

**RIM INTELLIGENCE****CRUDE**

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**RIM CRUDE INTELLIGENCE DAILY**

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--Tokyo, 16:00 May 06 2011

**Notice****--Added and dropped items in the RIM crude assessments**

RIM Intelligence will launch assessments for Qua Iboe, Agbami, Dalia and Zafiro as Physical Crude (Africa), effective from May 23.

**--Changes in RIM Crude assessments**

RIM Intelligence will change the benchmark for the following crude grades in Physical Crude (ASIA) to Dated Brent, instead of APPI Tapis, effective from May 16. These grades are Tapis, Labuan, Gippsland, Thevenard, Mutineer Exeter, Varanus, Le Gendre, Nanhai Light. If you have any inquiries, please contact RIM's crude oil team. (Tel: 03-3552-2411, E-Mail, [info@rim-intelligence.co.jp](mailto:info@rim-intelligence.co.jp)). For details, please refer to RIM Website's assessment methodology. (<http://www.asia-energylinks.com/method/method.html>).

**TOKYO SPOT CRUDE ASSESSMENTS (06May11)****--Cash Crude**

	May	Jun	Jul	Aug	Sep
WTI	-	100.33-100.38	100.87-100.92	101.17-101.22	101.37-101.42
BFO	111.97-112.02	111.86-111.91	111.66-111.71	111.42-111.47	111.08-111.13
Dubai	-	-	105.97-106.02	105.61-105.66	105.32-105.37

**Spreads**

	May	Jun	Jul	Aug	Sep
WTI/BFO	/	-11.56/-11.51	-10.82/-10.77	-10.28/-10.23	-9.74/ -9.69
BFO/Dubai	/	/	5.66/ 5.71	5.78/ 5.83	5.73/ 5.78
Oman/Dubai	/	/	0.74/ 0.79	0.44/ 0.49	0.39/ 0.44

**Intermonth Spreads**

	May/Jun		Jun/Jul		Jul/Aug		Aug/Sep		Sep/Oct	
BFO	0.08/	0.13	0.17/	0.22	0.21/	0.26	0.31/	0.36	0.43/	0.48
Dubai	/	/	/	/	0.33/	0.38	0.26/	0.31	0.24/	0.29
Oman*	/	/	/	/	-0.02/	0.02	-0.02/	0.02	-0.02/	0.02

\*Intermonth spreads of Oman is Premium/discounts to OSP(MOG)

**--Paper Crude**

	May	Jun	Jul	Aug	Sep
Dubai	105.97-106.01	105.61-105.65	105.32-105.36	105.05-105.09	104.81-104.85
DME/Dubai	0.73/ 0.81	0.43/ 0.51	0.38/ 0.46	0.38/ 0.46	0.38/ 0.46
Murban swp	4.70/ 4.90	4.75/ 4.95	4.80/ 5.00	/	/
DTD/Dubai	6.02/ 6.06	5.91/ 5.95	5.96/ 6.00	5.83/ 5.87	5.68/ 5.72

\*DME/Dubai is the spread between DME Oman swap and Dubai swap.

**--Physical Crude (AG)**

	Outright value		Premium	
--July--				
Dubai	-	105.97-106.02 -	-	0.63/ 0.68 -
Oman	-	106.74-106.79 -	-	0.05/ 0.10
Oman*	-	106.74-106.79 -	+	1.40/ 1.45 +
Murban	-	110.36-110.41 -		0.12/ 0.17

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Lower Zakum	- 110.36-110.41 -	0.12/ 0.17
Umm Shaif	- 109.85-109.90 -	0.09/ 0.14
Upper Zakum	- 106.69-106.74 -	0.10/ 0.15
Qatar Land	- 109.45-109.50 -	0.05/ 0.10
Qatar Marine	- 106.15-106.20 -	- 0.08/ 0.13 -
Al Shaheen*	- 106.84-106.89 -	+ 1.50/ 1.55 +
Arab Medium**	- 105.35-105.40 -	- 0.05/ 0.10 -
Basrah Light	- 105.99-106.04 -	- -0.06/-0.01 -
D.F.Condensate*	- 107.84-107.89 -	2.50/ 2.55
L.S.Condensate	- 106.74-106.79 -	1.40/ 1.45
Masila***	- 108.85-108.90 -	+ -2.45/-2.35 +
Marib Light***	- 110.50-110.55 -	+ -0.80/-0.70 +
Iran Light	- 108.46-108.51 -	
Iran Heavy	- 105.30-105.35 -	

--August--	Outright value	Premium
Dubai	- 105.61-105.66 -	- 0.54/ 0.59 -
Oman	- 106.08-106.13 -	0.05/ 0.10
Oman*	- 106.08-106.13 -	+ 1.01/ 1.06 +

\*Premium for Dubai, Oman, Al Shaheen and D.F.Condensate, L.S.Condensate are over Dubai quote

