



FEBRUARY 2018¹

HIGHLIGHTS

- **Currency Exchange Rate:** The South Sudanese Pound (SSP) has continued to depreciate. In January 2018, the average exchange rate of US Dollar to SSP stood at SSP 211 and SSP 131 in the parallel and official markets, compared to SSP 190 and SSP 127 in the previous month. During the last 12 months, the parallel exchange rate increased from SSP 101 to 211 (110 percent depreciation) per US Dollar. In January, highest divergence (62 percent) between official and parallel exchange rate was observed since 2016.
- **Cereal Prices:** A mixed behavior was observed in the price of sorghum in different markets. Compared to the previous month, it decreased by 12 to 20 percent in Konyokonyo, Bor, Bentiu and Yida, while stable price was observed in markets of Kapoeta South, Torit, Wau and Rumbek. On the contrary, price of sorghum increased in Wunrok (67 percent), Aweil (62 percent) and Mingkaman (11 percent).
- **Terms of Trade (ToT):** Compared to December 2017, disproportionate increase in price of sorghum led the ToT with cereal to deteriorate in Wunrok (30 percent), Kapoeta South (17 percent) and Aweil (seven percent). Conversely, increases in price of goat coupled with decreases in price of sorghum contributed to improvements in ToT in Konyokonyo, Mingkaman, Wau, Rumbek and Yida in the range of 40 to 100 percent.
- **Fuel Prices:** Improved supply of fuel has contributed to narrow fuel price divergence between connected markets. In January 2018, around 70 percent of monitored markets witnessed either stable or decreased fuel prices, compared to the previous month. Depending on currency exchange rate, in January 2018 the price of fuel in most of the monitored markets remained slightly above the equivalent of 1 US Dollar in SSP as per parallel market exchange rate. Compared to January 2017, fuel price in all monitored markets increased by 75 to 260 percent for diesel and 40 to 190 percent for petrol.
- **Outlook:** As the stock from seasonal harvest gets depleted, households will have to depend more on market purchases to meet their food requirements. Thus, prices of staple food commodities are likely to increase in the coming months.

¹The analysis is based on January 2018 price data

Photos: WFP/Ryan McDonald (top) and WFP/George Fominyen (bottom)

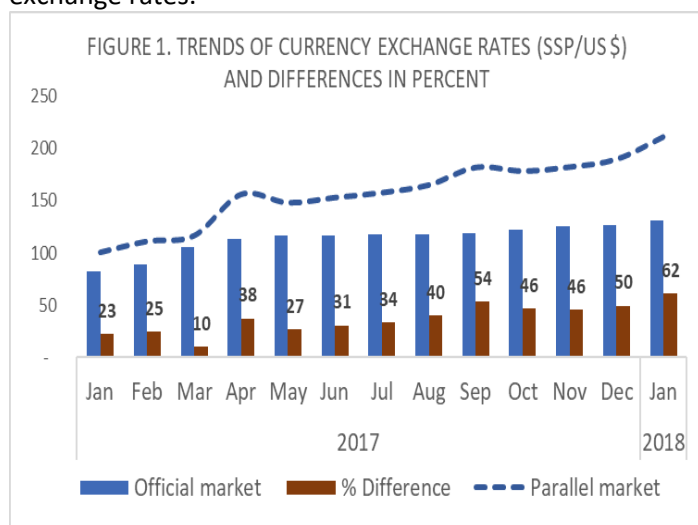
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MONTHLY MARKET PRICE MONITORING BULLETIN

Currency continues to depreciate; highest divergence between official and parallel market exchange rates since 2016

The South Sudanese Pound (SSP) has continued to depreciate. In January 2018, the average exchange rate of US Dollar to SSP stood at SSP 211 and SSP 131 in the parallel and official markets, compared to SSP 190 and SSP 127 in the previous month. Thus, the parallel market rate in January was higher than the official rate by 62 percent; this divergence has been the highest since 2016. During the last 12 months, the official exchange rate increased by 59 percent from SSP 82 to SSP 131 per US Dollar, while the parallel exchange rate increased by 110 percent from SSP 101 to 211 per US Dollar. Figure 1 shows the trend between official and parallel market exchange rates.



