



JULY 2018¹

HIGHLIGHTS

- **Currency Exchange Rate:** Following years of continued depreciation until June 2018, the South Sudanese Pound (SSP) currency has appreciated significantly on the parallel market. In July, the average exchange rate in the Juba parallel market was SSP 230 for one US Dollar, compared to SSP 310 one month ago. However, the July exchange rate of the SSP per US Dollar was still 46 percent higher than that in the same month one year ago.
- The ongoing peace process, agreement of the rivals allowing the Khartoum government to secure and to rehabilitate oil field wells in South Sudan, and the huge injection of the dollar have contributed to the appreciation of the local currency in the parallel market.
- **Grain Prices:** In June, the nominal price of staple food commodities showed moderate increase in most of the monitored markets. For instance, sorghum price increased in the range of five to nine percent in Bor, Aweil, Wau and Bunj; while it increased by 84 percent in Yida. In the capital, Juba, the sorghum price remained unchanged from the previous month.
- **Fuel Prices:** The price of fuel varies fluctuates, especially in markets that receive fuel supply through informal cross border trade. In June, the highest fuel price for diesel was observed in Yida, at SSP 760 per liter, and for petrol in Bunj at SSP 850 per liter, an increase by 52 percent and decrease by 6 percent, respectively, when compared to the previous month.
- **Terms of Trade (ToT):** Compared to May, ToT between goat and sorghum improved in Aweil (24 percent) and Juba (100 percent) due to increase in price of goat higher than that of sorghum. In Northern Bahr el Ghazal, competition between traders from local and neighboring state in Sudan contributed to the increase in prices of livestock. On the contrary, Wau and Yida experienced deterioration in terms of trade due to drop in goat price coupled with increase in sorghum price.
- **Outlook:** If the local currency exchange rate either remains stable or appreciates further, prices of staple in Juba and other markets supplied from Kampala might not go beyond the seasonal increases. However, markets receiving supplies from Sudan through informal cross border trade are likely to face increased food prices due to high transport costs associated with rainy season.

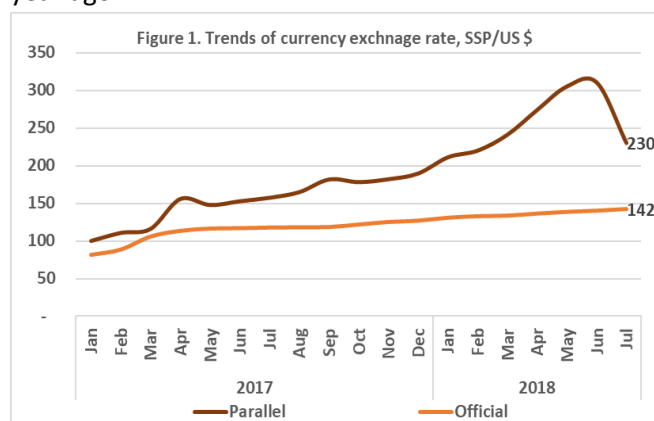
¹The bulletin is based on market price data for June 2018, except that July data have been used for currency exchange rates
Photos: WFP/Ryan McDonald (Left) and WFP/George Fominyen (Right)

For more information about this bulletin, contact wfp.southsudan@wfp.org

Sudden appreciation of South Sudanese Pound in July

After its continuous depreciation until June, when the parallel market exchange rate of one US dollar reached SSP 310, the local currency appreciated significantly in July. Multiple reasons could be attributed to this ranging from the ongoing peace process, agreement of the rivals allowing the Khartoum government to secure the oil fields in South Sudan, and to rehabilitate oil field wells to restore to previous production levels. This has led the speculators and others who have held hard currency, as a coping mechanism to the increasing cost of living, to release some of their dollars in the parallel market. In addition, the provision¹ of 40,000 US Dollar to each Member of Parliaments (amounting to a total of US\$ 16 million) has contributed for the appreciation of the local currency in the parallel market. In July, following the distributions of US Dollar to MPs, the parallel market exchange rate had dropped to SSP 160, but only short-lived for one day, and soon rose back to above SSP 200.

