



AUGUST 2018¹

HIGHLIGHTS

- **Currency Exchange Rate:** In July 2018, the exchange rate in the parallel market appreciated suddenly, narrowing the gap from the official rate to two digits – 63 percent. While at one point it reached up to SSP 160 per US Dollar (USD), the average exchange rate in the parallel market in Juba was SSP 230 per US Dollar (USD), in July, compared to SSP 310 in the previous month. The official exchange rate in July stood at SSP 142, a marginal depreciation from SSP 140 the previous month.
- **Cereal Prices:** In July, staple food commodities in most monitored markets experienced stability or decrease which is atypical during this season of the year, when these commodities are typically their most expensive. Despite the observed stability and decrease, prices stood at their elevated levels and significantly higher than the same time one year ago. The coincidence of currency appreciation, availability of green vegetables, distribution of in-kind food assistance, and the seasonal decline in prices of staple grain in Uganda, could be contributing to this stability and decrease in prices.
- **Fuel Prices:** The appreciation of the SSP impacted fuel prices for commercial enterprise and consumers, mainly in markets receiving fuel via the Nimule-Juba road. Compared to June, diesel price declined in Juba and Torit (13 percent, each), Wau (9 percent), and remained stable in Aweil, Mingkaman, and Bor. Petrol prices similarly decreased in Juba (8 percent) and Torit (11 percent), while other monitored markets saw stability in prices.
- **Terms of Trade (ToT):** An improvement in goat to cereal ToT was observed in Torit (9 percent) and Juba (8 percent), while it deteriorated in Aweil (9 percent), Mingkaman (13 percent) and the highest in Yida (53 percent). Generally, a high sorghum price in Yida, coupled with a drop in the price of medium size goats, led the ToT to deteriorate significantly.
- **Outlook:** Assuming stability in currency exchange rates, the continued distribution of in-kind food assistance, the seasonal availability of green vegetables, continued seasonal price decreases in the main source markets for staple commodities, staple food prices are likely to remain at or near current levels. This may not occur in markets bordering Sudan, if border crossings are not accessible and prices increase in Sudan.

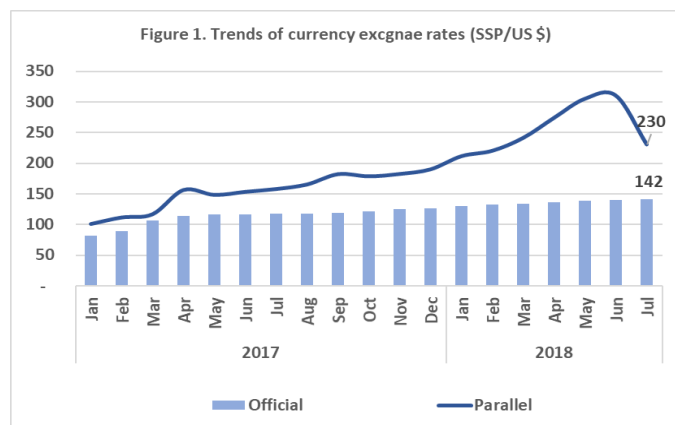
¹The bulletin is based on market price data for July 2018

Photos: WFP/Aschalew Feleke (Left-Yida market) and WFP/George Fominyen (Right)

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

Appreciation of the South Sudanese Pound with lower divergence of the parallel and official exchange rates

The South Sudanese Pound (SSP), which has been depreciating consistently since the devaluation in December 2015, appreciated significantly in July 2018. In July, the average exchange rate in the parallel market in Juba was SSP 230 per US Dollar (USD), as compared to SSP 310 in the previous month. While the SSP reached a high of SSP 160 per US Dollar at one point, over the course of the month, average weekly exchange rate per US Dollar decreased from 253 in week one to 199 in week four. The official exchange rate registered only marginal movement, however, and remained at SSP 142 compared to SSP 140 per US Dollar in June. The divergence of the parallel rate to the official rate in Juba narrowed to 63 percent by July, down from 122 percent in the month prior. As mentioned in the previous issue of the bulletin, multiple factors are likely contributing to this appreciation, including the decision to rehabilitate and restore oil wells and an injection of US Dollar into the market.

