

## COMMODITY MARKET OVERVIEW

- In the just ended week, the price of tracked commodities depreciated except Cocoa.
- Gold price plunged by 0.77% to close the week at \$1,826.40 compared to the previous week's price of \$1,840.60.
- Cocoa price on the other hand increased by 0.71% at \$2,332.41 to close the week compared to its price of \$2,316.00 in the previous week.
- Also, WTI and Brent Crude dipped in price by 6.62% and 1.17% at \$107.62 and \$109.10 respectively to close the trading week.
- On a year-to-date basis, the price of Gold and Cocoa went down by 3.63% and 3.79% respectively. However, WTI and Brent Crude edged up in price by 121.81% and 110.62% respectively.
- Year-on year, the price of gold and cocoa rose by 2.80% and 0.09% respectively. Then again, WTI and Brent Crude edged up by 46.82% and 44.39% respectively.

## MARKET UPDATE AND OUTLOOK

### CRUDE OIL OIL HEADS FOR SECOND STRAIGHT WEEKLY LOSS

- Oil prices traded lower on Friday (24/06/2022) and were on track to decline for the second straight week, pressured by fears that aggressive monetary tightening in major economies aimed at curbing soaring inflation could lead to a global recession and damp oil demand.

- US manufacturing and services PMIs released 23/06/2022 came in well below expectations, raising fears of slowing US economic activity. Meanwhile, the global crude oil and fuel supply remain tight.

- Despite agreeing to boost output equivalent to 7% of daily global demand in July and August, OPEC+ has been struggling to hit the targets due to underinvestment in oilfields by some members and lost Russian supply.

- An emergency meeting between major US oil refiners and Energy Secretary Jennifer Granholm also failed to produce concrete solutions to reduce oil prices, but the two sides agreed to work together.

- This week, we expect oil price to continue its upward trajectory as supply concerns outweighed expectations of a slowdown in demand.

### GOLD GOLD SET FOR SECOND STRAIGHT WEEKLY DECLINE

- Gold price declined on Friday (24/06/2022) and was set to decline for the second straight week, as expectations that major central banks will continue to aggressively raise interest rates to target runaway inflation weighed on bullion demand.

- Federal Reserve Chair Jerome Powell, in a testimony to Congress on Thursday (23/06/2022), reiterated that his commitment to reining in 40-year high inflation is unconditional, even as he acknowledged that sharply higher interest rates may push up unemployment.

- Fed Governor Michelle Bowman also backed raising interest rates by 75 basis points again in July and following that with a few more half-point rate hikes.

- Gold is often viewed as a hedge against inflation and a safe haven asset during economic crises, but higher interest rates raise the opportunity cost of holding non-yielding bullion.

- We expect gold price to remain under pressure from expectations of continued aggressive monetary tightening in the coming week.

### COCOA COCOA HOVERS AROUND \$2350 MARK

- Cocoa futures on ICE hovered around \$2,350 per tonne in late-June, as fears of reduced supplies from top growers almost offset the prospects of weak demand.

- Latest government data showed farmers sent a total 2.24 MMT of cocoa beans to Ivory Coast ports from Oct 1-Jun 19, 2022 down 1.8% from the same period a year ago.

- In Ghana, the 2021/22 crop is reported to witness a staggering drop to about 800,000 tonnes compared to the historic volume of 1.047 million tonnes recorded during the 2020/21 crop year.

- However, cocoa futures are still down 13% from near a 2-year high of \$2,786 hit in February, 2022 as stocks at ICE licensed warehouses are significantly higher compared to the last season.

- At the same time, the latest ICCO market report indicated surging global inflation to constrain the consumption of non-essentials and luxury goods including cocoa products.

- We expect the price of cocoa to trade slightly higher in the coming week on smaller cocoa supplies from the Ivory Coast are bullish for prices after the Ivory Coast government reported that Ivory Coast cocoa farmers sent a cumulative

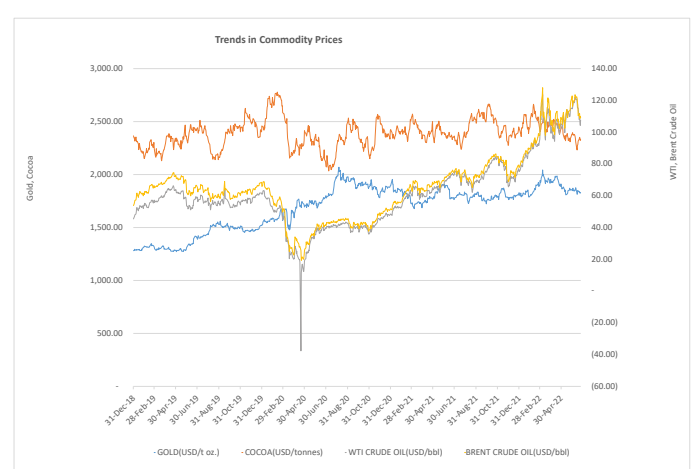
COMMODITY	Unit	Price (week start)	Price (week close)	Previous week close	Wkly (%Δ)
Gold (Comex)	USD/oz	1,840.20	1,826.40	1,840.60	(0.77)
Cocoa ICCO	USD/ton	2,333.47	2,332.41	2,316.00	0.71
WTI Crude	USD/bbl	107.99	107.62	115.25	(6.62)
Brent Crude	USD/bbl	111.36	109.10	110.39	(1.17)

Source: Bloomberg; International Cocoa Organization

WEEKLY HIGHS AND LOWS				
COMMODITY	Weekly high	Weekly low	YTD (%Δ)	YoY (%Δ)
Gold (Comex)	1,840.20	1,825.10	(3.63)	2.80
Cocoa ICCO	2,351.46	2,322.57	(3.79)	0.09
WTI Crude Oil	109.52	104.27	121.81	46.82
Brent Crude	111.77	108.65	110.62	44.39


Source: Bloomberg; International Cocoa Organization

### Commodity Price, 01 Jan to date



# Commodity Market Update

Date Issued | 27th 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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