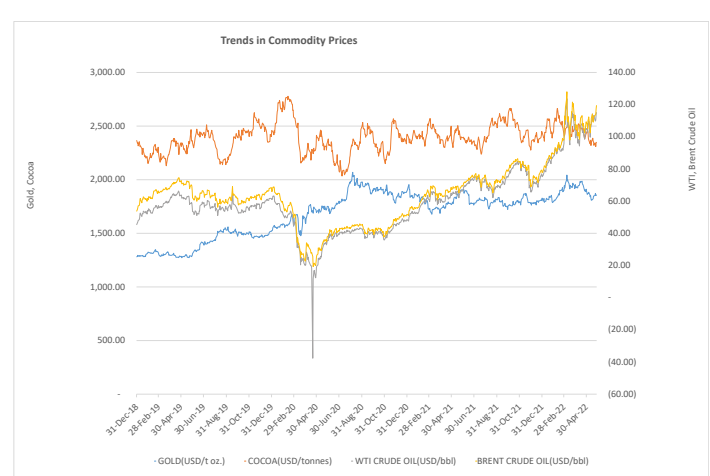
COMMODITY	Unit	Price (week start)	Price (week close)	Previous week close	Wkly (%Δ)
Gold (Comex)	USD/oz	1,853.90	1,857.30	1,848.40	0.48
Cocoa ICCO	USD/ton	2,343.46	2,348.28	2,320.23	1.21
WTI Crude	USD/bbl	110.29	115.07	113.23	1.63
Brent Crude	USD/bbl	113.42	119.43	112.55	6.11

Source: Bloomberg; International Cocoa Organization

WEEKLY HIGHS AND LOWS				
COMMODITY	Weekly high	Weekly low	YTD (%Δ)	YoY (%Δ)
Gold (Comex)	1,871.40	1,852.50	1.57	(2.17)
Cocoa ICCO	2,348.28	2,309.31	(3.73)	(1.97)
WTI Crude Oil	115.07	109.77	53.00	72.13
Brent Crude	119.43	113.42	53.55	71.94



Source: Bloomberg; International Cocoa Organization

Commodity Price, 01 Jan to date



Commodity Market Update

Date Issued | 30th 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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