\*\*Premium for Arab Medium is over Aramco formula for Arab medium

\*\*\*Premium for Masila and Marib Light are over Dated Brent

-Premium for all other grades are over each OSP

-D.F.Condensate is Deodrised Field condensate

**--Physical Crude (Africa)**

--June--	Outright value	Premium
Bonny light*	- 115.09-115.19 -	3.55/ 3.65
Brass River*	- 115.24-115.34 -	3.70/ 3.80
Cabinda*	- 110.64-110.74 -	+ -0.90/-0.80 +
Djeno*	- 106.44-106.54 -	+ -5.10/-5.00 +
Girassol*	- 112.74-112.84 -	- 1.20/ 1.30 -
Hungo*	- 109.49-109.59 -	- -2.05/-1.95 -
Nemba*	- 111.84-111.94 -	- 0.30/ 0.40 -
Nile Blend**	- 110.45-110.55 -	-0.90/-0.80
Dar Blend*	- 91.54- 91.64 -	+ -20.00/-19.90 +

\* All premium are over Dated Brent

\*\* Premium is over Minas ICP on FOB basis.

**--Physical Crude (Other)**

--July--	Outright value	Premium
Sokol*	- 115.37-115.47 -	+ 10.05/10.15 +
Vityaz*	- 112.12-112.22 -	6.80/ 6.90
ESPO**	- 111.02-111.12 -	5.70/ 5.80
Azeri***	- 118.30-118.40 -	7.00/ 7.10
Urals****	- 111.60-111.70 -	- 0.30/ 0.40 -

\*Premium for Sokol and Vityaz is over Dubai quote on CFR Yosu.

\*\*Premium for ESPO is over Dubai quote on FOB Kozmino.

\*\*\*Premium for Azeri is over DTD Brent on CFR South East Asia.



\*\*\*\*Premium for Urals is over DTD Brent on CFR North East Asia.

### --Physical Crude (Asia)

--June--	Outright value	Premium
Minas	- 114.45-114.55 -	- 3.10/ 3.20 -
Cinta	- 110.70-110.80 -	3.65/ 3.75
Widuri	- 110.75-110.85 -	3.65/ 3.75
Duri	- 107.80-107.90 -	- 4.90/ 5.00 -
Lalang	- 114.20-114.30 -	- 2.80/ 2.90 -
Handil Mix	- 114.15-114.25 -	- 3.20/ 3.30 -
Attaka	- 115.00-115.10 -	- 3.70/ 3.80 -
Belida	- 115.40-115.50 -	- 3.90/ 4.00 -
Ardjuna	- 113.75-113.85 -	2.95/ 3.05
Arun Con	- 111.85-111.95 -	2.70/ 2.80
Walio	- 110.75-110.85 -	2.00/ 2.10
Senipah Con	- 111.85-111.95 -	2.70/ 2.80

\*All premium are over the Indonesian Crude Price (ICP)

### --Indonesian Crude Basket Prices--

Indonesian Light Crude Basket Price	- 114.85-114.95 -
Indonesian Medium Crude Basket Price	- 111.97-112.07 -
Indonesian Medium-Heavy Crude Basket Price	- 110.93-111.03 -

--June--	Outright value	Premium
Tapis	- 118.95-119.05 -	- 4.75/ 4.85 -
Labuan	- 119.15-119.25 -	- 4.95/ 5.05 -
Gippsland	- 115.50-115.60 -	- 1.30/ 1.40 -
Thevenard	- 119.20-119.30 -	- 5.00/ 5.10 -
Mutineer Exeter	- 119.40-119.50 -	- 5.20/ 5.30 -
Cossack*****	- 114.79-114.89 -	- 3.25/ 3.35 -
NWS Con*****	- 109.29-109.39 -	- -2.25/-2.15 -
Laminaria*****	- 109.19-109.29 -	- -2.35/-2.25 -
Varanus	- 118.70-118.80 -	- 4.50/ 4.60 -
Le Gendre	- 118.65-118.75 -	4.45/ 4.55
Kutubu*****	- 116.64-116.74 -	- 5.10/ 5.20 -
Daqing***	- 113.05-113.15 -	- 3.35/ 3.45 -
Xi Jiang****	- 114.35-114.45 -	- 3.00/ 3.10 -
Panyu****	- 114.25-114.35 -	- 2.90/ 3.00 -
Nanhai Light	- 114.75-114.85 -	0.55/ 0.65
Enfield*****	- 118.74-118.84 -	- 7.20/ 7.30 -
Sty Barrow*****	- 117.79-117.89 -	- 6.25/ 6.35 -
Vincent*****	- 113.59-113.69 -	- 2.05/ 2.15 -
Pyrenees*****	- 113.54-113.64 -	- 2.00/ 2.10 -
Van Gogh*****	- 112.24-112.34 -	- 0.70/ 0.80 -
Bach Ho***	- 120.90-121.00 -	+ 5.60/ 5.70 +
Rang Dong***	- 118.00-118.10 -	2.75/ 2.85
Su Tu Den*****	- 116.95-117.05 -	5.60/ 5.70
Seria Light	- 119.00-119.10 -	

\*\*\*Premium for Daqing, Bach Ho and Rang Dong are over OSP.

