

☆RIM CRUDE/CONDENSATE INTELLIGENCE DAILY

★NO.5849 Jan 31 2019

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--TOKYO, 15:30 JST Jan 31 2019<Assessment Closing Time>

## ©Notice

### ○Addition of assessments

Rim has added Australia's Ichthys condensate in the section of Physical Crude/Condensate (Asia) starting Jan 16, 2019.

### ©RECX-22 index

RECX-22 index for Thursday was 93.89, up 1.29 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

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©Tokyo Spot Crude/Condensate Assessments (31Jan19)					
OCash Crude					
	Feb	Mar	Apr	May	Jun
WTI	-	54.59 - 54.64	54.85 - 54.90	55.11 - 55.16	55.39 - 55.44
BFO	-	62.21 - 62.26	62.09 - 62.14	62.16 - 62.21	62.21 - 62.26
JPN DTD**	61.98 - 62.03	61.56 - 61.61	61.59 - 61.64	61.65 - 61.70	61.69 - 61.74
Dubai	-	61.82 - 61.87	61.75 - 61.80	61.50 - 61.55	61.21 - 61.26
Spreads					
	Feb	Mar	Apr	May	Jun
WTI/BFO	/	-7.65 / -7.60	-7.27 / -7.22	-7.08 / -7.03	-6.85 / -6.80
BFO/Dubai	/	0.36 / 0.41	0.31 / 0.36	0.63 / 0.68	0.97 / 1.02
Oman/Dubai	/	0.22 / 0.27	0.24 / 0.29	0.28 / 0.33	0.32 / 0.37
Intermonth Spreads					
	Feb/Mar	Mar/Apr	Apr/May	May/Jun	Jun/Jul
BFO	/	0.09 / 0.14	-0.10 / -0.05	-0.08 / -0.03	0.02 / 0.07
Dubai	/	0.04 / 0.09	0.22 / 0.27	0.26 / 0.31	0.23 / 0.28
Oman*	/	-0.02 / 0.02	-0.02 / 0.02	-0.02 / 0.02	-0.02 / 0.02

\*Intermonth spreads of Oman are premiums/discounts to OSP.  
 \*\*JPN DTD refers to JPN Dated Brent, or Dated Brent assessed by RIM at 15:30 Tokyo time.

OPaper Crude					
	Jan	Feb	Mar	Apr	May
Dubai Swaps	61.82 - 61.86	61.75 - 61.79	61.50 - 61.54	61.21 - 61.25	60.95 - 60.99
DME/Dubai	0.21 / 0.29	0.23 / 0.31	0.27 / 0.35	0.31 / 0.39	0.34 / 0.42
Murban OSP Swaps	1.85 / 2.05	1.70 / 1.90	1.55 / 1.75	/	/
JPN DTD/Dubai	/	0.21 / 0.25	0.04 / 0.08	0.36 / 0.40	0.68 / 0.72

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

OSingapore Crack Margins (Against Dubai Swaps, in \$/bbl) (30Jan19)				
	Feb	Mar	Apr	
Naphtha	-7.57	-8.10	-8.29	
Jet/Kerosene	14.23	15.05	15.66	
Gasoil 0.001%S	14.33	15.10	15.66	
FO 180cst 3.5%S	-0.63	-1.06	-1.42	
FO 380cst 3.5%S	-0.90	-1.52	-1.96	

OSingapore Crack Margins (Against DTD Brent, in \$/bbl) (30Jan19)				
	Feb	Mar	Apr	
Naphtha	-7.84	-8.22	-8.76	
Jet/Kerosene	13.96	14.93	15.19	
Gasoil 0.001%S	14.06	14.98	15.19	
FO 180cst 3.5%S	-0.90	-1.18	-1.89	
FO 380cst 3.5%S	-1.17	-1.64	-2.43	

OPhysical Crude/Condensate (Middle East)		
—March—	Outright Values	Premiums
Dubai*	+ 61.82 - 61.87 +	- 0.30 / 0.35 -
Oman	+ 62.07 - 62.12 +	0.02 / 0.07
Oman*	+ 62.07 - 62.12 +	+ 0.55 / 0.60 +
Murban	+ 62.92 - 62.97 +	-0.25 / -0.20
Umm Lulu	+ 62.67 - 62.72 +	-0.02 / 0.03
Das	+ 62.20 - 62.25 +	-0.35 / -0.30
Upper Zakum	+ 61.30 - 61.35 +	-0.15 / -0.10
Qatar Land	+ 62.00 - 62.05 +	-0.12 / -0.07
Qatar Marine	+ 61.83 - 61.88 +	-0.10 / -0.05
Al Shaheen*	+ 62.04 - 62.09 +	0.52 / 0.57