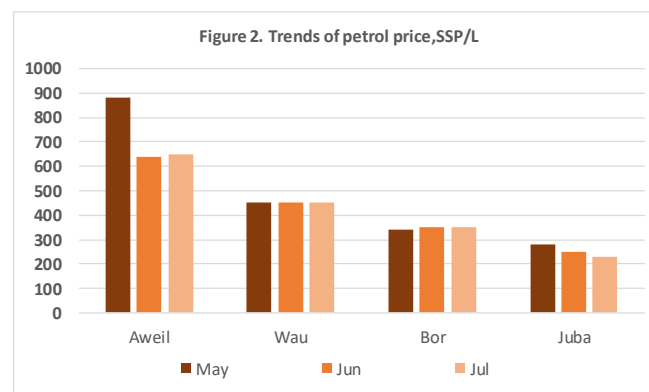


Source: Bank of South Sudan (Official) and WFP (Parallel)

Appreciation of SSP impacted fuel prices in major towns

In Juba, fuel prices at petrol stations in July remained equivalent to around one US Dollar at the parallel market exchange rate. The appreciation of the SSP impacted fuel prices for consumers, mainly in markets receiving fuel via the Nimule-Juba road. Compared to June, diesel price declined in Juba and Torit (13 percent, each), Wau (9 percent), and remained stable in Aweil, Mingkaman, and Bor. Petrol prices similarly decreased in Juba (8 percent) and Torit (11 percent), while other

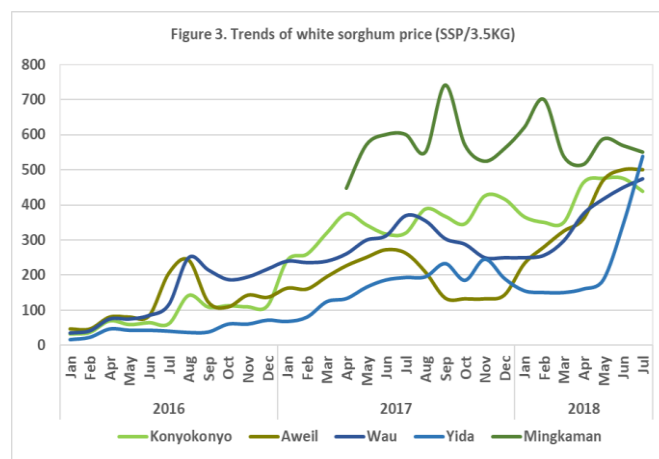
monitored markets experienced stability in prices. Compared to the same period one year ago, prices were higher, except in Juba, where a decrease in price was observed (see Annex 1). Figure 2 shows the trends of fuel price in selected markets.



Source: WFP

Stability in food prices despite the rainy season

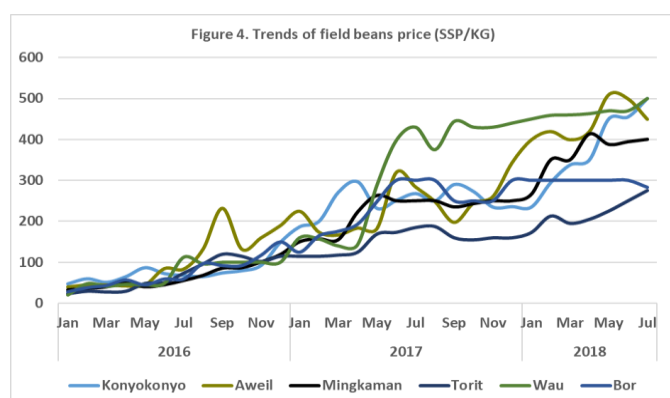
Staple grain: Normally, the rainy season is associated with increased food prices due to reduced supply, impassable roads and high transport costs. However, in July 2018, staple food commodities experienced stability or decrease in prices in most of the monitored markets. Aweil, Juba, Torit and Mingkaman are among the markets which experienced decrease or stability in staple food prices compared to June 2018. The price of staple cereal and pulse in Juba, Yida and Wau showed mixed behavior. For instance, sorghum price dropped in Juba (8 percent), increased in Wau (6 percent) and remained stable in Aweil and Mingkaman. Maize flour showed drop in prices across monitored markets, and price of field beans also decreased in Yida (19 percent), Aweil (10 percent) and Bor (6 percent).



Source: WFP

Furthermore, one supermarket (Phenicia) in Juba displayed price discount of 20percent on all goods, except the local meat.

Compared to one year ago, prices in July 2018 were still higher. Currency appreciation, availability of green vegetables, reduced demand due to distribution of humanitarian food and seasonal drop in prices of staple grain in Uganda could be the main reasons for the observed price stability and decrease.



