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RIM CRUDE INTELLIGENCE DAILY

NO.4164 Dec 02 2011

--Tokyo, 16:00 Dec 02 2011

TOKYO SPOT CRUDE ASSESSMENTS (02Dec11)

--Cash Crude

	Dec	Jan	Feb	Mar	Apr
WTI	-	100.15-100.20	100.29-100.34	100.44-100.49	100.45-100.50
BFO	109.40-109.45	109.37-109.42	109.05-109.10	108.71-108.76	108.54-108.59
DTD Brt	109.21-109.26	108.88-108.93	108.63-108.68	108.41-108.46	108.12-108.17
Dubai	-	-	108.04-108.09	106.52-106.57	105.97-106.02

Spreads

	Dec	Jan	Feb	Mar	Apr
WTI/BFO	/	-9.25/ -9.20	-8.79/ -8.74	-8.30/ -8.25	-8.12/ -8.07
BFO/Dubai	/	/	0.98/ 1.03	2.16/ 2.21	2.54/ 2.59
Oman/Dubai	/	/	1.40/ 1.45	1.26/ 1.31	1.15/ 1.20

Intermonth Spreads

	Dec/Jan	Jan/Feb	Feb/Mar	Mar/Apr	Apr/May
BFO	0.00/ 0.05	0.29/ 0.34	0.31/ 0.36	0.14/ 0.19	0.24/ 0.29
Dubai	/	/	1.49/ 1.54	0.52/ 0.57	0.29/ 0.34
Oman*	/	/	-0.03/ 0.01	-0.02/ 0.02	-0.02/ 0.02

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

--Paper Crude

	Dec	Jan	Feb	Mar	Apr
Dubai	108.04-108.08	106.52-106.56	105.97-106.01	105.65-105.69	105.35-105.39
DME/Dubai	1.39/ 1.47	1.25/ 1.33	1.14/ 1.22	0.88/ 0.96	0.81/ 0.89
Murban swp	5.25/ 5.45	5.30/ 5.50	5.35/ 5.55	/	/
DTD/Dubai	1.15/ 1.19	2.34/ 2.38	2.64/ 2.68	2.74/ 2.78	2.75/ 2.79

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

--Physical Crude (AG)

--February--	Outright value	Premium
Dubai*	- 108.04-108.09 -	+ 2.05/ 2.10 +
Oman	+ 109.47-109.52 +	0.07/ 0.12
Oman*	+ 109.47-109.52 +	+ 3.48/ 3.53 +
Murban	- 111.54-111.59 -	+ 0.10/ 0.15 +
Lower Zakum	- 111.09-111.14 -	+ -0.05/ 0.00 +
Umm Shaif	- 110.59-110.64 -	+ -0.10/-0.05 +
Upper Zakum	- 108.04-108.09 -	+ 0.25/ 0.30 +
Qatar Land	- 110.49-110.54 -	+ -0.03/ 0.02 +
Qatar Marine	- 107.76-107.81 -	+ 0.28/ 0.33 +
Al Shaheen*	+ 108.97-109.02 +	+ 2.98/ 3.03 +
Arab Medium**	- 109.09-109.14 -	+ 0.25/ 0.30 +
Basrah Light	- 109.53-109.58 -	+ -0.01/ 0.04 +
D.F.Condensate*	- 106.94-106.99 -	0.95/ 1.00
L.S.Condensate*	- 103.44-103.49 -	-2.55/-2.50
Masila***	- 111.20-111.25 -	2.55/ 2.65
Marib Light***	- 110.45-110.50 -	1.80/ 1.90

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Iran Light	- 110.46-110.51 -	
Iran Heavy	- 108.81-108.86 -	

--March--	Outright value	Premium
Dubai*	- 106.52-106.57 -	+ 0.85/ 0.90 +
Oman	- 107.81-107.86 -	0.08/ 0.13
Oman*	- 107.81-107.86 -	+ 2.14/ 2.19 +

*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)