Banoco Arab Medium**	+ 61.51 – 61.56 +	-0.22 / -0.17
Basrah Light	+ 63.06 – 63.11 +	1.38 / 1.43
Basrah Heavy	+ 60.16 – 60.21 +	1.48 / 1.53
D. F. Condensate*	+ 59.45 – 59.50 +	-2.07 / -2.02
L. S. Condensate*	+ 58.45 – 58.50 +	-3.07 / -3.02
South Pars*	+ 57.50 – 57.55 +	-4.02 / -3.97
Masila***	+ 61.00 – 61.05 +	-0.56 / -0.46
Marib Light***	+ 61.20 – 61.25 +	-0.36 / -0.26
<b>—April—</b>	<b>Outright Values</b>	<b>Premiums</b>
Dubai*	+ 61.75 – 61.80 +	+ 0.52 / 0.57 +
Oman	+ 62.07 – 62.12 +	0.02 / 0.07
Oman*	+ 62.07 – 62.12 +	+ 0.84 / 0.89 +

\*Premiums for Dubai, Oman, Al Shaheen and D.F. Condensate, L. S. Condensate, South Pars are over Dubai quotes.

\*\*Premium for Banoco Arab Medium is over Saudi Aramco formula for Arab Medium.

\*\*\*Premiums for Masila and Marib Light are over DTD Brent.

–Premiums for all other grades are over each OSP.

–D. F. Condensate is Deodorised Field condensate.

#### OOSP Calculations (Middle East)

<b>—February—</b>	<b>Outright Values</b>
Arab Super Light	+ 65.24 – 65.29 +
Arab Extra Light	+ 63.04 – 63.09 +
Arab Light	+ 62.59 – 62.64 +
Arab Medium	+ 61.94 – 61.99 +
Arab Heavy	+ 60.94 – 60.99 +
Basrah Light	+ 61.89 – 61.94 +
Basrah Heavy	+ 58.89 – 58.94 +
Kuwait Blend	+ 61.64 – 61.69 +
Iranian Light	+ 62.29 – 62.34 +
Iranian Heavy	+ 60.69 – 60.74 +

OSP Calculations are expected values of OSPs to be applied in the following month and are calculated based on the latest available price formulas set by oil producers and prices of Dubai and Oman crudes.

#### OPhysical Crude/Condensate (Africa)

<b>—March—</b>	<b>Outright Values</b>	<b>Premiums</b>
Bonny Light*	+ 63.26 – 63.36 +	1.70 / 1.80
Brass River*	+ 63.31 – 63.41 +	1.75 / 1.85
Qua Iboe*	+ 63.31 – 63.41 +	1.75 / 1.85
Agbami*	+ 61.86 – 61.96 +	0.30 / 0.40
Cabinda*	+ 62.21 – 62.31 +	0.65 / 0.75
Djeno*	+ 61.01 – 61.11 +	+ -0.55 / -0.45 +
Girassol*	+ 62.71 – 62.81 +	1.15 / 1.25
Hungo*	+ 61.21 – 61.31 +	-0.35 / -0.25
Nemba*	+ 61.96 – 62.06 +	0.40 / 0.50
Dalia*	+ 61.61 – 61.71 +	0.05 / 0.15
Pazflor*	+ 61.61 – 61.71 +	0.05 / 0.15
Zafiro*	+ 61.51 – 61.61 +	-0.05 / 0.05
Doba*	+ 59.56 – 59.66 +	-2.00 / -1.90
Nile Blend**	+ 61.10 – 61.20 +	-1.05 / -0.95
Dar Blend*	+ 56.51 – 56.61 +	-5.05 / -4.95

\* All premiums are over DTD Brent.