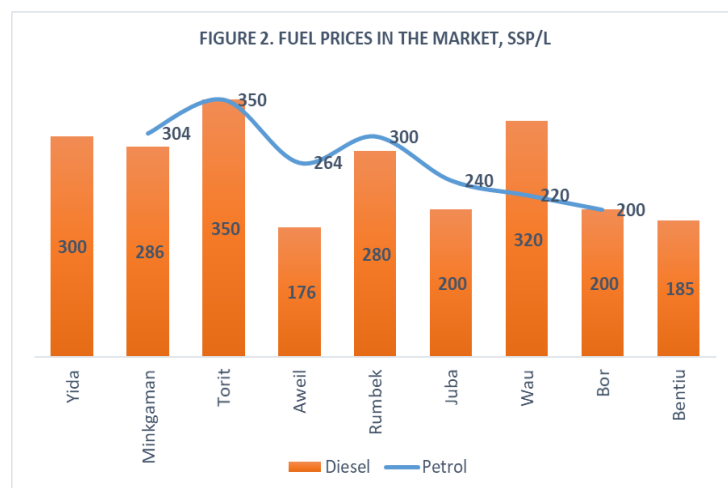
Source: Bank of South Sudan (Official) and WFP (Parallel)

The increasing demand for the US Dollar by traders and people that send money abroad has caused a pressure on the supply of US Dollars, which in turn is contributing to continual depreciation of the local currency.

Stability or decrease in fuel prices in most markets

The import of fuel by private companies has led to improvement in long-standing fuel scarcity in the markets. Improved supply of fuel has also contributed to narrow price divergence between different connected markets. In January 2018, about 70 percent of the monitored markets witnessed either stability or

decrease in fuel prices, compared to the previous month. However, increase in diesel price was observed in Torit (8 percent), Minkaman (14 percent) and Rumbek (40 percent). On the other hand, petrol price has increased in Juba (24 percent) and Rumbek (50 percent) compared to December 2017. The price of fuel in most monitored markets remained slightly above the equivalent of 1 US Dollar in SSP as per parallel market exchange rate. Fuel price in January 2018 remained significantly higher in markets across the country than the same time last year; with values 75 to 260 percent higher for diesel and 40 to 185 percent higher for petrol.



Source: WFP

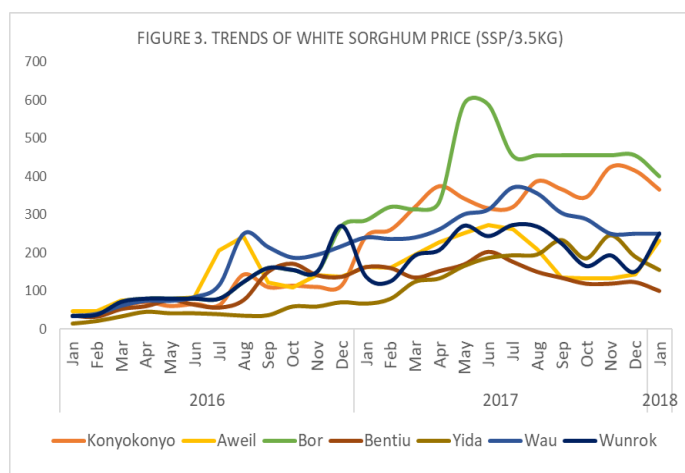
Mixed trend in cereal prices

In January, a mixed behavior was observed in the price of sorghum in different markets. Compared to the previous month, it decreased by 12 to 20 percent in Konyokonyo, Bor, Bentiu and Yida; while markets of Kapoeta South, Torit, Wau and Rumbek registered stability in prices. On the contrary, price of sorghum increased in Wunrok (67 percent), Aweil (62 percent) and Minkaman (11 percent). Konyokonyo registered the highest price of sorghum in January at SSP 400 per *malua*, while the lowest price was observed in Bentiu SSP 100 per *malua*. The distribution of food assistance could be one of the contributing factors for the observed low price in Bentiu. Other cereal commodities, which serve as substitute to sorghum such as maize flour, maize grain and wheat flour, have shown mixed behavior. The prices have remained stable or decreased in half of the monitored markets.

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However, price of maize grain rose in Konyokonyo, Wau, Torit and Kapoeta South (9 to 25 percent). Furthermore, the price of wheat flour, consumed largely by urban residents, increased in Wau, Bentiu, Rumbek, Wunrok and Mingkaman in the range of 10 to 83 percent compared to last month. In all markets, the combined impact of disruption in agricultural activities, depreciation of local currency and other factors led prices to remain considerably higher than January 2017.