\*\*\*\*Premium for Xi Jiang and Panyu are over Minas ICP.

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\*\*\*\*\*Premium for Su Tu Den is over Minas quotation.

\*\*\*\*\*Premium for Enfield, Sty Barrow, Vincent, NWS Con, Laminaria, Cossack, Kutubu, Pyrenees and Van Gogh are over Dated Brent.

-Premium for all other grades are over APPI Tapis.

**NYMEX FUTURES (05May11)****-WTI Crude**

	Jun	Jul	Aug	Sep
Settle	99.80	100.34	100.64	100.85
Change	-9.44	-9.39	-9.36	-9.32
Open	108.78	109.32	109.41	109.71
High	109.38	109.85	110.10	110.27
Low	98.25	98.77	99.10	99.35
Estimated Volume:	1,670,508		Open Interest(May 04) : 1,630,319	

**ICE BRENT CRUDE FUTURES (05May11)**

	Jun	Jul	Aug	Sep
Settle	110.80	110.57	110.32	109.97
Change	-10.39	-10.39	-10.37	-10.35
Open	120.59	120.40	120.26	120.47
High	121.96	121.66	121.31	120.80
Low	109.02	108.80	108.57	108.34
Waited avg	116.00	115.65	115.72	114.90
Estimated Volume:	832,412		Open Interest(May 04) : 860,377	

**TOCOM MIDEAST CRUDE FUTURES (06May11)(Yen/kl)**

	May	Jun	Jul	Aug	Sep	Oct
Change	-6,530	-7,400	-7,250	-7,330	-7,310	-7,180
Volume	350	342	647	1,037	4,007	4,371
Open	54,000	53,770	53,430	52,970	52,700	52,540
High	55,230	54,230	54,090	53,820	53,690	53,570
Low	53,940	53,360	53,180	52,700	52,550	52,430
Settle	54,410	53,370	53,180	52,910	52,770	52,680

Open Interest(May 02):20,728 1lot = 50kl

Exchange rate : 80.42

**TRANSACTIONS REPORTED ON THE DAY****21-Day BFO transactions (May 5)**

No deals were reported.

BFO spread

No deals were reported.

**DTD Brent/Forties/Oseberg deals done (May 5)**

No deals were reported.

**North Sea/Africa/America/Russia crude (May 5)**

June Cabinda: UNIPEC to Taiwan CPC at around -80cts/bbl (950kb)

June Djeno: UNIPEC to Taiwan CPC at around DTD -\$5.00/-5.20/bbl (950kb)

June Kuito: the producer in Angola to Reliance close to DTD -\$9.00/bbl (10-11 loading, 950kb), Chevron to UNIPEC at DTD -\$8.70/-8.90/bbl (14-15 loading, 950kb)

June Girassol: the producer in Angola to Petrobras at around DTD +\$1.20/bbl, (950kb),



the producer in Angola to Sun at an undisclosed price (21-22 loading, 950kb) (term)  
June Nemba: Total to Chinese oil firm at DTD +30/+40cts/bbl (950kb)  
June arrival Dar Blend: a European trader to a Japanese refiner at DTD link  
(100-200kb) (For the details, please see the following commentary)  
July Sokol: ONGC to Shell at Oman/Dubai +\$10.20/10.30/bbl (23-27 loading, 700kb)

**Arabian Gulf crude (May 5)**

No deals were reported.

**Asia-Pacific crude (May 5)**

June Labuan : Shell to Exxonmobil at above DTD+\$7.00/bbl (300-600kb)  
June Kidurong : Murphy to a major at above DTD+\$7.00/bbl (300kb)  
June Bunga Kekwa : PV oil to Glencore at DTD+\$1.80/+\$2.00/bbl (300kb)  
June Bunga Ohkid : PV oil to Glencore at DTD+\$1.80/+\$2.00/bbl (300kb)

**MARKET COMMENTARY****--TOKYO MARKET ROUNDUP, May 6 2011**

North Sea Brent for June delivery extended its sharp loss to trade at \$108.30/bbl in Tokyo at 4:30 p.m. Friday, down \$2.50/bbl from the previous trading day. June WTI was down \$2.85 at \$96.96/bbl. Selling gathered momentum shortly past 3 p.m. Earlier in the day, short-covering led selling as oil investors expected a self-sustaining bounce in crude prices after plunges over the last few days. The June contract has lost \$15.09/bbl or 12.0% over the last four trading days. "With European players rejoining the market after a public holiday, sacrifice selling for risk aversion seemed to have been reignited," said a Newedge Japan official. As of 5:10 p.m., Brent for June traded in a range of \$105.15-112.65/bbl, and June WTI \$94.80-100.95/bbl, both stretching their losses.

As of 2:30 p.m., June Brent had traded at \$111.88/bbl, up \$1.08/bbl from the previous day's close, and June WTI at \$100.35/bbl, up 55cts/bbl.

Oil product futures retreated. June RBOB was up 3.21cts at 312.75/gallon while June heating oil was up 3.09cts at 291.78/cts/gallon.

