

☆RIM PRODUCTS INTELLIGENCE DAILY

★No.7994 Sep 27 2019

Copyright(C) 2019 Rim Intelligence Co. All rights reserved.

--TOKYO, 20:00 JST Sep 27 2019<Assessment Closing Time>

◎Notice

○Modification of Assessment Methodology

Add 0.5%S FO-0.5%S in the box in FOB South Korea spot prices for physical cargoes, and change orders of FO (P.28)

○Changes of Assessment Methodology

Starting Oct 1, 2019, Rim Intelligence will add and change some price assessments in the Product Report. Details are as follows.

- Change the sulfur content of AFO from 1.0% to 0.5% in the Japan Domestic Waterborne Spot Market, in the Tokyo Bay Refinery Rack Index, and in the Japan Product Paper Swap Assessments.
- Add LSCFO-0.5%S and HSCFO-3.0%S for bunker in the Japan Domestic Waterborne Spot Market.

○Renewal of Rim's Website

Rim Intelligence will renew our website on Oct 7, Mon. Before the renewal, we will transfer the server of our website on Oct 6, Sun. Although we do not change the URL(<https://eng.rim-intelligence.co.jp/index/top>) of the top page, some URLs for our reports or market news pages will be changed. Therefore, in case you have bookmarked some URLs in our website, please bookmark again after the website is renewed on Oct 7.

Moreover, the URL of Rim Trading Board will be changed, but you can jump to the new page automatically when you access the current page. Please bookmark the new URL.

If you have any questions, please feel free to contact us.

Rim Intelligence Tech Team

813-3552-2411

info@rim-intelligence.co.jp

◎RECX-22 index

RECX-22 index for Friday was 95.62, up 1.15 points from the previous day

-----Introduction of Rim reports-----

Please access the URL below for a lineup of Rim reports. You can view sample reports as well as detailed explanations on the contents:

<https://eng.rim-intelligence.co.jp/first/report>

Lineup:

Bunker Oil	Crude/Condensate	Products	
LPG	Petrochemicals	Polyolefins	
LNG	South Asia Gas (Weekly)	Daily Data	Rim Data File

©Japan Domestic Waterborne Spot Market (Barges FOB Refinery/Primary Storage, in Yen/kl)				
	Tokyo Bay (Keihin/Chiba)		West Japan (Hanshin/Setouchi)	
	Fixed Price	Floating	Fixed Price	Floating
Gasoline	- 59,800 - 60,700 -	-400 / 500	- 59,800 - 60,700 -	-400 / 500
Kerosene	55,500 - 56,500	-500 / 500	+ 55,700 - 56,600 +	-300 / 600
Gasoil-0.001%S	+ 63,200 - 64,200 +	-500 / 500	+ 63,200 - 64,200 +	-500 / 500
AF0-1.0%S	- 59,900 - 60,900 -	-500 / 500	- 59,900 - 60,900 -	-500 / 500
AF0-0.1%S	- 60,400 - 61,400 -	-500 / 500	- 60,400 - 61,400 -	-500 / 500
LSCFO-0.3%S	50,000 - 51,000	-500 / 500	50,000 - 51,000	-500 / 500
HSCFO-3.0%S	46,000 - 47,000	-500 / 500	46,000 - 47,000	-500 / 500
Floating price assessments in premiums or discounts against Rim monthly average				
-Tokyo Bay Refinery Rack Index-				
Gasoline	58,200 -1,350			
Kerosene	60,500 -1,500			
Gasoil-0.001%S#	60,800 -875			
AF0-1.0%S	57,500 -750			
LSAFO-0.1%S	58,000 -900			
# before-tax gasoil				
-Japan Crude Cocktail or JCC(MOF CIF Japan Crude Prices, in Yen/kl)-				
19/07/01-31 45,731r	19/08/01-31 45,420r	19/09/01-30 due out on Oct 21		
19/07/01-10 47,273	19/08/01-10 45,533	19/09/01-10 43,687		
19/07/11-20 45,246	19/08/11-20 45,946	19/09/11-20 due out on Oct 07		
19/07/21-31 44,929	19/08/21-31 44,875	19/09/21-30 due out on Oct 21		

©Japan Product Paper Swap Assessments (FOB Tokyo Bay in Yen/kl)			
	Oct	Nov	Dec
Gasoline	- 59,700 - 60,700 -	+ 54,900 - 55,500 +	+ 53,400 - 54,000 +
Kerosene	55,500 - 56,500	+ 57,900 - 58,500 +	57,300 - 57,900
Gasoil	+ 63,200 - 64,200 +	+ 63,200 - 64,200 +	+ 63,200 - 64,200 +
AF0-1.0%S	- 59,900 - 60,900 -	- 59,900 - 60,900 -	- 59,900 - 60,900 -
AF0-0.1%S	- 60,400 - 61,400 -	- 60,400 - 61,400 -	- 60,400 - 61,400 -
LSCFO	50,000 - 51,000	50,000 - 51,000	50,000 - 51,000
HSCFO	46,000 - 47,000	46,000 - 47,000	46,000 - 47,000