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

#### OPhysical Crude/Condensate (Other)

<b>—March—</b>	<b>Outright Values</b>	<b>Premiums</b>
Sokol*	+ 65.30 – 65.40 +	3.80 / 3.90



Sakhalin B*	+ 62.95 – 63.05 +	1.45 / 1.55
ESPO**	+ 64.30 – 64.40 +	- 2.80 / 2.90 -
Azeri***	+ 66.01 – 66.11 +	4.45 / 4.55
Urals****	+ 63.56 – 63.66 +	2.00 / 2.10
Forties****	+ 64.16 – 64.26 +	+ 2.60 / 2.70 +
CPC Blend****	+ 63.51 – 63.61 +	1.95 / 2.05
Castilla B*****	+ 59.10 – 59.20 +	-2.40 / -2.30
WTI*****	+ 64.50 – 64.60 +	3.00 / 3.10
Mars*****	+ 64.50 – 64.60 +	3.00 / 3.10

\*Premiums for Sokol and Sakhalin B are over Dubai quotes on CFR Yosu.

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

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

\*\*\*\*Premiums for Urals, Forties and CPC Blend are over DTD Brent on CFR North East Asia.

\*\*\*\*\*Premiums for Castilla B, WTI and Mars are over Dubai quotes on CFR North East Asia.

**OPhysical Crude/Condensate (Asia)**

—March—	Outright Values	Prem. (vs ICP)*	Prem. (vs JPN DTD)*
Minas	+ 62.50 – 62.60 +	0.35 / 0.45	+ 0.90 / 1.00 +
Cinta	+ 61.55 – 61.65 +	-0.35 / -0.25	+ -0.05 / 0.05 +
Widuri	+ 61.80 – 61.90 +	-0.25 / -0.15	+ 0.20 / 0.30 +
Duri	+ 60.00 – 60.10 +	0.95 / 1.05	+ -1.60 / -1.50 +
Lalang	+ 61.80 – 61.90 +	0.65 / 0.75	+ 0.20 / 0.30 +
Handil Mix	+ 61.70 – 61.80 +	4.30 / 4.40	+ 0.10 / 0.20 +
Attaka	+ 62.55 – 62.65 +	4.15 / 4.25	+ 0.95 / 1.05 +
Belida	+ 62.90 – 63.00 +	3.60 / 3.70	+ 1.30 / 1.40 +
Ardjuna	+ 61.35 – 61.45 +	4.10 / 4.20	+ -0.25 / -0.15 +
Arun Con	+ 57.15 – 57.25 +	2.00 / 2.10	+ -4.45 / -4.35 +
Walio	+ 55.90 – 56.00 +	0.70 / 0.80	+ -5.70 / -5.60 +
Senipah Con	+ 57.15 – 57.25 +	2.00 / 2.10	+ -4.45 / -4.35 +
Banyu Urip	+ 66.90 – 67.00 +	0.00 / 0.10	+ 5.30 / 5.40 +

\*Prem. is an abbreviation for Premiums.

—March—	Outright Values	Premiums
Tapis*	+ 65.51 – 65.61 +	3.95 / 4.05
Labuan*	+ 67.16 – 67.26 +	5.60 / 5.70
Kikeh*	+ 67.01 – 67.11 +	5.45 / 5.55
Miri*	+ 67.01 – 67.11 +	5.45 / 5.55
Kimanis*	+ 67.16 – 67.26 +	5.60 / 5.70
Cendor*	+ 67.36 – 67.46 +	5.80 / 5.90
Gippsland*	+ 59.21 – 59.31 +	- 2.35 / -2.25 -
Cossack*	+ 61.01 – 61.11 +	- 0.55 / -0.45 -
NWS Con*	+ 58.46 – 58.56 +	- 3.10 / -3.00 -
Laminaria*	+ 58.36 – 58.46 +	- 3.20 / -3.10 -
Ichthys Con*	+ 60.96 – 61.06 +	- 0.60 / -0.50 -
Varanus*	+ 61.31 – 61.41 +	- 0.25 / -0.15 -
Kutubu*	+ 61.01 – 61.11 +	- 0.55 / -0.45 -
Daqing**	+ 62.48 – 62.58 +	0.00 / 0.10
Vincent*	+ 65.11 – 65.21 +	3.55 / 3.65
Pyrenees*	+ 66.01 – 66.11 +	4.45 / 4.55
Van Gogh*	+ 64.56 – 64.66 +	3.00 / 3.10
Bach Ho Light*	+ 65.61 – 65.71 +	4.05 / 4.15
Bach Ho Heavy*	+ 64.41 – 64.51 +	2.85 / 2.95
Rang Dong*	+ 64.46 – 64.56 +	2.90 / 3.00
Su Tu Den*	+ 64.76 – 64.86 +	3.20 / 3.30
T. G. T.*	+ 64.61 – 64.71 +	3.05 / 3.15
Chim Sao*	+ 65.56 – 65.66 +	4.00 / 4.10



\*Premiums are over DTD Brent.  
 \*\*Premium for Daqing is over OSP.