--January--	Outright value	Premium
Bonny light*	- 111.22-111.32 -	2.30/ 2.40
Brass River*	- 111.32-111.42 -	2.40/ 2.50
Qua Iboe*	- 111.22-111.32 -	2.30/ 2.40
Agbami*	- 109.77-109.87 -	0.85/ 0.95
Cabinda*	- 109.57-109.67 -	0.65/ 0.75
Djeno*	- 106.62-106.72 -	-2.30/-2.20
Girassol*	- 111.02-111.12 -	2.10/ 2.20
Hungo*	- 107.92-108.02 -	-1.00/-0.90
Nemba*	- 109.67-109.77 -	0.75/ 0.85
Dalia*	- 108.92-109.02 -	0.00/ 0.10
Zafiro*	- 109.92-110.02 -	1.00/ 1.10
Nile Blend**	- 108.35-108.45 -	0.75/ 0.85
Dar Blend*	- 100.87-100.97 -	-8.05/-7.95

* All premium are over Dated Brent
** Premium is over Minas ICP on FOB basis.

--Physical Crude (Other)

--February--	Outright value	Premium
Sokol*	- 114.97-115.07 -	+ 9.00/ 9.10 +
Vityaz*	- 111.37-111.47 -	5.40/ 5.50
ESPO**	- 112.17-112.27 -	6.20/ 6.30
Azeri***	- 116.05-116.15 -	7.40/ 7.50
Urals****	- 112.65-112.75 -	4.00/ 4.10

*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)

--January--	Outright value	Premium
Minas	- 112.00-112.10 -	4.40/ 4.50
Cinta	- 110.65-110.75 -	2.40/ 2.50
Widuri	- 110.80-110.90 -	2.70/ 2.80
Duri	- 107.80-107.90 -	3.90/ 4.00

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Lalang	- 108.65-108.75 -	1.00/ 1.10
Handil Mix	- 112.95-113.05 -	2.95/ 3.05
Attaka	- 112.50-112.60 -	3.25/ 3.35
Belida	- 113.55-113.65 -	3.70/ 3.80
Ardjuna	- 111.65-111.75 -	+ 1.80/ 1.90 +
Arun Con	- 104.85-104.95 -	-0.90/-0.80
Walio	- 109.10-109.20 -	1.30/ 1.40
Senipah Con	- 104.85-104.95 -	-0.90/-0.80

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

--Indonesian Crude Basket Prices--

Indonesian Light Crude Basket Price	- 113.00-113.10 -
Indonesian Medium Crude Basket Price	- 111.15-111.25 -
Indonesian Medium-Heavy Crude Basket Price	- 110.31-110.41 -

--Rim Special Crude Basket Prices--

Crude Basket Price for China Products*	- 109.30-109.40 -

*The average price of Dubai, DTD Brent, Cinta, to which the Chinese government refers when adjusting domestic retail prices for refined products.

--January--	Outright value	Premium
Tapis*	- 115.77-115.87 -	6.85/ 6.95
Labuan*	- 116.92-117.02 -	8.00/ 8.10
Gippsland*	- 110.92-111.02 -	2.00/ 2.10
Thevenard*	- 116.42-116.52 -	7.50/ 7.60
Mutineer Exeter*	- 116.97-117.07 -	8.05/ 8.15
Cossack*	- 111.02-111.12 -	2.10/ 2.20
NWS Con*	- 101.02-101.12 -	- -7.90/-7.80 -
Laminaria*	- 100.67-100.77 -	- -8.25/-8.15 -
Varanus*	- 116.02-116.12 -	7.10/ 7.20
Le Gendre*	- 115.77-115.87 -	6.85/ 6.95
Kutubu*	- 112.57-112.67 -	3.65/ 3.75
Daqing***	- 111.78-111.88 -	3.40/ 3.50
Xi Jiang****	- 108.90-109.00 -	1.30/ 1.40
Panyu****	- 108.80-108.90 -	1.20/ 1.30
Nanhai Light*	- 109.62-109.72 -	0.70/ 0.80
Enfield*	- 117.97-118.07 -	9.05/ 9.15
Sty Barrow*	- 116.82-116.92 -	7.90/ 8.00
Vincent*	- 113.67-113.77 -	4.75/ 4.85
Pyrenees*	- 114.07-114.17 -	5.15/ 5.25
Van Gogh*	- 112.42-112.52 -	3.50/ 3.60
Bach Ho***	- 117.26-117.36 -	5.70/ 5.80
Rang Dong***	- 114.07-114.17 -	1.80/ 1.90
Su Tu Den*****	- 113.75-113.85 -	6.15/ 6.25
Seria Light	- 115.82-115.92 -	

*Premiums are over Dated Brent.
***Premium for Daqing, Bach Ho and Rang Dong are over OSP.
****Premium for Xi Jiang and Panyu are over Minas ICP.
*****Premium for Su Tu Den is over Minas quotation.