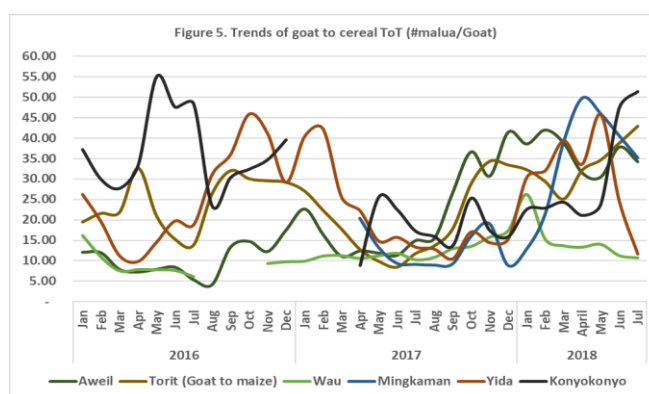
Source: WFP

Vegetable oil price: As with staple food, the price of vegetable oil in July remained stable in Juba, Bor, Mingkaman and Torit. It decreased in Wau and Yida by 24 percent and 6 percent, respectively. Agok and Aweil markets experienced increases in the price of oil by 24 percent and 17 percent compared to the previous month. In July, all monitored markets experienced higher prices compared to the same month last year, increases ranging from 30 percent in Wau to 100 percent in Juba.

Terms of Trade (ToT): Purchasing Power

Goat to sorghum: While there was improvement in ToT in Torit (11 percent) and Juba (8 percent), it deteriorated in Aweil (9 percent), Mingkaman (13 percent) and the highest deterioration was noted in Yida (53 percent) (Figure 5). Relatively high sorghum price in Yida coupled with drop in medium size goat price led the terms of trade to deteriorate significantly. Compared to the same time one year ago, an improvement was noted in ToT in July 2018 in the monitored markets, except for Yida, where it was lower by 13 percent.

Wage to sorghum: The lowest ToT was observed in Yida, where average daily wage of unskilled laborer fetched only 0.7 *malua*¹ of sorghum, while this ToT was in the range of one *malua* (Aweil) to 1.43 *malua* (Juba) in other monitored markets. Despite the decrease in cereal prices, a drop in casual labor wage rates led to a net decline in purchasing power for unskilled wage-dependent households in Torit (11 percent) and in Yida (36 percent). An improvement in ToT was observed in Juba (8 percent), while markets of Aweil and Wau experienced stable situation. Compared to one year ago (July 2017), the ToT has improved in most monitored markets; the exception was in Yida, where it deteriorated by 52 percent.



Source: WFP

Outlook

Following the rainy season, vegetables are more readily available to rural households for consumption, and these are also coming to markets where functioning and accessible. On the other hand, the price of maize grain in Uganda is decreasing due to new harvests, which could also impact the price of substitutes, such as sorghum. The appreciation of local currency has also started to impact positively in stabilizing the prices, though at elevated levels. Furthermore, the ongoing humanitarian food assistance contributes to a decrease in the market demand from beneficiary households. Assuming stability in currency exchange rates, continued food assistance, and continued seasonal price decreases in Uganda, staple food prices are likely to remain at or near current levels. However, this may not occur in markets bordering Sudan, if border crossings are not accessible and prices increase in Sudan.

¹ 1 *malua* = 3.5 Kgs

South Sudan

MONTHLY MARKET PRICE MONITORING BULLETIN



TABLE 1: Highest and Lowest Price by Markets and Month-on-Month Percent Changes - July 2018

	Lowest Price			Highest Price		
	Market	Price (SSP)	M-on-M Change (%)	Market	Price (SSP)	M-on-M Change (%)
White sorghum (3.5 KG)	Agok	235	-33	Yida	538	57
White maize (3.5 KG)	Makpandu	253	ND	Juba	495	10
Maize flour(KG)	Torit	160	-6	Aweil	358	-14
Field beans(KG)	Torit	275	10	Yida	600	-19
Wheat flour (KG)	Torit	190	-6	Yida	400	14
Cooking oil(L)	Aweil	350	17	Yida	750	-6
Diesel (L)	Juba	230	-13	Yida	833	10
Petrol(L)	Juba	230	-8	Aweil	650	2
Groundnuts-shelled (KG)	Agok	150	-20	Juba, Mingkaman	500	0,11
TOT: Goat to sorghum (malua)	Wau	11	-5	Juba	51	8
TOT: Wage to sorghum (malua)	Yida	0.7	-36	Juba,Torit	1.43	8,-11