**OOSP Calculations (Asia)**

—January—	Outright Values
Seria Light	+ 65.40 - 65.50 +
Champion	+ 65.40 - 65.50 +

OSP Calculations are expected values of OSPs to be applied in the current month and are calculated based on the latest available price formulas set by oil producers and prices of JPN DTD.

**©Rim Crude Index**
**—Indonesian Crude Basket Prices—**

Indonesian Light Crude Basket Price	+ 62.38 - 62.48 +
Indonesian Medium Crude Basket Price	+ 61.95 - 62.05 +
Indonesian Medium-Heavy Crude Basket Price	+ 61.46 - 61.56 +

**—Rim Special Crude Basket Prices—**

Crude Basket Price for China Products*	+ 61.78 - 61.88 +
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\*The average price of Dubai, DTD Brent, Cinta, to which the Chinese government refers when adjusting domestic retail for refined products.

**—Shanghai Crude Futures Index—**

	\$/bbl	Yuan/bbl
Shanghai Medium Sour Crude Index	+ 63.62 - 63.72 +	+ 426.71 - 426.81 +

\*The index is based on delivered prices of Dubai, Oman, Upper Zakum, Qatar Marine, Basrah Light, Masila and Shengli.

\*\*Exchange rate: 6.7025 (Yuan/\$)

**©Shanghai INE Crude Futures (31Jan19) (Yuan/bbl)**

	Mar	Apr	May	Jun
Settle	431.0	429.7	431.0	432.1
Change	+6.0	+6.8	+7.2	+6.0
Open	429.4	428.1	428.4	429.4
High	434.0	432.1	433.8	434.8
Low	427.2	425.8	427.9	429.4

Volume: 330,522 Open Interest (Jan 31): 65,252

**©TOCOM Mideast Crude Futures/Day Session (31Jan19) (Yen/kl)**

	Jan	Feb	Mar	Apr	May	Jun
Change	+10	+360	+360	+320	+300	+240
Volume	3	55	151	206	533	3,203
Open	40,480	42,030	41,790	41,490	41,250	40,950
High	40,520	42,310	42,060	41,770	41,490	41,230
Low	40,480	42,020	41,760	41,440	41,150	40,890
Settle	40,520	42,180	41,970	41,670	41,390	41,090

Open Interest (Jan 30): Short=63,968/Long=63,968 1lot = 50kl

Exchange rate: 108.96

**©NYMEX WTI Crude Futures (30Jan19)**

	Mar	Apr	May	Jun
Settle	54.23	54.47	54.72	55.00
Change	+0.92	+0.87	+0.79	+0.73
Open	53.24	53.54	53.84	54.15
High	54.93	55.17	55.43	55.70
Low	53.09	53.39	53.75	54.06

Estimated Volume: 1,392,550 Open Interest (Jan 29): 2,042,018

©ICE Brent Crude Futures (30Jan19)					
	Mar	Apr	May	Jun	
Settle	61.65	61.54	61.63	61.70	
Change	+0.33	+0.34	+0.34	+0.34	
Open	61.26	61.07	61.24	61.36	
High	62.67	62.51	62.57	62.62	
Low	61.04	60.96	61.07	61.16	
Weighted avg	61.91	61.83	61.91	62.03	
Estimated Volume: 784,932      Open Interest (Jan 29) : 2,337,462					

**©TRANSACTIONS REPORTED ON THE DAY**
**○North Sea/Africa/America/Russia Crude/Condensate (Jan 30)**

Mar ESPO: Surgutneftegas to Lukoil at Dubai +\$2.70/bbl to slightly less than \$3/bbl (22-26 loading, 740kb), Surgutneftegas to BP at Dubai +\$2.70/bbl to slightly less than \$3/bbl (27-31 loading, 740kb), Surgutneftegas to Equinor at Dubai +\$2.70/bbl to slightly less than \$3/bbl (740kb), Surgutneftegas to Vitol at Dubai +\$2.70/bbl to slightly less than \$3/bbl (740kb)

Mar Djeno: P&C to end-user in China at DTD -50cts/bbl (920kb), P&C to end-user in China at DTD -50cts/bbl (920kb)

Mar arrival Forties: P&C to independent oil refiner in China at ICE + \$2.00/bbl (CFR)(2.0 mil)