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NYMEX FUTURES (01Dec11)

-WTI Crude

	Jan	Feb	Mar	Apr
Settle	100.20	100.33	100.45	100.49
Change	-0.16	-0.13	-0.10	-0.07
Open	100.51	100.49	100.70	100.67
High	101.17	101.22	101.29	101.12
Low	98.87	98.96	99.03	99.05

Estimated Volume: 544,786 Open Interest(Nov 30) : 1,303,490

ICE BRENT CRUDE FUTURES (01Dec11)

	Jan	Feb	Mar	Apr
Settle	108.99	108.71	108.39	108.19
Change	-1.53	-1.27	-1.09	-0.89
Open	110.75	109.91	109.43	109.06
High	111.24	110.63	110.07	109.62
Low	108.18	107.89	107.53	107.27
Waited avg	109.45	109.04	108.65	108.30

Estimated Volume: 523,490 Open Interest(Dec 30) : 921,622

TOCOM MIDEAST CRUDE FUTURES (02Dec11)(Yen/kl)

	Dec	Jan	Feb	Mar	Apr	May
Change	-350	-440	-460	-370	-350	-340
Volume	32	255	526	1,597	2,835	3,143
Open	53,270	52,400	52,020	51,770	51,340	51,050
High	53,380	52,560	52,150	51,930	51,670	51,460
Low	53,270	52,400	52,010	51,740	51,340	51,050
Settle	53,300	52,490	52,090	51,850	51,620	51,410

Open Interest(Dec 01):33,649 1lot = 50kl

Exchange rate : 77.76

TRANSACTIONS REPORTED ON THE DAY

North Sea/Africa/America/Russia crude (Dec 1)

Dec Forties: BP to an end-user in Asia at DTD linked price (Dec 20 loading, 1 VLCC)

Jan Sokol: ONGC to SK Energy at Oman/Dubai + above$9.00/bbl (Jan 31-Feb 2 loading 700kb)

Arabian Gulf crude (Dec 1)

Dec arrival Basra Light: European major to Korea KNOC at undisclosed price (140kb)

Asia-Pacific crude (Dec 1)

Dec NWSC: Woodside to Petrobras at an undisclosed price (13-14 loading 650kb)(For the details, please see the following commentary)

Jan Widuri and Cinta: CNOOC to a Japanese user at mid to high +$2.00/bbl (about 200kb)

Jan Ardjuna: CNOOC to a major at below ICP+$2.00/bbl (a partial cargo)

Jan Rang Dong: ConocoPhillips to Petrobras at way above Minas quotes+$6.00/bbl (200kb x 2), ConocoPhillips to Shell at way above Minas quotes+$6.00/bbl (200kb)

MARKET COMMENTARY

--TOKYO MARKET ROUNDUP, Dec 2 2011

ICE Brent crude for January delivery rebounded in Tokyo to trade at $109.39/bbl at 2:30 p.m. on Friday, up 40cts/bbl from the previous trading day. Brent's widening premium to WTI pushed up January Brent. The premium had narrowed sharply by $1.37/bbl or 13.5% to the $8/bbl level on Thursday, but again widened in Asian-hours trading on Friday with oil traders adjusting their positions in spread trade ahead of the release later Friday of U.S. employment data for November. January Brent's premium to WTI widened 43cts/bbl or 4.9% from the previous day' close to $9.22/bbl. January Brent traded in a range of $109.02-109.42/bbl on Friday.