ANNEX 1: Commodity Prices and Percent Changes - July 2018

	Commodity	SSP	Price Changes (%)							Commodity	SSP	Price Changes (%)					
		July	1M	3M	1Y	1M	3M	1Y			July	1M	3M	1Y	1M	3M	1Y
White Sorghum (3.5KG)	Juba	438	-8	-5	37	▶	▶	▶	Vegetable Oil (L)	Juba	400	0	33	100	▶	▶	▶
	Aweil	500	0	39	91	▶	▶	▶		Aweil	350	17	62	94	▶	▶	▶
	Mingkaman	550	-3	7	-8	▶	▶	▶		Bor	487	-3	15	62	▶	▶	▶
	Yida	538	57	236	179	▶	▶	▶		Mingkaman	550	2	16	72	▶	▶	▶
	Agok	235	-33		6	▶	▶	▶		Agok	500	16		66	▶	▶	▶
	Wau	475	6	27	28	▶	▶	▶		Wau	365	-24	1	30	▶	▶	▶
White Maize (3.5KG)	Juba	495	10	13	28	▶	▶	▶	Yida	750	-6	150	39	▶	▶	▶	
	Aweil	493	1	52	130	▶	▶	▶	Torit	380	1	7	58	▶	▶	▶	
	Torit	350	2	8	-4	▶	▶	▶	ToT (Goat to Sorghum) Malua/Goat	Torit	43	11	33	263	▶	▶	▶
	Wau	463	3	6	13	▶	▶	▶		Aweil	34	-9	9	129	▶	▶	▶
Yida	413	52	28	166	▶	▶	▶	Mingkaman		35	-13	-29	283	▶	▶	▶	
Wheat Flour (KG)	Bor	283	-6	26	94	▶	▶	▶		Wau	11	-5	-20	5	▶	▶	▶
	Juba	250	5	25	127	▶	▶	▶	Yida	12	-53	-65	-13	▶	▶	▶	
	Aweil	380	-6	30	152	▶	▶	▶	Juba	51	8	144	199	▶	▶	▶	
	Mingkaman	317	3	27	75	▶	▶	▶	ToT (Wage to Sorghum) # Malua/Daily wage	Juba	1.43	8	17	52	▶	▶	▶
	Torit	190	-6	7	52	▶	▶	▶		Aweil	1.00	0	-10	56	▶	▶	▶
	Agok	241	12			▶	▶	▶		Wau	1.22	-4	53	126	▶	▶	▶
	Wau	288	14	19	106	▶	▶	▶		Yida	0.74	-36	-60	-52	▶	▶	▶
Field beans (KG)	Yida	400	14	68	36	▶	▶	▶	Torit	1.43	-11	-23	5	▶	▶	▶	
	Juba	500	10	43	87	▶	▶	▶	Fuel-Petrol (L)	Aweil	650	2	34	306	▶	▶	▶
	Aweil	450	-10	7	58	▶	▶	▶		Bor	350	0	17	202	▶	▶	▶
	Bor	283	-6	-6	-6	▶	▶	▶		Torit	270	-11	-31	0	▶	▶	▶
	Agok	475	-7		33	▶	▶	▶		Wau	450	0	-9	105	▶	▶	▶
	Mingkaman	400	2	-3	60	▶	▶	▶		Yida	638		36	86	▶	▶	▶
Yida	600	-19	20	441	▶	▶	▶	Mingkaman		567	2	22	254	▶	▶	▶	
Maize Flour (KG)	Wau	500	6	8	16	▶	▶	▶	Juba	230	-8	-15	-58	▶	▶	▶	
	Mingkaman	304	1	1	64	▶	▶	▶	Shelled Groundnuts (KG)	Juba	500	0	16	122	▶	▶	▶
	Juba	230	-3	53	8	▶	▶	▶		Aweil	326	86	5	76	▶	▶	▶
	Bor	233	-17	-7	4	▶	▶	▶		Bor	300	0	0	20	▶	▶	▶
	Torit	160	-6	3	-1	▶	▶	▶		Agok	150	-20		-55	▶	▶	▶
Wau	288	-4	10	106	▶	▶	▶										

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

Price fluctuation is 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