©TOCOM Energy Futures (FOB Tokyo Bay Refinery/Primary Storage in Yen/kl)						
	Open	High	Low	Settle	Change	Volume
Gasoline						
Nov	54,500	54,500	54,370	54,400	+200	16
Dec	53,100	53,100	52,800	52,860	+310	17
Jan	51,500	51,590	51,290	51,350	+360	47
Feb	50,580	50,940	50,560	50,720	+380	79
Mar	50,200	50,420	50,070	50,150	+370	204
Apr	50,320	50,500	50,280	50,280	+200	138
Total						501
Kerosene						
Nov	58,300	58,300	58,100	58,160	+30	18
Dec	57,770	57,800	57,630	57,640	+10	21
Jan	57,310	57,400	57,110	57,190	+20	29
Feb	56,580	56,900	56,580	56,820	+20	36
Mar	55,840	56,270	55,840	56,150	-10	70
Apr	55,540	55,540	55,280	55,280	-100	29
Total						203
Gasoil						
Nov	-	-	-	62,900	+200	-

Dec	-	-	-	62,700	+200	-
Jan	-	-	-	62,400	+200	-
Feb	-	-	-	62,100	+200	-
Mar	-	-	-	61,800	+200	-
Apr	-	-	-	61,500	+200	-
Total						-
Crude oil						
Sep	41,250	41,280	41,140	41,250	0	18
Oct	40,870	40,950	40,710	40,780	+60	81
Nov	39,810	39,940	39,700	39,780	+160	41
Dec	38,980	39,020	38,750	38,840	+40	107
Jan	38,250	38,250	37,980	38,040	+30	527
Feb	37,830	37,830	37,540	37,610	+10	1,393
Total						2,167
In contracts of 50 kiloliters						
Open interest (09/26) (Short):	Gasoline	3,602	Kerosene	2,082	Gasoil	0
Open interest (09/26) (Long):	Gasoline	3,602	Kerosene	2,082	Gasoil	0
	Crude oil	55,676				

©CFR Japan MR Cargoes (Naphtha and FO in \$/mt, Others in \$/bbl)			
	-Physical-	-Premium-	Import Cost (Yen/kl)
Naphtha	+ 509.75 - 517.25 + **	13.50 / 14.50#	39,123
Nov 1st-half	+ 523.75 - 524.25 +		
Nov 2nd-half	+ 516.75 - 517.25 +		
Dec 1st-half	+ 509.75 - 510.25 +		
Jet/Kerosene	+ 79.40 - 79.50 +	0.95 / 1.05	57,538
Gasoil 0.001%S	+ 79.55 - 79.65 +	0.65 / 0.75	58,044
FO 0.3%S	- 473.50 - 483.50 -	120.00 / 130.00*	53,827
FO 380cst 3.5%S	- 359.00 - 360.00 -	10.00 / 11.00	41,199
--Exchange rate (TTS Yen/\$ as of Sep 27) 108.84 (MUFG Bank)			
*Premium in density at 0.95			
#Price gap between first half-month and third half-month is reference information.			
**Index price for reference			
The yen/kl price for jet/kerosene includes Yen 2,800/kl petroleum tax and Yen 346/kl import duty.			
The yen/kl price for gasoil 0.001%S includes Yen 2,800/kl petroleum tax and Yen 750/kl import duty.			
The yen/kl prices for FO 380cst and LSF0 include Yen 2,800/kl petroleum tax and Yen 249/kl import duty.			

©FOB Japan MR Cargoes (HSFO in \$/mt, Others in \$/bbl)			
	-Physical-	-Premium-	Export Cost (Yen/kl)*
Jet/Kerosene	+ 78.15 - 78.25 +	-0.30 / -0.20	55,844
Gasoil CARB DIESEL	+ 78.60 - 78.70 +	-0.30 / -0.20	56,149
Gasoil 0.001%S	+ 78.35 - 78.45 +	-0.55 / -0.45	55,980
FO 380cst 3.5%S	- 348.00 - 349.00 -	-1.00 / 0.00	39,443
--Exchange rate (TTM Yen/\$ as of Sep 27) 107.84 (MUFG Bank)			
*Yen/kl prices include Yen 2,800/kl refund.			

©FOB Singapore Cargoes (FO in \$/mt, Others in \$/bbl)		
	-Physical-	-Premium-
Mogas 97RON	+ 76.25 - 76.35 +	6.70 / 6.80*
95RON	+ 74.25 - 74.35 +	4.70 / 4.80*
92RON	+ 69.50 - 69.60 +	2.45 / 2.55*
Naphtha	+ 56.30 - 56.40 +	1.15 / 1.25
Jet/Kerosene	+ 78.20 - 78.30 +	-0.25 / -0.15
Gasoil 0.001%S	+ 79.10 - 79.20 +	0.20 / 0.30
Gasoil 0.05%S	+ 78.35 - 78.45 +	-0.55 / -0.45
FO 0.5%S	- 463.50 - 473.50 -	110.00 / 120.00
FO 180cst 3.5%S	- 404.50 - 405.50 -	51.00 / 52.00

FO 380cst 3.5%S	- 403.50 - 404.50 -	54.50 / 55.50
* Premium to FOB Singapore Mogas 92RON. 92RON Physical price does not include Premiums.		