In NYMEX electronic trade as of 2:30 p.m., January WTI extended its loss to trade at $100.17/bbl, down 3cts/bbl from the previous trading day, pressured by its widening discount to Brent. But selling of crude futures was limited as concerns over Iran's alleged nuclear weapons development persisted. The downside of crude also was underpinned by forecasts that U.S. nonfarm payroll data for November will show a big increase. January WTI traded in a range of $99.89-100.30 on Friday

In the trade of oil product futures, Jan RBOB was up 5.71cts/gallon at 261.50cts. Jan heating oil was up 3.35cts/gallon at 300.30cts.

As for the market outlook for North Sea Brent futures, "the market is likely to strengthen," said a broker, predicting the Jan trading ranges between $109.00 and $112.00/bbl. Buying gained momentum on the back of fundamentally bullish factors. Amid persistent Iranian jitters, buying interest would be in earnest if any positive news on the fundamentals surface. In that sense, the market attention centered on non-farm payrolls in US jobs data.

--PAPER MARKET

April Dubai swaps hovered in the range of $105.35-105.39/bbl as of 14:30 Tokyo time on Friday, down 50-55cts/bbl from the same time from the previous day.

In the trade of inter-month spreads, Societe Generale bid for the Dec balance/Jan contract at $1.50/bbl. The Jan/Feb contract was bid at 52cts/bbl and offered at 63cts/bbl.

In the trade of Brent/Dubai EFS, Shell bid for the Jan contract at $2.75/bbl while BNP Paribas offered it at $2.90/bbl.

--AG CRUDE

February-lifting Oman surged at a premium of $3.48-3.53/bbl to Dubai quotes, up a steep 80cts/bbl from the previous day. February Oman values on the Dubai Mercantile Exchange (DME) as of Thursday advanced to a premium of around $3.50/bbl to Dubai quotes. In the OTC market no firm talking were heard just after a start of a new month, but the market was boosted by expectations that new OSP formulas for Saudi Arabian medium/heavy grades will be raised. Sentiment for other Middle Eastern crude grades also were improving, tracking strong DME Oman values. However, the prompt month Brent/Dubai EFS returned to a narrowing trend, falling below $3.00/bbl, raising a chance that flows of Dated Brent linked arbitrage grades like North Sea Forties and Russia Urals to Asia will accelerate. The upside in Middle Eastern crude grades could be capped if competition with these arbitrage cargoes escalates.

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February-lifting Qatar Marine advanced to a premium of 28-33cts/bbl to OSP, up 20cts/bbl from the previous day. It was widely expected that Qatar's state-owned Qatar Petroleum would hike the November OSP for Qatar Marine to a premium of $2.80-2.90/bbl to Dubai quotes, up about 50cts/bbl from the previous month. Even so, the level was not felt as overvalued, relative to the current Oman market. "Discussions for February Qatar Marine could start at a premium of around 30cts/bbl to OSP," said a Chinese oil firm source. Apart from Qatar Marine, other medium/heavy grades like Al Shaheen, Abu Dhabi Upper Zakum and Banoco Arab Medium strengthened across the board.

February-lifting Abu Dhabi Murban inched up at a premium of 10-15cts/bbl to OSP, up 2cts/bbl from the previous day. Refining margins were weakening as those in middle distillates shrank from some time ago, along with depressed markets for naphtha and gasoline. However, amid a feeling that Murban was undervalued relative to medium/heavy grades as mentioned above, "February Murban is also likely to fetch at least double-digit premiums to OSP," said a Chinese oil firm source. A European trader set an offer at a premium of 20cts/bbl to OSP.

The Korean national Oil Co (KNOC) purchased Iraqi Basra Light for 140,000bbl in its December arrival Middle Eastern crude tender conducted late November. This was the last purchasing tender for fiscal 2011 year aimed at accumulating strategic petroleum reserves (SPRs). Under the circumstances that international crude oil prices stayed high at the triple-digit levels, the purchasing volume was seen smaller than the initially planned level. The details of the winner and the price were unknown but a European major could have sold the avails through intank transfer, or transferring the ownership of inventories brought earlier at tank, according to a source familiar with the situations.