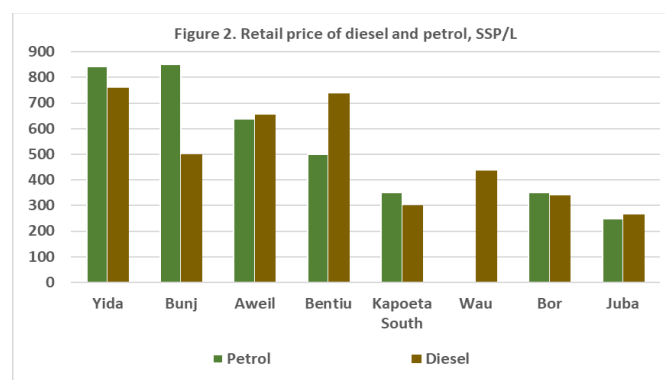
In July 2018, the average exchange rate in the parallel market in Juba was SSP 230 for one US Dollar, compared to SSP 310 in June. However, the official exchange rate in July stood at SSP 142, which was SSP 140 in the previous month. The divergence of the parallel market exchange rate from the official rate in July has thus narrowed to 62 percent, from its level of more than 100 percent in the second quarter of 2018. The exchange rate of one US Dollar to SSP in July was still 46 percent higher than what was observed one year ago.



Source: Bank of South Sudan (Official) and WFP (Parallel)

Record-high fuel price observed in remote markets

In June, the prices of diesel increased in the range of 32 to 52 percent in Bunj, Wau, Yida and Bentiu, compared to the previous month. Diesel price has decreased in Aweil (11 percent) and Juba (5 percent) and remained stable in Bor. Similarly, petrol price increased in Bentiu (32 percent) and Yida (68 percent), but it decreased in Kapoeta South (30 percent), Aweil (28 percent) and Juba (11 percent). In June, the highest diesel price was observed in Yida, SSP 760/L and petrol in Bunj, SSP 850/L as compared to May 2018. Compared to June 2017, fuel price rose higher than 100 percent in most markets, the exception was in Juba, where it has decreased by 44 percent (see Annex 1).



Source: WFP

Except in Juba where petrol price in June stood around one US Dollar equivalent of parallel exchange rate, the remaining markets experienced higher than one US Dollar or SSP 310 per litre of fuel (see Figure 2). Difficult road access due to the seasonal rain and challenges in accessing hard currency could be the main reasons for the increase in fuel prices.

Upward trend in staple food prices

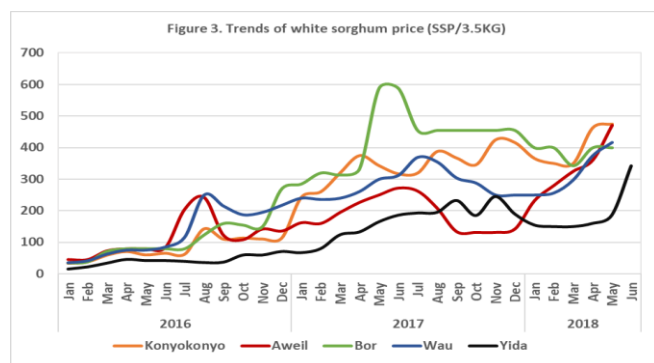
Cereal grains: In June, the nominal price of staple food commodities showed moderate increases in most of the monitored markets. For instance, sorghum price increased by five to nine percent in Bor, Aweil, Wau and Bunj, while it increased by 84 percent in Yida. Though Yida market experienced higher increases, the level of price in this market remained below all monitored markets. In Juba, sorghum price remained unchanged from the previous month. On the other hand, the prices of imported cereal products, maize flour and wheat flour, rose in Konyokonyo, Aweil, and

¹ <https://www.bbc.com/news/world-africa-44966463>

Yida in the range of 19 to 40 percent compared to the previous month. Similarly, Bor experienced increase in the price of maize flour (12 percent), while Aweil registered increase in wheat flour price (31 percent). The beginning of seasonal rain which affected the transport costs and exorbitant exchange rates could be the factors behind the observed price upsurges. In Aweil, Government purchases of cereal has also contributed to the observed cereal price increases.

Compared to one year ago (June 2017), all monitored markets have registered increase in prices of cereal and cereal products. The only exception is Bor, where the price of sorghum has dropped by 29 percent). This is because there was a sudden upsurge in commodity prices in Bor in May/June 2017, mainly due to insecurity along the road to Bor.