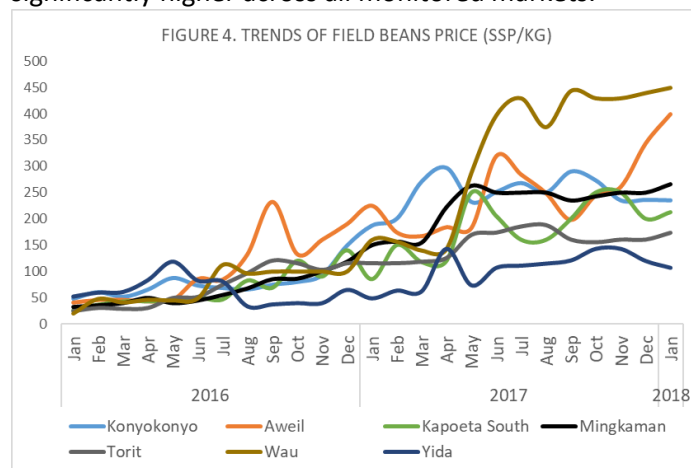
Source: WFP

Mixed trends in cooking oil and field beans prices

Field beans (*Janjaro*) are important sources of protein for many households in South Sudan. The local production is insufficient and the population depends on imports to meet their demands. The demand for cooking oil is almost exclusively met through imports. Thus, a change in currency exchange rate has an impact on the import and price of these commodities.

In January 2018, price of field beans increased in most monitored markets while that of cooking oil showed mixed behavior. The price of field beans increased by 6 to 18 percent in Eastern Equatoria (Kapoeta South and Torit), Bentiu, Mingkaman, Aweil and Wunrok markets. The highest increase in the price of field beans was in Rumbek, where it doubled in one month from SSP 200 to SSP 400 per kilogram. The price of cooking oil decreased in a third of the markets; while price increases were observed in Konyokonyo (19 percent), Rumbek (50

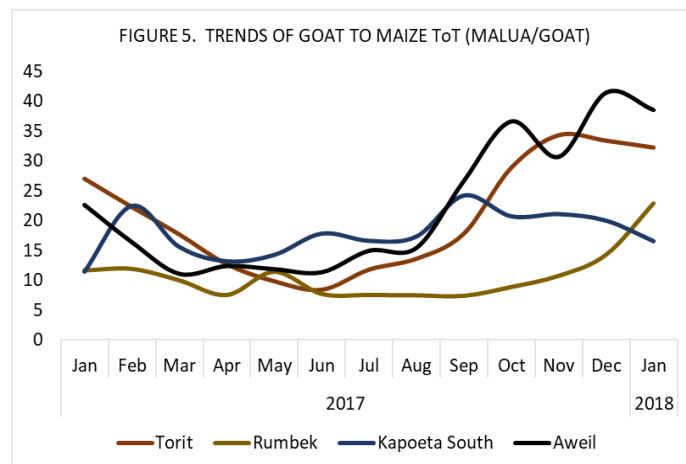
percent) and Wunrok (67 percent). The price remained stable rest of the monitored markets. Compared to one year ago, price of field beans and cooking oil stood significantly higher across all monitored markets.



Source: WFP

Terms of Trade (ToT): Purchasing Power

Goat to sorghum: In January, increase in price of goat coupled with decrease in sorghum price contributed to improvements of ToT in Konyokonyo, Mingkaman, Wau, Rumbek and Yida in the range of 40 to 100 percent, compared to the previous month. Conversely, disproportionate increase in the price of sorghum led the ToT to deteriorate in Wunrok and Aweil by 30 percent and 7 percent, respectively. Except Yida, all monitored markets had ToT higher than same time last year.



Source: WFP

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Wage to sorghum: ToT for daily wage income earners has improved due to mixed behavior (stability and drop) in sorghum price coupled with a slight increase in daily wage rate. ToT has improved in Bor (20 percent), Juba (23 percent) and Aweil (118 percent) while Wau market has experienced stable ToT. Compared to one year ago, ToT stood higher across all market, except in Juba where the ToT was 12 percent lower. The availability and sustainability of work is important for labor dependent households to bring sustained improvements to household food security. However, this is not the case

because of the continued macroeconomic crisis in the country.

Outlook

Normally, seasonal harvest covers for few months of household food needs, after which households rely increasingly on market purchases. Thus, prices of staple food commodities are likely to increase.

Table 1: Retail prices by market and month-on-month price changes-January 2018

	Highest Price			Lowest Price		
	Market	Price (SSP)	M-on-M Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Mingkaman	620	11	Bentiu	100	-19
White maize (3.5 KG)	Kapoeta South	437	25	Yida	180	-2
Maize flour(KG)	Wau	275	45	Wunrok	100	25
Field beans(KG)	Wau	450	2	Yida	107	-11
Wheat flour (KG)	Yida	300	-9	Torit	123	-8
Cooking oil(L)	Bentiu	467	-33	Aweil	150	-22
Diesel (L)*	Torit	350	8	Aweil	176	-33
Petrol(L)*	Torit	350	0	Bor	200	0
Groundnuts-shelled (KG)	Torit	325	22	Aweil	208	89
TOT: Goat to sorghum (malua)	Aweil	38	-7	Mingkaman	13	45
TOT: Wage to sorghum (malua)	Aweil	1.72	118	Bor	0.88	20
* 'Parallel' market prices						

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ANNEX 1: Commodity prices by market and trend of price changes (January 2018)