In the trade of Iranian grades, National Iranian Oil Corp, or NIOC, visited Japan and was apparently in talks with the Japanese delegation led by Showa Shell Sekiyu K.K., over the term contract price for the first quarter of 2012. In the negotiations this time around, Japanese buyers were likely to rigidly request NIOC to accept price cuts. The bullish stance came as Japan believed NIOC faced an overhang following moves by some European countries like France and Italy to refrain from purchasing crude oil from Iran in response to a US-led economy sanction. Japan also concluded NIOC so far enjoyed healthy margins for Iranian grades, whose prices kept heading north in line with benchmark Saudi Arabian grades, at a time when Saudi Arabia sharply lifted OSP formulas for medium/heavy grades for the last several months. Japan was wary of a further rise in Iranian crude oil prices, taking a cue from the strength in Saudi Arabian grades.

Meanwhile, the Japanese government had yet to ban local refiners including JX Holdings, Cosmo Oil and Fuji Oil and trading houses like Toyota Tsusho and Mitsubishi Corp from receiving term cargoes of Iranian grades from NIOC. But informed sources pointed out these Japanese buyers were requested by the government to forgo additional procurements on a spot basis. Some other refiners and trading houses did not go as far as to cancel their contracts with NIOC, but skipped taking delivery of Iranian grades on the high price concerns.

In the trade of DME Oman at 16:30 Tokyo time on Friday, the Feb contract was bid at $109.93/bbl, countered by an offer at $110.05/bbl. The spread between the mean ($109.99) and Feb Dubai swaps as of the same time was $3.80/bbl in favor of Oman. Feb DME Oman contract closed at $109.75/bbl in Asian time on Thursday.

--AFRICAN/EUROPEAN/RUSSIAN/AMERICANS CRUDE

In the trade of Sakhalin Sokol, India's Oil and Natural Gas Corp (ONGC) awarded its January to February loading tender that closed on Tuesday to South Korea's SK Energy. The company purchased one 700,000bbl cargo for January 31-Feb 2 loading. The cargo was heard awarded at a premium of larger than $9.00/bbl to Oman/Dubai average on CFR.

Indian Oil Corp closed a buy tender for February-loading sweet crude on Wednesday. IOC in its January loading buy tender purchased at least two VLCCs of African crude grades including Angolan Girassol and Nigerian Qua Iboe.

In the trade of North Sea crude, British BP chartered a VLCC vessel to load Forties. The vessel for December 20 loading would be bound for the ranges between Singapore and Ningbo in China. Similarly, French Total was working on moving Forties crude to Asia. The prompt month Brent/Dubai EFS shrank to below $3.00/bbl, increasing the appeal of Dated Brent linked crude grades. However, the identity of the buyer for the BP's cargo was unclear. As a similar move, a Chinese oil firm seen as China National United Oil Corp (UNIPEC) was said to have secured at least one VLCC of Russian Urals recently on the spot market. The narrowing EFS helped open the arbitrage opportunities to Asia. The Chinese oil firm apparently judged that the crude was attractive, especially in the wake of recent strength in rival Oman crude.

Regarding the market for Sudanese crude, loadings for Nile Blend and Dar Blend were still suspended. North Sudan, or Sudan's state-owned Sudanese Petroleum Corp (SPC) intended to stop loading cargoes sold by the Republic of South Sudan, but loading timings were complicated with cargoes held by other equity holders, so that in fact virtually all shipments were halted. Both of North Sudan and South Sudan did not see merits of stopping the loadings, thus, shipments would resume soon. However, at this stage there were no prospects of a resumption of shipments.

Regarding Sudanese Nile Blend trade, appetite from Japanese power utilities, especially from Tokyo Electric Power (TEPCO) was brisk. JX Holdings with a sales right for TEPCO was actively proceeding buying, bracing for a pickup in winter power demand. The Japanese oil refiner was believed to have purchased at least one cargo for January arrival, but setting the arrival timing was seen extremely hard. For December-loading Nile Blend, Mitsubishi Corp also procured cargoes actively. The company earlier secured at least one cargo in a tender by India ONGC. The cargo was originally slated for November 27-29 loading, but the timing of the cargo was still unfixed. Elsewhere, Mitsubishi was also said to have secured one cargo for mid-December loading on the spot market. These cargoes were believed to be supplied mainly to power utilities in western Japan. But supply plans for Nile Blend would be hard to be made for now.