As for the outlook for North Sea Brent futures on Friday, "the market will be still under heavy selling pressure," said a broker, predicting the trading ranges between \$100.00/bbl and \$113.00/bbl. Long-liquidation in overall commodities would sustain, although April US jobs data will be released on Friday. If the data turns out to be favorable, market players would continue to avert risks. Concerns over the prospects of the US economy were intensifying after The ISM showed that April non-manufacturing index was lower than expected. The dollar was likely to advance with receding expectations of interest rate hikes by the European Central Bank (ECB).

**--PAPER MARKET**

September Dubai swaps hovered in the range of \$104.81-104.85/bbl as of 14:30 Tokyo time on Friday, down \$12.45-12.50/bbl from the same time the previous day.

In the trade of inter-month spreads, Sumitomo Corp bid for the May balance/June spread at 30cts/bbl. Shell bid for the June/July spread at 28cts/bbl, countered by an offer by Sumitomo Corp at 31cts/bbl.



In the trade of Brent/Dubai EFS, BP bid for the June contract at \$6.17/bbl, while Sumitomo Corp offered it at \$6.35/bbl.

**--AG CRUDE**

In the trade of July-lifting Middle Eastern crude grades, a wait and see attitude prevailed. New official selling prices (OSPs) for Abu Dhabi, Saudi Arabia and Qatar were released (for the details, please see Market News below), thus market players hoped to gauge the fair market values for each crude. International crude oil prices, led by WTI crude, tumbled by nearly \$10.00/bbl on Thursday, thus some end-users preferred to monitor the possible impacts from the sliding crude prices. A decline in crude prices could push up crack spreads for oil products that had been under pressure, particularly for spreads for fuel oil. Under the circumstances, the crude's fall could have had impacts on oil refiner's evaluations, especially for medium/heavy grades.

Abu Dhabi National Oil Co (ADNOC) this week set the April OSP for Murban at a premium of \$4.70/bbl to Dubai quotes, up 86cts/bbl from the previous month. Many market players believed that the pricing was attributable to the highest traded level for June Murban, so that not a few players reckoned that the OSP was higher than market forecasts and was felt as overvalued. However, the Brent/Dubai EFS for the prompt month kept high at the \$6.00/bbl level, and moreover, the crack spreads for middle distillates were still at the \$20.00/bbl level. "July Murban would have healthy demand so that initial deals could kick off at least double-digit premiums to OSP," said an oil refiner source in China. The OSP for a similar light crude Saudi Arabia's Arab Extra Light was raised by \$1.00/bbl from the previous month, thus some players said that even the hike of 86cts/bbl for the Murban OSP would not undermine the evaluation for Murban.

For other Abu Dhabi grades, the April OSP for Upper Zakum was jacked up by 31cts/bbl from the previous month to a premium of 50cts/bbl to Dubai quotes. Some market players earlier anticipated that the OSP for Upper Zakum may be reduced due to the deteriorating fuel oil crack spreads. However, the spot market for alternative Oman maintained strong at a premium of low \$1.00/bbl level to Dubai quotes. In addition, production problems that cropped up late last month could have led to the hike in the OSP.

July-loading Iraqi Basra Light was at a discount of 5-10cts/bbl to OSP, down 7cts/bbl from the previous day. Expectations of waning demand was seen as a bearish factor. Iraqi State Oil Marketing Organization (SOMO) would soon set the OSP formula for June Basra Light for Asia. The new OSP for Saudi Arabian Arab Medium (AM) was raised by 50cts/bbl from the previous month. The OSP for Basra was highly likely to be settled in line with AM, which could raise caution that the new OSP would be pricy. Furthermore, supplies for Basra were ample in the wake of increasing production. Buyers in Japan and South Korea refrained from buying over the past several months, and firm buying interest seen came from only Chinese buyers apart from Indian oil firms "July-lifting Basra Light would be inevitably at a discount market," said a Chinese oil firm that resells term avails every month on the spot market.

July-lifting Qatar Marine softened at a premium of 8-13cts/bbl to OSP, shrinking 4cts/bbl from the previous day. Qatar's state-owned Qatar Petroleum earlier settled the April OSP for Qatar Marine at a premium of 99cts/bbl to Dubai quotes, up 35cts/bbl from the previous day. Some players said that the size of the gain was largely within market expectations but on the other hand, some viewed that the OSP was slightly pricy,





considering the values of the Oman market. It was widely predicted that the July market could kick off at a premium to OSP. However, some players hold cautious views, saying that the premiums of Qatar Marine were unlikely to reach the 30cts/bbl level, like the previous month.

In the trade of Yemeni crude, the country's Crude Oil Marketing and Technical Committee (COMTC) issued a sell tender for July Masila. It offered Masila for 3.10 million barrels in the tender that will close on Friday. The awarded price in the tender will be automatically applied as the July OSP. COMTC earlier settled the June Masila OSP at a discount of \$2.26/bbl to Dated Brent.