	Major Commodity	SSP	Price Change (%)							Major Commodity	SSP	Price Change (%)											
		Jan	1M	3M	1Y	1M	3M	1Y			Jan	1M	3M	1Y	1M	3M	1Y						
Konyokonyo	White Sorghum	366	-12	6	51	▼	▶	▲	Yida	White Sorghum	155	-18	-16	130	▼	▼	▲						
	White Maize	400	9	0	52	▲	▶	▲		Rice	400	-20	-20		▼	▼							
	Field Beans (Janjaro)	235	0	-14	26	▶	▼	▲		Vegetable oil	307	-39	-53	27	▼	▼	▲						
	Maize flour	153	-4	-19	63	▶	▼	▲		Wheat flour	300	-9	-40		▼	▼							
	Wheat Flour	205	-2	53	69	▶	▲	▲		Bor	White sorghum	400	-12	-12	40	▼	▼	▲					
	Vegetable oil	250	19	10	17	▲	▶	▶			Maize flour	200	-8	0	40	▼	▶	▲					
	Rice	248	-18	24	83	▼	▲	▲			Field Beans (Janjaro)	300	0	20	140	▶	▲	▲					
	TOT(wage to sorghum)	0.95	23	-17	-12	▲	▼	▶			Wheat Flour	200	0	0	100	▶	▶	▲					
								Vegetable oil	300		0	25	76	▶	▲	▲							
								Rice	250	-5	25	150	▶	▲	▲								
Kapoeta South	White Maize(Grain)	437	25	25	75	▲	▲	▲	Mingkaman	Maize flour	202	12	12	51	▲	▲	▲						
	Field Beans (Janjaro)	213	6	-15	150	▲	▼	▲		Field Beans (Janjaro)	266	6	9	77	▲	▶	▲						
	Vegetable oil	200	0	-5	31	▶	▶	▲		Wheat flour	220	10	1		▲	▶							
	Wheat Flour	135	4	13	35	▶	▲	▲		TOT (Goat to sorghum)	13	45	-19		▲	▼							
	Maize flour	175	5	25	9	▶	▲	▶		Vegetable oil	420	5	14	124	▶	▲	▲						
	TOT(Goat to maize)	17	-17	-20		▼	▼		Rumbek	White Sorghum	350	0	-22	17	▶	▼	▶						
White Sorghum	232	62	76	43	▲	▲	▲	Field Beans (Janjaro)		400	100	100	150	▲	▲	▲							
Field Beans (Janjaro)	400	16	63	78	▲	▲	▲	Wheat flour		200	33	-33	67	▲	▼	▲							
Wheat Flour	178	5	37	55	▶	▲	▲	Maize flour		180	20	-8	80	▲	▶	▲							
Vegetable oil	150	-22	-14	88	▼	▼	▲	Vegetable oil		300	50	35	50	▲	▲	▲							
Rice	258	4	11	88	▶	▲	▲	Petrol		300	50	9	40	▲	▶	▲							
Fuel (Diesel)	176	-33	-32	74	▼	▼	▲	Torit	White maize (Grain)	225	13	8	45	▲	▶	▲							
White Sorghum	250	0	-13	4	▶	▼	▶		Wheat flour	123	-8	-15	23	▼	▼	▲							
White Maize(Grain)	270	12	13	17	▲	▲	▶		Maize flour	125	-2	-4		▶	▶								
Field Beans (Janjaro)	450	2	5	181	▶	▶	▲		Field Beans (Janjaro)	173	8	12	50	▲	▲	▲							
Wheat Flour	140	24	-11	67	▲	▼	▲		Vegetable oil	230	-1	-12	39	▶	▼	▲							
Vegetable oil	300	-8	4	88	▼	▶	▲		Unit of measurements														
Diesel	320	-7	24	259	▼	▲	▲	White sorghum							3.5kg								
Petrol	220	-31	-8	88	▼	▶	▲	White maize							3.5kg								
White sorghum	250	67	52	82	▲	▲	▲	Cassava							3.5kg								
Maize flour	100	25	11		▲	▲		Maize flour							kg								
Field Beans (Janjaro)	228	18	-20		▲	▼		Field beans/Groundnuts							kg								
Wheat flour	200	83	0	167	▲	▶	▲	Rice							kg								
Rice	250	25	18		▲	▲		Wheat flour							KG								
Symbol Key								Vegetable oil							L								
▲	Prices increase above normal								TOT							# of malw a per goat or daily wage							
▼	Normal price changes																						
▶	Prices decrease below normal																						
▲	Price increases above normal							▶	Normal price changes							▼	Price decreases below normal						
Price fluctuation is considered normal if the price change is 5% within one month, 10% within 3 months and 20% within one year																							