

REPORT: DAILY FUEL PRICE EXPECTATION

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FUEL PRICE EXPECTATIONS FOR SEPTEMBER 2014

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On Wednesday, the 3rd of September 2014; petrol and diesel prices might decrease by 65 and 15 cents per litre, respectively.

The main driving factors behind the domestic fuel prices are the international product price movements, as well as the exchange rate movements. The international price movements are currently the main contributing factor to 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	66.502	16.733	15.766
Movement in Exchange Rate	(1.619)	(1.696)	(1.706)
Average Unit Over/ (Under) Recovery	64.883	15.038	14.060

Source: Central Energy Fund

The rand has gained some grounds this morning, ahead of major economic data releases on local and international markets. The main focus is on the US and South African consumer inflation figures later this week (*Tuesday and Wednesday, respectively*). The rand is currently (*09:56am*) trading around R10.6010 to the US dollar.

Brent crude oil prices are still at soft levels, as recent reports talk of acceleration of oil production in Libya. However there are still some lingering concerns about the tension between Ukraine and Russia. Russia is the world's second largest oil producer and there are concerns that the geopolitical tensions might affect the oil supplies.

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