Regarding the market for Middle Eastern condensate, the Qatar International Petroleum Marketing Co (TASWEEQ) issued tenders for July-lifting Deodrized Field Condensate (D.F.C) and Low Sulfur Condensate (L.S.C). Those tenders will close on May 16. In the previous June tender, six to seven cargoes for D.F.C. were awarded to players such as US Exxon Mobil at a premium of \$2.50-2.80/bbl to Dubai quotes. For June L.S.C., three to four cargoes were sold at premiums of mid-\$1.00/bbl to Dubai quotes.

In the trade of DME Oman at 16:30 Tokyo time on Friday, the July contract was bid at \$104.58/bbl, countered by an offer at \$104.74/bbl. The spread of the mean (\$104.66) against July Dubai swaps was 81cts/bbl in favor of Oman. The July contract on the DME trade in Asia closed at \$115.38/bbl on Thursday.

#### **--AFRICAN/EUROPEAN/RUSSIAN/AMERICANS CRUDE**

In the trade of Sudanese Dar Blend, a Japanese oil refiner with a refinery in Shikoku purchased the crude for refining purpose for the first time. The refiner purchased a small-lot of 100,000~200,000bbl for June arrival. A European trader purchased the cargo at a Dated Brent linked price. The price of the deal could have been at least at a discount of more than \$13.00/bbl to Dated Brent on CFR. The oil refiner so far repeatedly conducted the quality test for Dar Blend, and apparently opted to take the crude on a trial basis, judging that refining Dar Blend after blending it with other grades like condensate and lighter grades would have no problem. For Dar Blend sales to Japan, a major oil refiner in Japan last year purchased one cargo for refining. However, power utilities in Japan shunned purchases of Dar Blend on quality concerns such as its higher acid content, and some of them such as Kansai Electric Power were cautious of taking it on political aspects. A European trader with Dar Blend for 600,000bbl and a Chinese oil firm with 1.0 million barrels were both in talks to sell those cargoes to Japan, but at this stage those cargoes were unlikely to clinch deals.

In the trade of July-lifting Sakhalin Sokol, India's Oil and Natural Gas (ONGC) awarded its sell tender to Royal Dutch Shell. The major purchased one 700,000bbl cargo for July 23-27 loading at a premium of \$10.20-10.30/bbl to Oman/Dubai average. The price was about 10cts/bbl higher than the Sokol award by ONGC for June 28-30 loading to SK Energy.

For other July Sokol, Japan's Marubeni, Itochu and Japan Petroleum Exploration Corp (JAPEX) had one cargo each to sell on the spot market, as reported. Those players with stakes in Sakhalin Oil and Gas Development (SODECO) had no plan to supply their cargo to a term buyer in Japan for this month. Majors with refineries in South East Asia apparently had healthy buying interest for those Sokol avails, although appetite from Japan was sluggish. Those majors were believed to be seeking Sokol as an alternative



for persistently high regional sweet crude grades. Meanwhile, Russia's RosneftAstra issued a tender for Sokol for July-loading. It offered a 700,000bbl cargo for July 11-20 loading. The tender will close on Friday.

In the trade of East Siberian ESPO blend, TNK-BP issued an additional sell tender for June-loading. It offered a 740,000bbl cargo for June 16-19 loading. The tender closed on Thursday. Meanwhile, in the first tender by TNK-BP closed last week, Japan's JX Holdings was said to have taken one cargo, though this could not be confirmed. Initially, North European Statoil and Conoco were said to have purchased one cargo each at a premium of \$5.50-6.00/bbl to Dubai quotes.

Taiwan's CPC Corp purchased one VLCC of African grades in its June-loading sweet crude buy tender that closed April 27. The company purchased one 950,000bbl cargo each of Angolan Cabinda and Congo's Djeno. Both of these cargoes were purchased from China International United Petroleum & Chemical Co (UNIPEC). The purchasing volume by CPC was nearly half from normal tenders. The awarded prices were believed to be at a discount of around 80cts/bbl to Dated Brent for the Cabinda and at a discount of around \$5.00/bbl to the benchmark for the Djeno.

In the trade of June-lifting Angolan grades, heavier grades weakened, as depressed fuel oil crack spreads in Asia undermined sentiment. Two cargoes for Kuito changed hands. The producer in Angola sold one cargo for 10-11 loading to Indian Reliance and US Chevron placed the remaining cargo for 24-25 loading to Chinese Unipet, clearing all cargoes for Kuito for June. Prices for these cargoes were close to a discount of \$9.00/bbl to Dated Brent. As for Hungo, Chinese Unipet purchased one cargo for 18-19 loading from the producer in Angola at a discount of around \$2.00/bbl to Dated Brent, about 40cts/bbl lower than the previous month. Mondo was also said to be traded at a similar level as Hungo. However, a steep decline in flat crude oil prices raised a chance that the crack spread for fuel oil were set to rebound. Fuel crack margins had failed to catch up with a recent rally in crude oil prices but a downward correction of crude oil prices could prompt fuel cracks to recover, so that further falls in those heavier crude grades may be halted.