Likewise, the price of red field beans (locally known as *Janjaro*) has shown mixed behaviour. Compared to the previous month, the price has increased in Bunj (15 percent) and Yida (38 percent) while it remained stable in Juba, Aweil, Bor, Wau and Kapoeta South. In June, all monitored markets have showed increase in field bean prices compared to the same month one year ago.

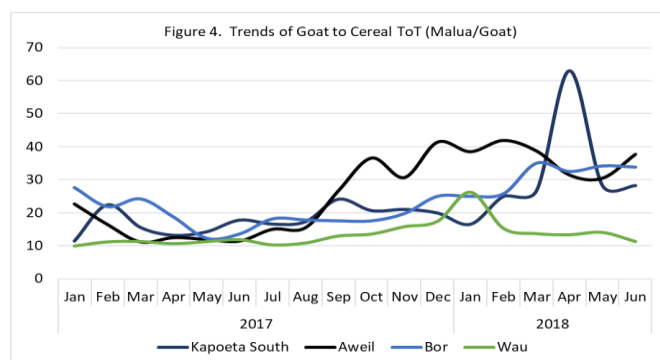


Source: WFP

Vegetable oil price: In June 2018, cooking oil prices have increased in the range of 7 to 29 percent in six markets (Aweil, Juba, Yida, Kapoeta South, Bentiu and Wau), compared to the previous month, while prices remained unchanged in Bor and Bunj. Compared to one year ago, prices have increased by more than 60 percent across all monitored markets. This general trend of increasing cooking oil price has impacted negatively on the purchasing power of households.

Terms of Trade (ToT): Purchasing Power

Goat to sorghum: In June, the ToT between goat and sorghum improved in Aweil (24 percent) and Juba (100 percent) due to gain in the price of goat that outweighed the increase in sorghum price, compared to the previous month. In Northern Bahr el Ghazal, competition between local traders and those from neighboring state of Sudan has contributed to an increase in prices of livestock. On the contrary, Wau and Yida had deterioration in ToT due to drop in goat price while there has been an increase in sorghum prices.



Source: WFP

Wage to sorghum: In June, daily wage of unskilled agriculture labor fetched the lowest - one *malua* (3.5 kgs) of sorghum - in Aweil, and the highest - 1.32 *malua* (4.62 kgs) - in Juba. Compared to May, the ToT have deteriorated in Aweil (6 percent), Bor (5 percent) and Yida (32 percent). Juba and Wau experienced improvements in ToT by 25 percent and 78 percent, respectively. Compared to June 2017, ToT have improved in all monitored markets, except in Yida where it remained stable.

Outlook: The key source market, Kampala, has started to receive maize and sorghum from the new harvests², and as a result, prices have decrease. If exchange rate remains the same as in July or if SSP appreciates further, this will likely cause an easing of these prices in Juba and other markets which get supplies from Kampala. However, markets receiving supplies from Sudan through informal cross border trade are likely to face increase in food prices due to high transport costs associated with rainy season.

² <http://farmgainafrica.org/first-maize-harvest-season-opened>

South Sudan

MONTHLY MARKET PRICE MONITORING BULLETIN



Table 1: Highest and Lowest Price by Markets and Month-on-Month Percent Changes - June 2018

	Lowest Price			Highest Price		
	Market	Price (SSP)	M-on-M Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Yida	342	84	Aweil	500	6
White maize (3.5 KG)	Yida	272	127	Aweil	490	20
Maize flour(KG)	Kapoeta South	170	0	Aweil	415	25
Field beans(KG)	Bor	300	0	Yida	740	38
Wheat flour (KG)	Juba	238	19	Bunj	425	-6
Cooking oil(L)	Aweil	300	7	Bentiu	875	25
Diesel (L)	Juba	265	-5	Yida	760	52
Petrol(L)	Juba	250	-11	Bunj	850	-6
Groundnuts-shelled (KG)	Aweil	175	-28	Bunj	600	ND
TOT: Goat to sorghum (malua)	Wau	11	-20	Aweil	38	24
TOT: Wage to sorghum (malua)	Aweil	1	-6	Juba	1.3	25