Mar to Apr arrival Roncador heavy: Petrobras to Chinese state-owned oil company at DTD linked(CFR)(1.0 to 2.0mil)

**○Middle East Crude/Condensate (Jan 30)**

Mar Upper Zakum: UNIPEC to Shell at fixed prices

**○Asia-Pacific Crude/Condensate (Jan 30)**

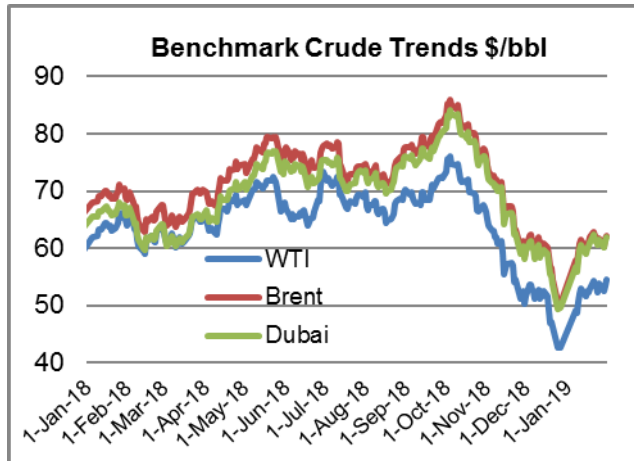
No deals were reported.

**©MARKET COMMENTARY**
**○Benchmark Crude Summary, Jan 31 2019**

The front-month March loading Brent crude oil futures contract in electronic trading on the Intercontinental Exchange (ICE) as of 15:30 Tokyo time on Thursday rose to \$62.23, up 61cts from the same time the previous day. US Federal Reserve decided not to raise US interest rates at the Federal Open Market Committee (FOMC), which sent the dollar lower. The weak dollar made dollar-based commodities attractive and triggered buying in crude futures.

The March Dated Brent price, the benchmark for regional and arbitrage grades, as of 15:30 Tokyo time was at \$61.58, up 62cts from the same time the

previous day. The DTD to Front Line (DFL) for Marh rose to minus 60cts. The March Dubai paper, the benchmark price for Middle Eastern crude grades and Far East grades, was at \$61.52, up 71cts from the same time the previous day. In the trade of inter-month spreads, the Aug/Sep spread was bid at plus 20cts. In the trade of Brent/Dubai EFS, the Apr contract was offered at 90cts. The March WTI contract, the benchmark for US and South American grades, stood at \$54.61, up \$1.11.



Meanwhile, regarding the outlook for the front-month Brent crude contract, an energy trader at a major commodity broker said that market players should pay attention to crude oil exports volumes

in January by major oil producer to be released on Thursday. The Organization of Petroleum Exporting Countries (OPEC) members and non-OPEC producers in December last year had decided to cut supplies by a total of 1.20 mil barrels per day (b/d) from January. Market players focused on whether those producers adhered to the deal. If the size of the reduction cuts reaches close to 1.20 mil b/d, that would support the crude market. But if the production cuts are limited to 80-90 b/d, the market would be disappointed with the result and would be under downward pressure "Furthermore, the market players should focus on the result of a ministerial meeting between the US and China until Jan 31," said the trader.

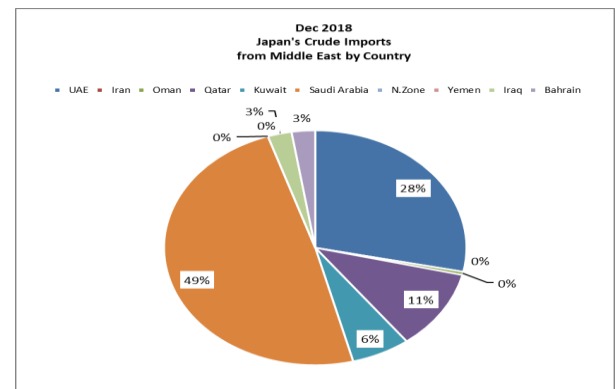
## ◎MIDDLE EAST CRUDE/CONDENSATE

### ○Market Summary

Flat prices of March-loading Middle Eastern crude prices firmed from the previous day, in line with a strong tendency for the benchmark Dubai papers.

In floating based trade for March-loading linked to Dubai and official selling prices (OSPs), spot differentials for main grades were largely stable from the previous day. March-loading cargoes were largely sold out, while the market attention has shifted to new official selling prices (OSPs) to be released from main oil producers such as Abu Dhabi and Qatar. Meanwhile, data from Japan's Ministry of Economy, Trade and Industry (METI)

showed Japan's Iranian crude imports was nil in December, following November.