Meanwhile, price declines in relatively lighter grades among Angolan grades such as Girassol were limited. A few cargoes for Girassol were heard traded at a premium of around \$1.20/bbl to Dated Brent. Of these, one cargo was taken by Petrobras. Unipet also heard purchased one cargo for Nemba from Total at a premium of around 40cts/bbl to Dated Brent.

#### **--Asia Pacific Crude**

In the trade of Indonesian crude, Petraco in Singapore continued to bid for Minas for June-loading at fixed prices. It bid for a 100,000bbl cargo. As of Friday afternoon, the trader bid for it at \$3.00/bbl over June ICE Brent. Petraco at the same time bid for June Duri for 100,000bbl at \$4.00/bbl below the ICE Brent. Those bids were made on the RIM Trading Board.

June-lifting Minas showed signs of softening recently, albeit slightly. The market lacked upward momentum as power firms appeared to have secured a certain amount of crude cargoes for their thermal power plants like Tokyo Electric's Ohi thermal power plant. Petraco's continued bids at fixed prices also raised a sense that the market was overvalued, eroding demand for Minas. A Japanese trading house said that June-lifting





Minas was traded at a premium of slightly lower than \$3.00/bbl to ICP. The cargo was seen purchased by a oil refiner, instead of a power firm.

Meanwhile, the upside of the Duri market was capped by a lack of aggressive buyers, apart from a few power firms like Kansai Electric Power in western Japan. The crack spread for high sulfur fuel oil in Singapore was depressed, with the prompt contract hovering below minus \$10.00/bbl, while avails for similar heavier grades such as Sudanese Dar Blend were abundant, easing the demand/supply balance for Duri.

Vietnam's state-owned PV Oil has awarded its June-loading Bunga Kekwa and Bunga Orkid to European Glencore. The European trader purchased 300,000bbl each for those grades at a premium of \$1.80-2.00/bbl to Tapis quotes. The trader already has been marketing those grades, in an bid to resell to oil refiners in Japan and Thailand. For other Vietnamese related tenders, it turned out that Japan's Mitsui took Song Doc in the latest tender by PV Oil. The awarded price was at a premium of around \$10.00/bbl to Minas quotes.

Taiwan's CPC Corp opted not to take any condensate in its June arrival condensate tender that closed on April 26 and eventually cancelled the tender. CPC had shown buying interest with several players even after the validity, but Brent crude prices dived on Thursday. Therefore, CPC decided to postpone the purchases and preferred to gauge crude oil price trends. In the tender by CPC, NWSC, Bayu Undan, Malampaya and Bintuu condensate were offered among regional condensates.

Regarding the June market for light sweet grades, additional deals for Malaysian crude heard changed hands. However, the upside in each grade was seen capped by softening crack spreads for middle distillates in Singapore. Murphy sold a Kidurong for 300,000bbl. A major purchased the cargo at a premium of larger than \$7.00/bbl to Dated Brent. European Royal Dutch Shell sold one cargo for Labuan to US Exxon Mobil above a premium of \$7.00/bbl to Dated Brent. Elsewhere, regarding Papua New Guinea's Kutubu, Japan's Itochu Corp was still heard marketing one cargo. The trading house earlier secured the cargo from US Exxon Mobil at a premium of larger than \$5.00/bbl to Dated Brent.

#### **--NY Market Round UP, May 5**

NYMEX crude futures dived on Thursday as reignited concerns about the deteriorating US jobs market raised worries about the health of the US economy. The June WTI contract ended down \$9.44/bbl at \$99.80/bbl. The contract fell by 8.6% from the previous day's closing level, with the scale of the decline hitting the largest level in two years and one month, or since April 20, 2009.

The market lured a stampede of selling, due to the dollar's sharp gain against the euro and the worsening US jobs market. Data from the Department of Labor showed on Thursday that the number of people applied for new unemployment insurances rose 43,000 from the previous week to 474,000. The market had expected a decline in the US jobless claims, so that the report disappointed the market and prompted market players to liquidate longs in commodities and equities ahead of an announcement of April US jobs data. The report reinforced worries over the prospects of the US economy and spurred fears that consumption would fall reflecting the bleak US jobs market. In addition, the euro declined sharply against the dollar on receding expectations of a hike of interest rates by the European Central Bank (ECB). The dollar's advance made dollar-based crude futures less attractive. The ECB kept key interest rates unchanged at the ECB board meeting on Thursday. A press conference by the ECB president Jean-Claude Trichet dashed



expectations of an interest rate increase in Euro Zone, triggering active selling of the euro.

