

Fluctuation of fuel prices in SA continues

According to the unaudited month-end fuel price data released by the Central Energy Fund, fuel prices for August are set for changes with petrol up and diesel down.



Source: pixabay.com

International oil prices have steadily trended upwards since the start of June, although there has been a slight pullback since a peak on 11 July 2019. Since then, diesel prices have edged higher while petrol remained flat, although the currency remains volatile going forward, particularly in light of recent rating agency announcements and other factors.

According to the latest figures, AA forecasts that petrol will increase by around 12c a litre, and diesel will be down by approximately 16c. Illuminating paraffin is also down, by 8c a litre.



Mid month fuel price outlook

16 Jul 2019



Oil volatility is likely to continue, but that many competing factors are in play, such as US inventory levels, political instability in the Middle East, a possible medium-term demand plateau, and ongoing OPEC output restrictions. Medium-term oil price forecasts remain subject to considerable uncertainty, as does the Rand against the Greenback.

The average Rand/dollar exchange rate crossed R14.20 last week despite spending much of July stronger against the US currency. This volatility can come into play before Wednesday's adjustment and may even have a bearing on the September outlook.

South African fuel users have to remain vulnerable to the country's difficult economic position and the vagaries of the international oil price. Anything which shocks oil higher or the Rand weaker has the potential to cause sharp fuel price increases.

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