

REPORT: DAILY FUEL PRICE EXPECTATION

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FUEL PRICE EXPECTATIONS FOR SEPTEMBER 2014

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Today's Central Energy Fund fuel report shows that on September 3rd; petrol and diesel prices might decrease by 68 and 20 cents per litre, respectively.

The main contributing factors to domestic fuel prices are the international product price and exchange rate movements. Currently, the international price movements are the dominant factor behind the expected fuel price decrease.

ANALYSIS MOVEMENT OF AVERAGE OVER/ (UNDER) RECOVERY			
	Petrol 95	Diesel 0.05%	Diesel 0.005%
Movement in International Product Prices	69.467	21.488	20.737
Movement in Exchange Rate	(1.480)	(1.546)	(1.555)
Average Unit Over/ (Under) Recovery	67.987	19.942	19.182

Source: Central Energy Fund

The rand held steady against the US dollar after the release of second-quarter GDP. Real GDP expanded by a seasonally adjusted annualised 0,6% q-o-q after contracting by the same amount in the first-quarter. However, this was slower than market expectations of 0,9% q-o-q. This morning (10:22am), the rand was trading around R10.6496 to the US dollar.

Brent crude oil prices were slightly supported as the market awaits the US stockpiles report for clues about their demand. However, oil prices are expected to remain at soft levels, owing to increasing supplies from Iraq and Libya, despite violence in these countries.

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