©FOB Indonesia LSWR Cargoes

	-Physical-	-Premium-
LSWR 0.45%\$(\$/mt)	- 406.50 - 408.50 -	53.00 / 55.00*
LSWR 0.45%\$(\$/bbl)	- 61.60 - 61.90 -	
*Premium to Singapore HSFO 180cst paper swaps		

©Singapore Paper Swaps (FO in \$/mt, Others in \$/bbl)

	Oct	Nov	Dec
Naphtha	+ 55.10 - 55.20 +	+ 53.65 - 53.75 +	+ 52.70 - 52.80 +
Jet/Kerosene	+ 78.40 - 78.50 +	+ 77.65 - 77.75 +	- 76.95 - 77.05
Regrade	- -0.50 - -0.40 -	0.00 - 0.10	- 0.20 - 0.30 -
Gasoiil 0.001%S	+ 78.85 - 78.95 +	+ 77.60 - 77.70 +	+ 76.70 - 76.80 +
FO 180cst 3.5%S	- 353.25 - 353.75 -	- 288.75 - 289.25 -	- 254.00 - 254.50 -
FO 380cst 3.5%S	- 348.75 - 349.25 -	- 279.00 - 279.50 -	- 243.00 - 243.50 -

©Singapore Crack Margins (Against Dubai Swaps, in \$/bbl)

	Oct	Nov	Dec
Naphtha	-5.43	-5.47	-5.19
Jet/Kerosene	17.87	18.53	19.06
Gasoiil 0.001%S	18.32	18.48	18.81
FO 180cst 3.5%S	-6.20	-14.71	-18.82
FO 380cst 3.5%S	-6.89	-16.21	-20.52

©FOB South Korea Cargoes (FO in \$/mt, Others in \$/bbl)

MR Cargoes	-Physical-	-Premium-
Mogas 91RON/0.001%S	+ 70.45 - 70.65 +	0.90 / 1.10*
Mogas 92RON/0.005%S	+ 69.55 - 69.75 +	0.00 / 0.20*
Jet/Kerosene	+ 78.20 - 78.30 +	-0.25 / -0.15
Gasoiil 0.001%S	+ 78.35 - 78.45 +	-0.55 / -0.45
Gasoiil 0.05%S	+ 77.75 - 77.85 +	-1.15 / -1.05
Gasoiil 0.25%S	+ 75.95 - 76.05 +	-2.95 / -2.85
Gasoiil 0.5%S	+ 75.65 - 75.75 +	-3.25 / -3.15
FO 0.3%S	- 453.50 - 463.50 -	100.00 / 110.00***
FO 0.5%S	- 463.50 - 473.50 -	110.00 / 120.00
FO 380cst 3.5%S	- 349.00 - 350.00 -	0.00 / 1.00

SR Cargoes	-Physical-	-Premium-	Import Cost(Yen/kl)#
Mogas 91RON	+ 71.15 - 71.25 +	1.60 / 1.70*	54,189
Kerosene	+ 79.95 - 80.45 +	1.50 / 2.00	59,763
Gasoiil 0.001%S	+ 78.60 - 78.70 +	-0.30 / -0.20	59,106
LSAFO 0.1%S	+ 77.15 - 77.35 +	-1.75 / -1.55**	54,597
FO 0.3%S	- 463.50 - 473.50 -	110.00 / 120.00***	55,419

*Premium to FOB Singapore Mogas 92RON

**Premium to Singapore Paper Swaps values (0.001%S gasoiil)

***Premium in density at 0.95

in Yen/kl, Basis Nagoya (Basis Keihin for LSAFO 0.3%S)

The yen/kl price for Mogas includes Yen 2,800/kl petroleum tax and Yen 934/kl import duty.

The yen/kl price for kerosene includes Yen 2,800/kl petroleum tax and Yen 346/kl import duty.

The yen/kl price for gasoiil 0.001%S includes Yen 2,800/kl petroleum tax and Yen 750/kl import duty.

The yen/kl price for LSAFO includes Yen 2,800/kl petroleum tax and Yen 249/kl import duty.

©FOB Taiwan Cargoes (in \$/bbl)

MR Cargoes	-Physical-	-Premium-
Mogas 93RON	- 70.10 - 70.30 -	0.55 / 0.75
Jet/Kerosene	+ 78.25 - 78.35 +	-0.20 / -0.10
Gasoiil 0.001%S	+ 78.40 - 78.50 +	-0.50 / -0.40
Gasoiil 0.05%S	+ 77.95 - 78.05 +	-0.95 / -0.85
Gasoiil 0.25%S	+ 76.85 - 76.95 +	-2.05 / -1.95
Gasoiil 0.5%S	+ 76.35 - 76.45 +	-2.55 / -2.45

©FOB China Cargoes (in \$/bbl)			
MR Cargoes	-Physical-	-Premium-	
Mogas 92RON	- 69.90 - 70.10 -	0.35 / 0.55	
Gasoiil 0.001%S	+ 78.40 - 78.60 +	-0.50 / -0.30	
Gasoiil 0.005%S	+ 77.30 - 77.50 +	-1.60 / -1.40	

©CFR China Cargoes				
	(FO in \$/mt, Others in \$/bbl)		(Yuan/mt)	(Yuan/mt)
	-Physical-	-Premium-	-Import Cost-	-Domestic-###
North China				
Mogas 92RON***	+ 70.75 - 70.95 +	1.20 / 1.40	7,214	- 7,020 - 7,070 -
Gasoiil 0.001%S*	+ 79.55 - 79.65 +	0.65 / 0.75	6,433	- 6,630 - 6,680 -
East China				
Mogas 92RON***	+ 70.65 - 70.85 +	1.10 / 1.30	7,207	- 7,400 - 7,450 -
Gasoiil 0.001%S*	+ 79.45 - 79.55 +	0.55 / 0.65	6,427	6,900 - 6,950
South China				
Mogas 92RON***	+ 70.85 - 71.05 +	1.30 / 1.50	7,221	- 7,500 - 7,550 -
Gasoiil 0.001%S*	+ 79.65 - 79.75 +	0.75 / 0.85	6,439	6,950 - 7,000
FO 380cst 3.5%S*	- 418.50 - 419.50 -	69.50 / 70.50	4,759	4,350 - 4,400 ##
--Exchange rate (MIDDLE Yuan/\$ as of Sep 27) 7.0731				
***Yuan/mt prices for Mogas include 1% duty, 13% value added tax and Yuan 2,082/mt consumption tax.				
*Yuan/mt prices for Gasoiil include 1% duty, 13% value added tax and Yuan 1,428/mt consumption tax.				
**Yuan/mt prices for FO include 1% duty, 17% value added tax and Yuan 1,218/mt consumption tax.				
## China FO Domestic prices are of bunker use grade.				
### China Domestic prices are reference information provided by Rim Beijing office.				