ANNEX 1: Commodity Prices and Percent Changes - June 2018

	Commodity	SSP	Price Changes (%)						
		June	1M	3M	1Y	1M	3M	1Y	
White Sorghum (3.5KG)	Juba	475	0	36	50	▶	▲	▲	
	Aweil	500	6	54	84	▲	▲	▲	
	Bor	420	5	22	-29	▶	▶	▼	
	Yida	342	84	128	84	▲	▲	▲	
	Bunj	350	9	100	133	▲	▲	▲	
	Wau	450	8	51	44	▲	▲	▲	
White Maize (3.5KG)	Juba	450	-10	24	17	▼	▲	▲	
	Aweil	490	20	76	75	▲	▲	▲	
	Kapoeta South	380	0	16	9	▶	▲	▶	
	Wau	450	0	16	33	▶	▲	▲	
Wheat Flour (KG)	Bor	300	0	50	54	▶	▲	▲	
	Juba	238	19	25	74	▲	▲	▲	
	Aweil	405	31	80	135	▲	▲	▲	
	Bentiu	394	-2		62	▶	▲	▲	
	Bunj	425	-6	55	150	▼	▲	▲	
	Kapoeta South	280	0	111	12	▶	▲	▶	
	Wau	253	2	41	79	▶	▲	▲	
Field beans (KG)	Juba	455	1	35	81	▶	▲	▲	
	Aweil	500	-2	25	56	▶	▲	▲	
	Bor	300	0	0	0	▶	▶	▶	
	Bentiu	400	-12	63	8	▼	▲	▶	
	Bunj	575	15	31	188	▲	▲	▲	
	Kapoeta South	300	0	50	46	▶	▲	▲	
Maize Flour (KG)	Juba	238	40	59	66	▲	▲	▲	
	Bor	280	12	12	40	▶	▶	▶	
	Kapoeta South	170	0	1	1	▶	▶	▶	
	Wau	300	0	23	82	▶	▲	▲	
	Aweil	415	25	56	89	▶	▲	▲	
	Vegetable Oil (L)	Juba	400	14	33	100	▲	▲	▲
Aweil		300	7	50	72	▲	▲	▲	
Bor		500	0	25	67	▶	▲	▲	
Bentiu		875	25		94	▲		▲	
Bunj		800	0	60	233	▶	▲	▲	
Kapoeta South		650	24	173	189	▲	▲	▲	
Wau		478	29	59	208	▲	▲	▲	
Yida		800	19	167	116	▲	▲	▲	
Tot (Goat to Sorghum) Malua/Goat		Bor	34	-1	-3	149	▶	▶	▲
		Aweil	38	24	-3	232	▲	▶	▲
	Kapoeta South	28	0	6	59	▶	▶	▲	
	Wau	11	-20	-17	-5	▼	▼	▶	
Tot (Wage to Sorghum) # Malua/Daily	Juba	1.32	25	25	39	▲	▲	▲	
	Aweil	1.00	-6	-9	56	▼	▶	▲	
	Wau	1.28	78	27	100	▲	▲	▲	
	Bor	1.19	-5	63	133	▶	▲	▲	
	Yida	1.17	-32	-42	-1	▼	▼	▶	
Fuel-Petrol (L)	Kapoeta South	1.05	0	15	8	▶	▲	▶	
	Aweil	638	-28	85	219	▼	▲	▲	
	Bor	350	3	17	192	▶	▲	▲	
	Bunj	850	-6	166	183	▼	▲	▲	
	Kapoeta South	350	-30	27	0	▼	▲	▶	
	Yida	842	68	153	131	▲	▲	▲	
Shelled Groundnuts (KG)	Bentiu	500	32	0	0	▲	▶	▶	
	Juba	250	-11	0	-44	▼	▶	▼	
	Juba	500	14	54	90	▲	▲	▲	
	Aweil	175	-28	-27	42	▼	▼	▲	
Bor	300	0	20	20	▶	▲	▲		
Kapoeta South	350	0	40		▶	▲			

Above normal price increases ▲ Normal Price changes ▶ Below normal price decreases ▼

Price fluctuation is considered normal if the price changes by =< 5% compared to one month ago; =<10% within 3 months and, =< 20% compared the same period one year ago