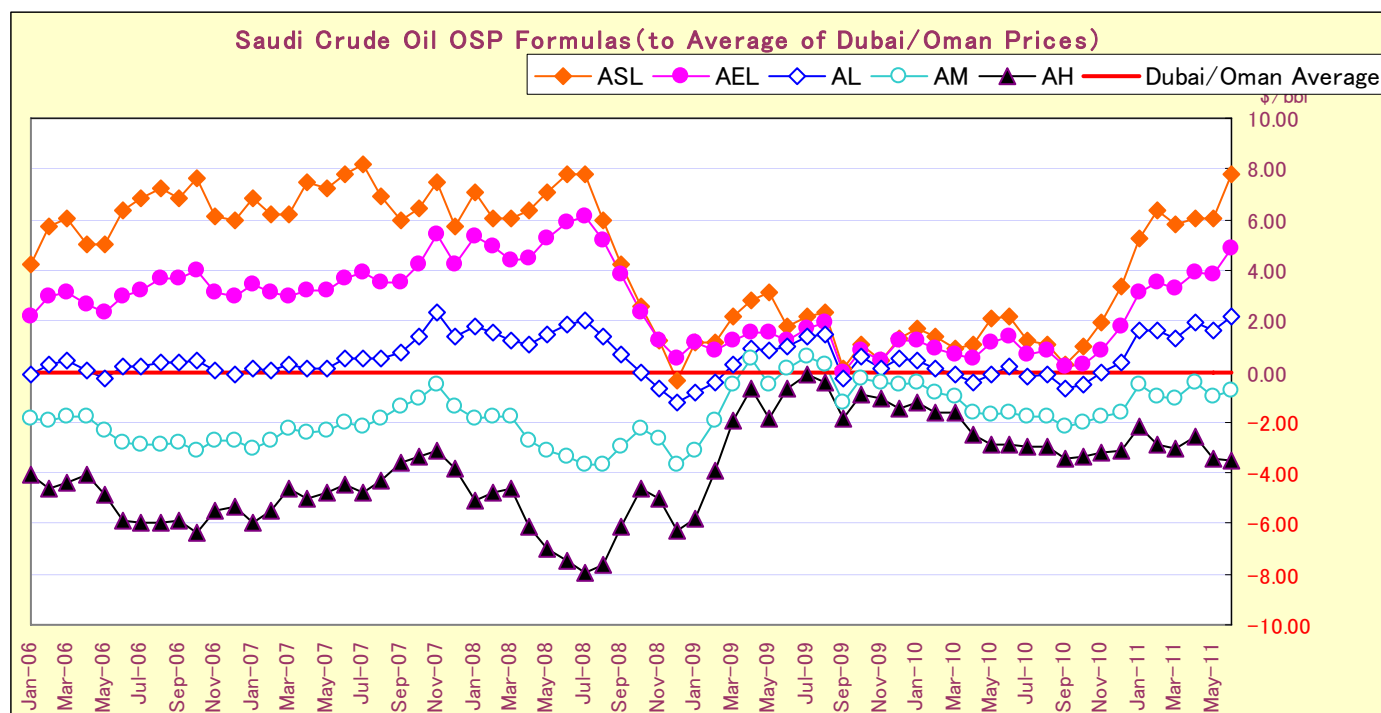
The June Brent contract on the ICE was down \$10.39/bbl at \$110.80/bbl. The June WTI's discount against Brent shrank 95cts/bbl, or 7.9% from the previous day to \$11.00/bbl. June RBOB was down 22.71cts/gallon at 309.54cts and the June heating oil was down 25.61cts at 288.69cts/bbl. The June WTI contract was traded at \$99.72/bbl as of 8:40 am Tokyo time on Friday, down 8cts/bbl from the previous day.

**Market News****--Saudi Aramco raises June Arab Light OSP by 50cts/bbl on month**

Saudi Arabia's state-run Saudi Aramco by Thursday has set the formula of its official selling price (OSP) for June-loading Arab Light (AL) crude to Asian buyers at a premium of \$2.15/bbl to the average of June-loading Dubai crude and Oman crude, up 50cts/bbl from the previous month. Backwardation in the Dubai paper swaps, which Saudi Aramco refers to set the OSP, widened from the previous month and this was seen a factor to raise the OSP.

Saudi Aramco also raised the OSPs for other grades except one grade. The OSP for super light grade Arab Super Light (ASL) was increased sharply by \$1.70/bbl from the previous month. A sharp rebound in naphtha crack spreads in Singapore led to the gain. The OSP for Arab Extra Light (AEL) was hiked by \$1.00/bbl from the previous month, reflecting firmer middle distillate cracks. On the other hand, the OSP for medium grade Arab Medium (AM) was raised slightly by 25cts/bbl while the OSP for Arab Heavy (AH) was reduced by 5cts/bbl due to a further decline in fuel oil crack spreads. The differentials between Arab Extra Light (AEL) and Arab Heavy (AH) stood at \$8.35/bbl in favor of AEL, widening \$1.05/bbl from the previous month.

