



WHO'S CALLING THE SHOTS?

Behind the Scenes
of Fuel Prices

DEAR FUTURE CLIENTS,

Read on below for context around the global rise in fuel costs, as well as solutions for managing these challenges.

From your fuel partner,

Director

RYAN LOUW



RECENT FUEL NEWS

WHO IS BEHIND THE RISING FUEL PRICES?

The primary factor influencing fuel price fluctuations is the cost of oil. Oil prices are influenced by supply and demand dynamics and speculative trading. The OPEC+ cartel, consisting of 23 oil-producing nations, including Russia and led by Saudi Arabia, plays a crucial role in setting production targets to maintain profitable oil prices.

The recent performance of Brent crude oil suggests that more fuel price increases may be on the horizon, with expectations that OPEC+ will extend production cuts to stabilize the market. Concerns about a slowing global economy and the crisis in China's economy are also factors influencing oil prices.

Analysts believe that oil prices may be near their peak, especially with the end of the peak US holiday driving season and a recent increase in OPEC+ output. Additionally, regulatory scrutiny on pump prices, following an investigation by the Competition and Markets Authority, has led to reduced fuel margins by supermarkets.

However, despite regulatory efforts, the ultimate control over fuel prices remains in the hands of an unregulated cartel, OPEC+, which can significantly impact the prices paid at the pumps.

While the factors behind rising fuel prices may seem daunting, Diesel Bros stands as your reliable solution, offering innovative bulk fuel supply systems and solutions to help you navigate the ever-changing fuel landscape with greater efficiency and cost-effectiveness.



FUEL PRICE UPDATE

October 2023

Prospects for South African motorists have turned even more sour in recent weeks, putting petrol and diesel prices in line for a big jump this month.

ULP 93

INCREASE OF 108 CENTS PER LITRE

ULP 95

INCREASE OF 114 CENTS PER LITRE

50PPM

INCREASE OF 193.70 CENTS PER LITRE

Despite a brief strengthening of the South African rand, which momentarily dipped below the R19 to the US dollar mark, the local economic recovery continues to face challenges due to the persistent rise in global oil prices. While there has been a slight reduction in under-recovery estimates compared to mid-month, it is expected that these under-recovery challenges will persist through the remainder of the month. The primary driver of these under-recoveries remains the escalating cost of oil, with prices currently hovering around \$94 per barrel. This escalation is partly attributed to the US Federal Reserve's announcement of further interest rate hikes and Russia's decision to halt diesel exports, which has further pushed oil prices upward.

Economists, analysts, and the South African Reserve Bank have all pointed out that the escalating prices of both petrol and diesel pose significant risks to inflation within the country. The direct impact of higher fuel costs is felt by households, and the knock-on effects of diesel price hikes reverberate throughout various sectors of the economy. The agricultural sector, mining industry, manufacturing sector, logistics, freight, and port operations all heavily rely on diesel, thereby causing cost increases throughout the supply chain.

Furthermore, against the backdrop of record-breaking load shedding, retailers and businesses find themselves grappling with the consequences of rising diesel prices, as they are forced to allocate substantial sums of money to keep generators operational and maintain their day-to-day activities.

In the face of these challenging fuel price projections, Diesel Bros remains committed to serving all industries by offering efficient and cost-effective fuel stor-



STAY PREPARED AND IN CONTROL

Installing a fuel monitoring system is essential for businesses seeking to enhance fuel management, reduce operational costs, ensure regulatory compliance, and prevent unexpected fuel shortages or theft.

Our cutting-edge fuel monitoring system is a game-changer. It involves the installation of a probe inside your tank, which is then connected to one of our units via Bluetooth. This system is compatible with both diesel and petrol tanks, providing you with real-time data accessible on your smartphone or laptop.

With our monitoring system, you can enjoy benefits like live viewing of fuel levels, detailed daily, weekly, and monthly reports, automated reporting, and crucial fuel monitoring alerts to help you stay ahead of any sudden fuel drops. Plus, our tagging system simplifies organisation and management.

Incorporate the power of our fuel monitoring system into your operations, and stay prepared and in control of your fuel resources like never before.

HAVE A FUEL-RELATED QUESTION OR SUGGESTION?

Please don't hesitate to get in touch with us. You can reach out to us via email at admin@dieselbros.co.za or myorders@dieselbros.co.za.

WWW.DIESELBROS.CO.ZA