©FOB Middle East Cargoes (Naphtha and HSFO in \$/mt, Others in \$/bbl)			
	-Physical-	-Premium-	
Naphtha	+ 500.25 - 500.75 +	24.00 / 26.00	
Jet/Kerosene	+ 76.60 - 76.70 +	1.00 / 1.20	
Gasoiil 0.001%S	+ 77.50 - 77.60 +	1.20 / 1.40	
FO 380cst 3.5%S	- 391.50 - 392.50 -		

©Freights rates			
SR Clean Tanker Freight Rates (\$/bbl)			
Korea to Tomakomai	3.00 - 3.20	Korea to Keihin	2.70 - 2.90
Korea to Nagoya	2.40 - 2.60	Korea to Kanmon	2.00 - 2.20
SR Dirty Tanker Freight Rates (\$/mt)			
Korea to Tomakomai	26.00 - 28.00	Korea to Keihin	24.00 - 26.00
MR Tanker Freight Rates (\$/bbl for clean \$/mt for dirty)			
Korea to N. China	1.10 - 1.30	Korea to E. China	1.00 - 1.20
Korea to S. China	1.20 - 1.40	Korea to Japan clean	1.10 - 1.30
Korea to Japan dirty	9.00 - 11.00		
LR Tanker Freight Rates (\$/bbl for clean \$/mt for dirty)			
ME to Singapore clean	1.50 - 1.70	ME to Singapore dirty	11.00 - 13.00

©Asia Bunker Prices (\$/mt)

--- 27Sep19 Closing Quotes ---						
Port/Location	380cst		VLSFO		LSMGO (LSMDO: Japan) ##	
	Low - High	Change	Low - High	Change	Low - High	Change
Tokyo Bay	465.00 - 468.00	-15.00	578.00 - 581.00	+2.00	660.00 - 670.00	-5.00
West Japan	471.00 - 474.00	-15.00	584.00 - 587.00	+2.00	670.00 - 680.00	-5.00
Ise Bay	470.00 - 473.00	-15.00	583.00 - 586.00	+2.00	660.00 - 670.00	-5.00
#Rim Average-Sep	470.64	-1.43	570.50	+0.19	660.29	-0.47
S. Korea	430.00 - 433.00	-15.00	573.00 - 576.00	+2.00	612.00 - 622.00	-8.00
F. E. Russia*	390.00 - 393.00	0.00	563.00 - 566.00	+2.00	660.00 - 670.00	0.00
Taiwan Kaohsiung PP**	502.00 - 505.00	+5.00	NA - NA	-	672.00 - 675.00	+5.00
Taiwan Keelung PP**	502.00 - 505.00	+5.00	592.00 - 595.00	+5.00	672.00 - 675.00	+5.00
Taiwan Taichung PP**	502.00 - 505.00	+5.00	NA - NA	-	672.00 - 675.00	+5.00
Taiwan Others PP**	511.00 - 514.00	+5.00	592.00 - 595.00	+5.00	672.00 - 675.00	+5.00
Hong Kong	485.00 - 488.00	-5.00	553.00 - 556.00	+2.00	590.00 - 600.00	+10.00
Singapore	440.00 - 443.00	-25.00	543.00 - 546.00	+2.00	595.00 - 605.00	-5.00
--Note: *Nakhodka, Vostochny, Vladivostok, **Posting Price						
#Rim Tokyo Bay monthly average, ## F.E Russia, Taiwan PP and Kaohsiung (MGO)						
Port/Location	380cst		VLSFO		LSMGO	
	Low - High	Change	Low - High	Change	Low - High	Change
Shanghai	532.00 - 535.00	-3.00	546.00 - 549.00	+4.00	668.00 - 678.00	0.00
Bangkok	477.00 - 480.00	+40.00	556.00 - 559.00	+4.00	640.00 - 650.00	0.00
Colombo	500.00 - 503.00	-5.00	591.00 - 594.00	+4.00	690.00 - 700.00	0.00
--Prices at three ports listed above are reference numbers.						