	ASL	AEL	AL	AM	AH
2011/06	+7.75(+1.70)	+4.85(+1.00)	+2.15(+0.50)	-0.75(+0.25)	-3.50(-0.05)
2011/05	+6.05( --- )	+3.85(-0.10)	+1.65(-0.30)	-1.00(-0.55)	-3.45(-0.90)
2011/04	+6.05(+0.25)	+3.95(+0.65)	+1.95(+0.65)	-0.45(+0.65)	-2.55(+0.50)
2011/03	+5.80(-0.60)	+3.30(-0.20)	+1.30(-0.30)	-1.10(-0.15)	-3.05(-0.15)
2011/02	+6.40(+1.15)	+3.50(+0.40)	+1.60( --- )	-0.95(-0.40)	-2.90(-0.75)
2011/01	+5.25(+1.90)	+3.10(+1.30)	+1.60(+1.25)	-0.55(+1.05)	-2.15(+0.95)



#### --QP sets April Qatar Marine OSP at \$117.00/bbl, up \$7.65/bbl on month

Qatar Petroleum (QP) has set the official selling price (OSP) for Qatar Marine for April-loading at \$117.00/bbl, up \$7.65/bbl from a month earlier. The increase came after April Dubai prices advanced sharply by \$7.297/bbl from the previous month. QP at the same time set the OSP for Qatar Land for April at \$119.80/bbl, up \$8.05/bbl from the previous month. Meanwhile, the April Qatar Marine OSP was set at a premium of 99cts/bbl to Dubai crude prices, widening 35cts/bbl from the previous month. In the June spot market which QP refers to set the OSP, several deals fetched premiums of the 30cts/bbl level to OSP. Crack spreads for middle distillates maintained a high level, and a rally in rival Oman buoyed the market. QP was believed to have taken these factors into consideration to set the OSP.

	New OSPs	vs Dubai
Qatar Land	\$119.80 (+\$8.05)	+\$3.79(+ \$0.75)
Qatar Marine	\$117.00 (+\$7.65)	+\$0.99(+ \$0.35)

#### --Malaysia Petronas raises April Tapis crude OSP by \$8.12/bbl on month

Malaysia's state-owned Petronas has set the official selling price (OSP) for April-lifting Tapis crude at \$126.79/bbl, up \$8.12/bbl from the previous month. The increase was attributable to a gain in April Tapis crude prices in the benchmark Asia Petroleum Price Index (APPI). The spreads between Tapis crude and Bintulu/Dulang crude were unchanged from the pervious month at 30cts/bbl in favor of Tapis.

Tapis	\$126.79	(+\$8.12)
Labuan	\$126.79	(+\$8.12)
Miri	\$126.79	(+\$8.12)
Dulang	\$126.49	(+\$8.12)
Bintulu	\$126.49	(+\$8.12)

#### --ADNOC sets April Murban OSP at \$120.70/bbl, up \$8.15/bbl on month



Abu Dhabi National Oil Co, or ADNOC, has set the official selling price (OSP) for April-loading Murban at \$120.70/bbl, up \$8.15/bbl from the previous month. The increase came after April Dubai prices, to which Murban is based, advanced \$7.297/bbl on month. ADNOC also raised April-lifting OSPs for Lower Zakum, Umm Shaif and Upper Zakum from the previous month. Meanwhile, the spread between March Murban OSP and average April Dubai crude prices of \$116.005/bbl widened 86cts/bbl from the previous month to \$4.70/bbl in favor of Murban. In the June spot market, which ADNOC refers to set the OSP for April, several cargoes were traded at premiums of 60-70cts/bbl to OSP, with the last few cargoes even done at a premium of larger than 80cts/bbl to OSP. Crack spreads for middle distillates stayed at high levels while the Brent/Dubai EFS was still wide, boosting the Murban market. However, the scale of the rise was higher than expectations. "The size of the gain was surprising, as ADNOC apparently took the highest traded level into consideration," said an oil refiner in Japan.

	Murban	L.Zakum	U.Shaif	U.Zakum	Murban vs Dubai
11/Apr	120.70(+8.15)	120.70(+8.15)	120.20(+8.15)	116.50(+7.60)	+4.70
11/Mar	112.55(+8.95)	112.55(+8.95)	112.05(+8.90)	108.90(+8.40)	+3.84
11/Feb	103.60(+8.05)	103.60(+8.00)	103.15(+8.00)	100.50(+7.80)	+3.36
11/Jan	95.55(+3.70)	95.60(+3.70)	95.15(+3.65)	92.70(+3.40)	+3.03
10/Dec	91.85(+6.20)	91.90(+6.25)	91.50(+6.20)	89.30(+5.95)	+2.80
10/Nov	85.65(+4.15)	85.65(+4.30)	85.30(+4.15)	83.35(+4.00)	+2.00
10/Oct	81.50(+5.60)	81.35(+5.70)	81.15(+5.65)	79.35(+5.35)	+1.28
10/Sep	75.90(+1.30)	75.65(+1.30)	75.50(+1.35)	74.00(+1.20)	+0.78

**--India crude throughput in Mar up 8.5% on yr**

India's crude oil throughput in March increased 1.17 million mt or 8.5% from a year before to 15,001,000 mt equivalent to 3,578,900 barrels per day (b/d) for a fourth consecutive month of year-on-year gains, according to data recently released by the country's Ministry of Petroleum and Natural Gas. The year-on-year growth expanded sharply from that for February on a 0.4% gain in crude throughput at Reliance Industries Ltd.'s 660,000 b/d Jamnagar refinery, the first year-on-year rise in two months.

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