



REPORT: DAILY FUEL PRICE EXPECTATION

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FUEL PRICE EXPECTATIONS FOR MARCH 2014

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According to today's Central Energy Fund Fuel update report, petrol price is still expected to INCREASE on the 5th of March 2014 by 33 cents per litre, at the same time diesel price is expected to INCREASE by 26 cents per litre.

ANALYSIS MOVEMENT OF AVERAGE OVER/ (UNDER) RECOVERY			
	Petrol 95	Diesel 0.05%	Diesel 0.005%
Movement in International Product Prices	(12.688)	(4.773)	(5.175)
Movement in Exchange Rate	(20.083)	(21.179)	(21.271)
Average Unit Over/ (Under) Recovery	(32.771)	(25.952)	(26.446)

The domestic fuel prices are mainly influenced by the international price movements as well as the exchange rate movements. Currently, the weakening of the exchange rate is the most dominating factor; contributing to the under recovery of domestic fuel prices; 20 cents per litre to the expected petrol prices and 21 cents per litre to the expected diesel prices.

The Rand is currently (10:18am) trading around R10.8794 to the US Dollar. This week's main focus is on Consumer Price Index (CPI) data to be released on Wednesday, as well as Chinese Purchasing Managers Index (PMI) which should give indication of market directions.

International price movements are contributing 13 cents per litre to the expected under recovery of petrol prices and still 5 cents per litre to the expected under recovery of the diesel prices. On the oil markets, oil prices are supported by the increasing demand from the US that is mainly due to cold weather conditions. Chinese PMI to be released on Thursday will give indication of the Chinese economic growth, hence oil demand prospects.

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