©ASIA PRODUCTS MARKET COMMENTARY

○Benchmark Crude Summary

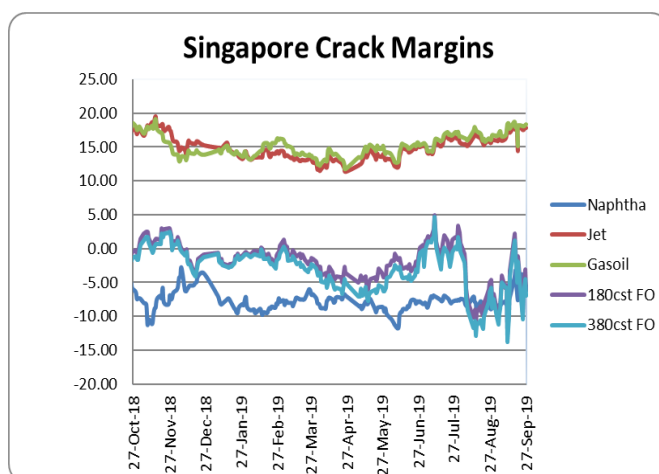
Sep 27 crude oil prices (As of the evening time in Tokyo)

NYMEX • WTI NOV: \$56.26/bbl (down \$0.05/bbl versus a day before)

ICE • BRENT NOV: \$62.42/bbl (up \$0.19/bbl versus a day before)

DUBAI PAPER OCT: \$60.58/bbl (up \$0.21/bbl versus a day before)

○Singapore Crack Margins



In the Singapore paper swap market, the crack spread of naphtha over Dubai crude oil for October was at minus \$5.43/bbl, up 84cts/bbl from a day before. The crack spread of jet fuel was at \$17.87/bbl, up 4cts/bbl, that of 0.001% sulfur gasoil at \$18.32/bbl, up 14cts/bbl, that of 180cst fuel oil at minus \$6.20/bbl, down \$3.13/bbl, and that of 380cst fuel oil at minus \$6.89/bbl, down \$2.44/bbl

○Gasoline

The differential for MR-size cargoes of 92RON gasoline on an FOB China basis was at a premium in the range of 35-55cts/bbl to Singapore quotations, down \$1.05/bbl from a day before, while the differential for MR-size cargoes of 93RON gasoline on an FOB Taiwan basis was at a premium in the range of 55-75cts/bbl to the same quotations, also down \$1.05/bbl from the previous day with the backwardation structure in the paper swaps market. In the market in Singapore, the price gap between Oct/Nov values was \$2.30/bbl in favor of October. This situation put the downward pressure on the price for spot cargoes loading in the second half of October. On Friday, a refiner in China sold an MR-size cargo of 92RON gasoline loading on Oct 28-29 from South China at a premium of around 55cts/bbl to Singapore quotations on an FOB basis. Meanwhile, no fresh purchases from Southeast Asia including Indonesia were reported.

CFR North China MR-size cargoes of 92RON gasoline were at a premium in the range of \$1.20-1.40/bbl to Singapore quotations (92RON), unchanged from a day before. In North China, domestic prices for 92RON gasoline on an ex-primary storage basis were in the range of Yuan 7,020-7,070/mt, down Yuan 100/mt from the previous day. The price was below the import cost by Yuan 169/mt or \$2.81/mt.

FOB Singapore prices for 92RON gasoline went up \$1.00/bbl to \$69.50-69.60/bbl with a rise in naphtha prices. On Friday, three 50,000bbl cargoes of 92RON gasoline loading on Oct 23-27 at \$69.50/bbl and \$69.70/bbl. Two 50,000bbl cargoes of 95RON gasoline were also traded at \$73.60/bbl and \$75.00/bbl. Buying and selling ideas for 92RON gasoline were indicated at a premium of \$2.45-2.55/bbl to Singapore quotations, unchanged from the previous day.

ONaphtha

Open-spec naphtha prices in Asia were in the range of \$509.75-517.25/mt, up \$9.50/mt from a day earlier on firm Brent crude futures.

The differential for naphtha cargoes on an FOB Middle East basis was at a premium in the range of \$24.00-26.00/mt to Middle East quotations, up \$3.00/mt from the previous day in line with high prices on a CFR Northeast Asia basis. Recovery of Saudi Aramco's oil facilities after a drone attack was seen earlier than expectations, but tightness of supply and demand increased more. An Asian market player reckoned that the present FOB Middle East prices soared to a premium in the mid-\$20's/mt to Middle East quotations, judging from the netback from CFR Japan prices and deal levels for Indian loading cargoes.

In the Northeast Asia spot market, Formosa Petrochemical Co (FPCC) in Taiwan purchased 100,000mt 77% paraffinic naphtha for first-half November delivery at a premium of \$12/mt to Japan quotations.

In India, Bharat Petroleum Corporation Limited (BPCL) sold 30,000mt and 35,000mt naphtha loading on Oct 3-5 and Oct 16-17 at a premium of \$21/mt and \$27/mt to Idemitsu and BP, respectively.

In Brent crude oil futures trades on the Intercontinental Exchange (ICE) early in the evening in Asia, the Nov contract rose by 19cts/bbl to \$62.42/bbl. Open-spec naphtha prices for H1 Nov arrival were at \$523.75-524.25/mt, H2 Nov arrival at \$516.75-517.25/mt, and H1 Dec arrival at \$509.75-510.25/mt.

On a timing spread, a H1 Nov/H1 Dec spread was in backwardation of \$14.00/mt, widening by 50cts/mt from a day earlier. A Nov Brent/H1 Nov naphtha spread was at \$56/mt in favor of naphtha, spreading by \$9/mt from a day earlier.

Early in the evening in Asia, Oct NWE naphtha prices were \$485.25-487.25/mt, up \$8.25/mt from a day

earlier. Prices for Nov and Dec were at \$475.00-477.00/mt and \$465.50-467.50/mt. A H1 Nov

Asia/Oct NWE spread was at \$38/mt in favor of Asia, opening by \$2/mt from a day earlier.