--Asia Pacific Crude

In the trade of January-lifting Indonesian grades, Widuri, Cinta and Ardjuna heard changed hands. Those cargoes were sold by China National Offshore Oil Corp (CNOOC). Of these, a small lot of Wudiri/Cinta for about 200,000bbl in total was believed to be placed to a power utility through a Japanese oil refiner. The price was heard at a premium of mid to high-$2.00/bbl to ICP, slightly higher than the previous month's levels. Meanwhile, a major purchased the Ardjuna at a premium of slightly smaller than $2.00/bbl to ICP. Crack spreads for middle distillates recently softened slightly, but those for fuel oil maintained the strong tendency, lifting the evaluation slightly. A sense that the ICP itself was overvalued showed signs of retreating, prompting the major to raise bids.

Meanwhile, players such as Itochu Corp and Mitsubishi Corp with relatively limited allocations said that their positions were yet to be settled, so that those players were not ready to market January-lifting grades such as Minas and Widuri. However, Japan is poised to enter the peak power demand period in winter, thus if sizable avails emerges, those avails would be eventually supplied to power utilities in the country.

In the trade of January-lifting Australian medium/heavy grades, Australian Woodside Petroleum and Mitsui & Co with two to three cargoes for Vincent continued to in be in marketing talks. Crack spreads for middle distillates softened, while the Brent/Dubai spreads again narrowed sharply, preventing the market for Vincent from falling sharply. Woodside Petroleum early this week offered one cargo at a premium of slightly smaller than $5.00/bbl to Dated Brent.

In the trade of regional condensate, a perception of abundant supplies still gripped the January Australian NWSC market. Discounts to Dated Brent expanded to $7.80-7.90/bbl. End-users were slow to move as crack spread for naphtha showed virtually no signs of bouncing back. Only South Korea's Samsung Total heard eyed purchasing additional cargo. Even the company would consider buying only if extremely low offers surface. Indonesia TPPI, known as a large-lot end-user, has shut its naphtha cracker for turnaround for about 45 days from mid-November. However, even if the maintenance is finished, the company would postpone a restart or would limit the running rate to low levels due to sluggish petrochemical margins.

Meanwhile, Australian Woodside Petroleum was said to have sold one NWSC cargo for December-loading to Brazil's state-owned Petrobras. The company declined a comment on the deal, but the price was believed to be at a discount of at least $7.00/bbl level to Dated Brent. However, regarding the deal, one market source said that Woodside has an option to set the loading date either in December or January. In fact, Woodside Petroleum was proceeding marketing NWSC including its January cargo with a South Korean oil refiner, thus it remained unclear whether the seller sold the December NWSC simply to Petrobras.

Elsewhere, Japan's Inpex with one cargo each of East Timor's Bayu Undan and super light crude Kitan was in talks to sell them. For the Bayu Undan, the supplier apparently hoped to clinch a deal about $1.00/bbl below NWSC values. However, the evaluation for NWSC was varied, depending on players, thus selling the condensate appeared to be tough.

In the trade of January-lifting Vietnamese grades, Rang Dong changed hands. US Conoco Philips sold two cargoes, each 200,000bbl, to Petrobras and another 200,000bbl cargo to Royal Dutch Shell. Prices for these cargoes were heard at a premium of the $6.00/bbl level to Minas quotes. Conoco Philips signed a term contract with Vietnamese state-owned PV Oil to take about 20,000b/d of Rang Dong for October to March 2012 at a premium of $4.67/bbl to Minas quotes. Conoco resold the term barrels this time.