OJet/Kerosene

The differential for MR-size cargoes of jet fuel on an FOB Japan basis was at a discount in the range of 20-30cts/bbl to Singapore quotations, down 15cts/bbl from a day before, while the differential for MR-size cargoes of jet fuel on an FOB South Korea basis was at a discount in the range of 15-25cts/bbl to the same quotations, also down 15cts/bbl from the previous day on sluggish demand. In addition to weak demand in the region, the arbitrage window for cargoes to flow into Europe from Asia was closed. Some added that export margins from Asia to the US West Coast seemed to be only marginal. In the meantime, there were no

movements to reduce production of middle distillates in Asia due to healthy refining margins. In South Korea, GS Caltex sold an MR-size cargo of jet fuel loading in the second half of October at a discount of 20cts/bbl to Singapore quotations on an FOB basis.

FOB Singapore prices for jet fuel oil went up 25cts/bbl to \$78.20-78.30/bbl. The Oct swaps contract went up to \$78.45/bbl. Buying and selling ideas were indicated at a discount in the range of 15-25cts/bbl to Singapore quotations, unchanged from a day before.

OGasoil

The differential for MR-size cargoes of 0.05% sulfur gasoil on an FOB South Korea basis was at a discount in the range of \$1.05-1.15/bbl to Singapore quotations (0.001%S), up 15cts/bbl from a day before, while the differential for MR-size cargoes of 0.05% sulfur gasoil on an FOB Taiwan basis was at a discount in the range of 85-95cts/bbl to the same quotations, also up 15cts/bbl from the previous day on tight supply/demand fundamentals. As reported, a sense of tight supply was emerging in Asia in part due to regular maintenance on refineries. A market source said that GS Caltex in South Korea sold an MR-size cargo of 0.05% sulfur gasoil loading in the second half of October at a discount of \$1.10/bbl to Singapore quotations on an FOB basis. On the demand side, inquiries were still heard for cargoes to be brought into Vietnam and for vessels off the coast of Taiwan.

CFR North China MR-size cargoes of 0.001% gasoil were at a premium in the range 65-75cts/bbl to

Singapore quotations (0.001%S), unchanged from a day before. In North China, domestic prices for 0.001% gasoil on an ex-primary storage basis were in the range of Yuan 6,630-6,680/mt, down Yuan 100/mt from the previous day. The price was above the import cost by Yuan 222/mt or \$4.19/mt.

FOB Singapore prices for 0.01% sulfur gasoil climbed by 20cts/bbl to \$79.10-79.20/bbl on Friday along with higher paper swap values despite weak differentials. The Oct swaps contract was valued at \$78.90/bbl, up 35cts/bbl from a day earlier. Buying and selling ideas were indicated at a premium of 20-30cts/bbl to Singapore quotations, down 15cts/bbl from a day earlier as active selling by a part of traders pushed down prices. Hin Leong sold two 150,000bbl cargoes of 0.001% sulfur gasoil loading in October at a premium in the range of 20-30cts/bbl to Singapore quotations to BP and Vitol.

OFuel Oil

【Northeast LSFO Cargoes】

The differential for MR-size cargoes of 0.5% sulfur fuel oil on an FOB South Korea basis was at a premium in the range of \$110.00-120.00/mt to Singapore

quotations (180cst), holding steady from a day before. As reported, S-Oil sold two RDSBTM cargoes and one slurry oil cargo for totally two times sales. The prices were not revealed, but it was informed that the

benchmark was Singapore 0.001%S gasoil quotations.

【Northeast HSFO Cargoes】

The differential for MR-size cargoes of 3.5% sulfur fuel oil on an FOB South Korea basis was at flat to a premium of \$1.00/mt to Singapore quotations (380cst), up \$8.00/mt from a day before along with recent spikes in Singapore premiums in the fuel oil market and bunker prices in South Korea. By responding to jumping bunker prices in short of cargoes in South Korea, a South Korean oil company said that FOB Korea prices for 3.5% sulfur fuel oil cargoes were soaring up to flat to premium levels to Singapore quotations (380cst). Meanwhile, it was informed that Hyundai Oilbank suffered from a trouble at its Daesan refinery (650,000bpd). The details were not clear. Some said that the impact on supply for high sulfur fuel oil

was concerned.

【Indonesia LSWR Cargoes】

The differential for MR-size cargoes of LSWR on an FOB Indonesia basis was at a premium in the range of \$53.00-55.00/mt to Singapore quotations (180cst), unchanged from a day before.

【Singapore Cargoes】

FOB Singapore prices for 380cst fuel oil dropped by \$14.50/mt from a day earlier to \$403.50-404.50/mt on Friday. The Oct swaps contract was valued at \$349.00/mt, down \$14.50/mt from a day earlier. Buying and selling ideas were indicated at a premium of \$54.50-55.50/mt to Singapore quotations, staying at the same value from a day earlier.

◎ASIA BUNKER MARKET COMMENTARY

○Japan

The price for 380cst in Tokyo Bay, Japan was in the range of \$465.00-468.00/mt, sharply down \$15.00/mt from a day before with a fall in the fuel oil paper swaps value in Singapore. Offers were heard in the range of \$465.00-500.00/mt. Inquiries were intensive in the first week of October as some buyers did not procure volumes within September. Therefore, the earliest delivery was on Oct 5 onwards due to congestions in the shipment sites and barge schedules. A market source speculated that supply/demand fundamentals in October would be in chaos because of several factors in the market. Many players showed their offers with ample premiums over the monthly average price amid the unclear market outlook. In the meantime, some players lowered the premium to promote sale as they were concerned that volumes would be running out early in the month. The price for VLSFO with a sulfur

content of 0.5% or less was in the range of \$578.00-581.00/mt, up \$2.00/mt from a day before with a rise in the gasoil paper swaps value in Singapore. Selling ideas were heard at \$581.00-584.00/mt. As reported, full-fledged talks would start earlier than it had been expected. Meanwhile, some market sources perceived that demand would increase from November onwards as the current demand was only a makeshift that fill the vacant tanks with VLSFO one by one. The price for LSMDO with a sulfur content of less than 0.5% was in the range of \$660.00-670.00/mt, down \$5.00/mt from a day before on strong selling pressure. Selling ideas for LSMDO were heard in the range of \$670.00-680.00/mt. The September average price for 380cst in Tokyo Bay was estimated at \$470.64/mt, up \$62.87/mt from a month earlier.

○South Korea

The price for 380cst in South Korea was in the range of \$430.00-433.00/mt, down \$15.00/mt from a day before with a fall in the fuel oil paper swaps value in Singapore. Offers were heard in the range of \$430.00-510.00/mt. All inquiries shifted to

delivery in October. A petroleum processing company put a premium over the gasoil paper swaps value in Singapore at \$80.00/mt, while a former zaibatsu company at \$80.00-90.00/mt and a joint enterprise at \$140.00/mt as the company

was focusing on supply to term lifters. A conglomerate company offered with an even higher premium at \$160.00/mt. The price for VLSFO with a sulfur content of less than 0.5% was in the range of \$573.00-576.00/mt, up \$2.00/mt from a day before with a rise in the gasoil paper swaps value in Singapore. Selling ideas were posted in the range of \$576.00-579.00/mt. For

MGO, offers were posted in the range of \$630.00-640.00/mt. The price for LSMGO was in the range of \$612.00-622.00/mt, down \$8.00/mt from a day before on strong selling pressure. Offers were heard in the range of \$622.00-640.00/mt. The conglomerate company raised its offer due to the higher gasoil paper value in Singapore and low inventories.

OF.E.Russia

The price for 380cst in Far East Russia was in the range of \$390.00-393.00/mt, showing no change from a day earlier. Offers were heard in the range of \$390.00-400.00/mt. No major inquiries left the market subdued on Friday. Prices were discussed at similar levels quoted on the previous day. As previously reported, prices in South Korea and China remained high due to low stocks. Meanwhile, few inquiries were observed in Far East Russia even though local stocks were ample and prices remained under \$400/mt. Such situation came with a significant reduction in touch bunker demand or a stop just for the receipt of fuel oil,

which largely occupies vessels with loading and discharge works. Such vessels are unable to determine whether to stop by the port or not just to benefit a price merit. The price for VLSFO with a sulfur content of less than 0.5% was in the range of \$563.00-566.00/mt, up \$2.00/mt from a day earlier with a rise in the gasoil cargo price in Singapore. Selling ideas were shown in the range of \$566.00-569.00/mt. The price for MGO was in the range of \$660.00-670.00/mt, showing no change from a day earlier. Offers were posted in the range of \$660.00-690.00/mt.

OHong Kong

The price for 380cst in Hong Kong was in the range of \$485.00-488.00/mt, down \$5.00/mt from Thursday reflecting weak Singapore fuel oil paper swap values. Offers were cast at \$485.00-535.00/mt. The price for VLSFO with a sulfur content of 0.5% or less was in the range of \$553.00-556.00/mt, up \$2.00/mt from

Thursday following strong Singapore gasoil paper swap values. Selling ideas were heard at \$556.00-559.00/mt. The price for LSMGO was in the range of \$590.00-600.00/mt, rising by \$10.00/mt from Thursday following firm Singapore gasoil paper swap values. Offers were posted at \$590.00-614.00/mt.

OSingapore

The price for 380cst in Singapore was in the range of \$440.00-443.00/mt, dropping by \$25.00/mt from Thursday following weak Singapore fuel oil paper swap values. Offers were heard at \$440.00-455.00/mt. The price for VLSFO with a sulfur content of 0.5% or less was in the range of \$543.00-546.00/mt, up \$2.00/mt from Thursday tracking strong Singapore gasoil paper swap values. Selling ideas were heard at \$546.00-549.00/mt. For MGO, offers were heard in the range of \$600.00-610.00/mt. In addition, the price for LSMGO was in the range of \$595.00-605.00/mt, falling by \$5.00/mt from Thursday due to grown selling pressure. Offers

were heard at \$605.00-606.00/mt.

The talk has already shifted to October delivery and the demand for high sulfur fuel oil (HSFO) seemed to have declined gradually. Most shipping companies tried to procure VLSFO parcels which caused congestion of HSFO delivery. There were about 6 companies including oil refining companies and independent bunker supplying companies selling VLSFO in Singapore. The vast majority of VLSFO sold in Singapore were VLSFO RM whose base material was residual oil. It was said that some refining companies were selling VLSFO DM whose base material was gasoil,

however, demand for VLSFO RM was expected to be firmer than VLSFO DM in the port. As already reported, 40% of existing storages of HSFO were being shifted to that of VLSFO until the end of November. Furthermore, a phenomenon would occur until December which three types of barges

such as HSFO/VLSFO/LSMGO were mixed. At the result, a congestion could not be avoided in Singapore as supply volume of HSFO and VLSFO and the number of barges that could be operated became tight.