--NY Market Round UP, Dec 1

NYMEX crude oil futures retreated for the first time in five business days on Thursday, as weaker equities triggered profit-taking. The Jan contract was down 16cts/bbl at

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$100.20/bbl. The market was succumbed to profit-taking as a fall in the US equity market chilled investor confidence. Data released on Thursday showed that US new jobless claims increased, in contrast to market expectations, which eroded hopes of a recovery in the jobs market ahead of a release of the key November US jobs data to be released on Friday. In addition, indicators showed manufacturing activity in China and Europe deteriorated in November, increasing jitters over the outlook of the world economy. Market players averted investments in riskier assets, putting downward pressure to crude oil futures. Brent crude also fell sharply as traders rushed to unwind positions in spread trade. North Sea Brent futures slipped. The Jan contract was down $1.53/bbl at $108.99/bbl. The Jan WTI contract's discount against Brent was at $8.79/bbl Thursday, shrinking $1.37/bbl or 13.5% from the previous day. Jan RBOB was down 0.05cts/gallon at 255.79cts/gallon. Dec heating oil was down 5.56cts/gallon at 296.15cts/gallon. January WTI was at $99.99/bbl as of 08:30 Tokyo time on Friday, down 21cts/bbl from the previous day.

Market News

--Taiwan refineries' average run rate down to 63.1%

According to the RIM survey, Taiwanese oil refineries' crude oil throughput was at 795,000 barrels per day (b/d) as of Dec 1, down 100,000 barrels from a week before. Formosa Petrochemical Co. (FPCC) decreased its crude oil throughput of Mailiao refinery (540,000 b/d) to 340,000 b/d. In Dec crude oil throughput would be kept at 300,000-350,000 b/d. FPCC halted its No.2 Crude Distillation Unit (CDU, 180,000 b/d) and Delayed Coker Unit (36,000 b/d) for regular maintenance. By next week, Vacuum Distillation Unit (80,000 b/d) and Hydrocracker (52,000 b/d) would enter to the maintenance. Maintenance of No.2 RFCC (84,000 b/d) was scheduled in mid-Dec. These units would be restarted in mid-Jan. Crude oil throughput of Taiwan CPC slightly rose to 455,000 b/d. The No.9 CDU (100,000 b/d) of Dalin refinery (300,000 b/d) was restarted last week. The No.6 CDU (100,000 b/d) of Kaoshiung refinery (220,000 b/d) would be restarted next week. In addition, in Jun 2012, RFCC (80,000 b/d) in Dalin refinery would be newly operated. Taiwanese CDU' actual capacity was 1,260,000 b/d in total. Refineries' average run rate was 73.1% to the actual capacity, down 7.9 percentage points from a week before.

	CPC	FPCC	Ave
Capacity (1,000b/d)	720	540	
rate(%)			
12/01/11	63.2	63.0	63.1
11/24/11	61.1	84.3	71.0
11/17/11	61.1	84.3	71.0
11/10/11	61.1	84.3	71.0

--Japan electricity demand in Nov down 5.4% on yr

Japan's electricity demand in November, measured in terms of the total sales in the country's nine regions, excluding Okinawa, amounted to 72.89 million MWh, down 5.4% from a year before for an eighth straight month of year-on-year declines since the March earthquake and tsunami. Industrial demand hovered in a firm tone despite an entrenched power-saving mode. The overall power demand, however, failed to reach the year-earlier level on lagging demand for heating arising from higher-than-average temperatures across the country.

Electricity demand declined 5.2% in the first 10 days of November, 8.5% in the second 10 days, and 2.4% in the last 10 days. By region, all nine regions posted year-on-year falls in demand for Nov. 1-20. In the last 10 days, Hokkaido and Chubu notched higher demand.

For the whole of November, power demand slipped below year-before levels in all nine regions, with Tohoku down 8.8%, Tokyo down 8.2%. Hokkaido registered the smallest drop of 0.6%. Chubu was down 2.1%, Hokuriku down 4.8%, Kansai down 4.0%, Chugoku down 4.3%, Shikoku down 2.7% and Kyushu down 3.3%. The average temperature in nine cities, where the nine electric power companies are based, in November stood at 13.2 C, down 1.7 C from a year earlier and down 2.0 C from normal.

--S Korean YNCC restarts No3 naphtha cracker

South Korea's YNCC has restarted its No. 3 naphtha cracker in Yeosu on Thursday, with ethylene reportedly confirmed to be "on-spec" by today. The plant is said to be ramping up operations currently. The cracker has been shut since Sunday for power failure. Its derivatives PE and PP units, which had been idled in line with the cracker shutdown, also seem to have been restarted.

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