©PRODUCTS TRANSACTIONS

--GASOLINE

09/27 92RON MR CHN REFINER⇒TRADER SPR+55cts FOB SOUTH CHINA 10/28-29

--NAPHTHA

09/27 TRADER⇒FPCC JPN+12.00 CFR TAIWAN H1 NOVEMBER
09/27 BPCL⇒IDEMITSU ME+21.00 FOB INDIA 10/3-5
09/27 BPCL⇒BP ME+27.00 FOB INDIA 10/16-17

--JET

09/27 JET MR GSCALTEX⇒TRADER SPR-20cts FOB KOREA H2 OCTOBER

--GASOIL

09/27 0.05%S MR GSCALTEX⇒TRADER SPR-1.10 FON KOREA H2 OCTOBER

©MARKET NEWS

○Singapore crude throughput at 1.29 mil b/d, unchanged on week

Combined crude oil throughput for refiners in Singapore was at 1.29 mil barrels per day (b/d) as of Sep 27, unchanged on week, according to a Rim survey of operating rates. The current figure equates to a utilization rate of 92.5% of the nation's total refining capacity of 1.39 mil b/d.

Singapore crude run rates

Capacity	Shell		ExxonMobil		SRC		Total	
	500,000	b/d	605,000	b/d	290,000	b/d	1,395,000	b/d
Sep 27, 2019	90.0	%	94.2	%	93.1	%	92.5	%
	450,000	b/d	570,000	b/d	270,000	b/d	1,290,000	b/d
Sep 20, 2019	90.0	%	94.2	%	93.1	%	92.5	%
	450,000	b/d	570,000	b/d	270,000	b/d	1,290,000	b/d
Sep 13, 2019	90.0	%	94.2	%	93.1	%	92.5	%
	450,000	b/d	570,000	b/d	270,000	b/d	1,290,000	b/d
Sep 06, 2019	90.0	%	94.2	%	93.1	%	92.5	%
	450,000	b/d	570,000	b/d	270,000	b/d	1,290,000	b/d

©STATISTICS

OMOF TRADE: Aug,19 Petroleum exports from Japan

Oil type	19/8-Provisional Data-			19 Jul-Revised Data-	
	Volume (KL)	Yen/KL	Dlrs/bbl	Volume (KL)	Yen/KL
Petroleum spirits--mogas	127,535	48,498	71.98	155,518	47,526
others	23,114	56,160	83.35	8,288	81,683
Kerosene	487,682	59,382	88.13	504,982	1,629
Gasoil	770,481	51,585	76.56	853,288	50,785
Heavy Fuels	436,610	46,457	68.95	309,424	48,260
-Exchange rate (Yen/\$) (19 Aug)		107.12			

OMOF TRADE: Aug,19 Petroleum imports into Japan

Oil type	19/Aug-Provisional Data-			19/Jul-Revised Data-	
	Volume (KL)	Yen/KL	Dlrs/bbl	Volume (KL)	Yen/KL
Crude Oil	14,821,946	45,420	67.39	15,025,529	45,731
Reformate	-	-	-	-	-
Gasoline	269,224	48,101	71.37	275,584	49,529
Naphtha--Petchem use	2,100,739	38,265	56.77	2,052,848	39,214
Kerosene--Jet Fuel	51,109	57,291	85.00	6,332	75,522
--Petchem use	-	-	-	-	-
--Others	7,038	65,458	97.12	8,206	71,507
Gasoil--Petchem use	-	-	-	-	-
--Others	47,390	54,914	81.47	19,289	56,922
AF0--(1)	5,993	51,360	76.20	11,150	54,302
--0.3%S or less	10,397	47,947	71.14	6,266	53,526
--more than 0.3%S	-	-	-	-	-
CF0--for Refining	-	-	-	8,981	50,573
--0.3%S or less	-	-	-	-	-
--more than 0.3%S	7,269	41,883	62.14	69,117	48,056
Exchange rate (Yen/\$)	19/Aug	107.17			
*Reformate:Unit-MT, \$/MT					
*A fuel oil (1) is for use in the Agriculture, Fishery and Forestry only.					


Editorial and Subscription Inquiry:

[Tokyo office] Tel:(81) 3-3552-2411, Fax:(81)3-3552-2415,

e-mail:info@rim-intelligence.co.jp

[Singapore office] Tel:(65)-6345-9894, Fax (65)-6345-9894,

e-mail:hagimoto@rim-intelligence.co.jp

[Beijing office] Tel:(86)10-6498-0455, Fax:(86)10-6428-1725,

e-mail: guanhong@rimbj.com

[Indian office] Tel:(91)-98795-50717,

e-mail:kamlesh@rim-intelligence.co.jp

[Shanghai office] Tel:(86)-21-5111-3575,

e-mail:rim_sh@rim-intelligence.co.jp

Rim reports are available via internet e-mail:

Rim reports are copyrighted publications. No portion of the reports may be photocopied, reproduced, retransmitted, put into a computer system or otherwise redistributed not only to parties outside the



organization of the subscriber but also to other departments or branch offices within the same organization as the subscriber. If a breach of copyright is found, penalty may be imposed. While information in the reports is expected to be accurate, RIM bears no responsibility for any consequences arising from the subscriber's use of such information. Further, if events beyond our control such as natural disasters or unforeseen circumstances are to occur or likely to occur, giving rise to operational problems, publications may be halted temporarily.

(C) 2019 RIM INTELLIGENCE CO.