### ○Abu Dhabi

#### UNIPEC sells Mar Upper to Shell

In the trade for March-loading Abu Dhabi grades, China International United Petroleum & Chemicals Co (UNIPEC) sold Upper Zakum to Royal Dutch Shell in the Singapore market on Wednesday. The deal was done after 20 lots of physical Dubai partials, each 25,000bbl, were sold at fixed prices and Upper Zakum was declared for Dubai.

#### Forecasts of higher Upper OSP retreat

Meanwhile, regarding the January-loading OSP for Upper Zakum to be unveiled early next month by Abu Dhabi National Oil Co (ADNOC) in the United Arab Emirates (UAE), several market players predicted that the OSP's premium against Dubai quotes would be unchanged or be revised downward slightly from the previous month. Some players previously had bullish views, expecting



that the new OSP would be raised slightly due to tight supplies for overall medium/heavy grades. However, in the market this week, France's Total offered Upper Zakum at a discount to OSP but no buyers emerged. Therefore, prospects for a rise of the OSP would retreat. The December-loading OSP for Upper Zakum was earlier settled at a premium of 58cts to Dubai quotes.

### **Jan Umm Lulu OSP seen up via Murban OSP**

Meanwhile, any fall in the January-loading Abu Dhabi Umm Lulu OSP would be limited compared to Murban and Das, some market players expected. In the final trading cycle for March-loading, Umm

Lulu deals rose to small premiums to OSP, showing that Umm was stronger, relative to Murban and Das. It was not long before Umm Lulu exports started, so that the OSP for Umm Lulu was settled lower, relative to its quality. The December-loading OSP for Umm Lulu was earlier settled at a premium of \$1.73 to Dubai quotes, 45cts lower than Murban and 15cts higher than Das. Regarding the January-loading OSP for Umm Lulu, discounts to Murban would narrow and premiums to Das would widen as ADNOC would take the improving evaluations for Umm Lulu into consideration to set the OSP, said a few market sources.

## **Qatar**

### **Jan Marine OSP to be largely steady on month**

Regarding the January-loading OSP to be unveiled early next month by Qatar Petroleum (QP), several market players predicted that the premium of January-loading Qatar Marine OSP against Dubai quotes would be largely unchanged from the previous month. In the trade of March-loading Qatar Marine that QP refers to set the OSP, a number of deals were done at discounts of around 5cts to OSP. Based on these transactions, the new OSP would be revised lightly downward. But some market players said that QP would raise the OSP slightly amid an emerging perception that supply/demand fundamentals for overall medium/heavy grades were tightening. In any case, any changes in the OSP would be small. The December-loading OSP for Qatar Marine was

earlier settled at a premium of 38cts to Dubai quotes.

### **QP issues term Al Rayyan tender from Mar**

Meanwhile, QP closed an annual term sell tender for Al Rayyan for March 2019-February-2020 loading. The details of the buyer were unknown at this moment, but the tender was apparently awarded. Al Rayyan is a heavy sour crude oil with an API gravity of around 24 degrees and a 3.35% sulfur content, which is normally traded at prices linked to Saudi Arabia's Arab Heavy (AH). The current production was around 10,000 bbl per day (b/d) and one cargo per every two months would be shipped.

## **Oman**

### **Mar Oman premiums widen**

Spot differentials for March-loading Oman were assessed at premiums in the ranges of 55-60cts over Dubai quotes, up 11cts from the previous day. In the Dubai Mercantile Exchange (DME), the benchmark

for Oman in the OTC market, January Oman values rose to premiums of around 57cts to Dubai quotes as of Wednesday evening.

## **AFRICA/EUROPE/RUSSIA/AMERICA CRUDE/CONDENSATE**

### **Market Summary**

Flat prices for March loading crude grades in the Mediterranean Sea, Europe and Africa rose from the previous day on the heels of strong trends

in the benchmark Brent and Dubai prices.

In floating based trade linked to Dubai and



Dated Brent, premiums of March-loading East Siberian ESPO Blend narrowed slightly. Meanwhile, the Northeast Asia market of North Sea Forties for March arrival and Congo's Djeno for March-loading advanced. For both of the grades,

healthy demand from Chinese independent refiners boosted the market.

### ○East Siberia

#### **Mar ESPO eases, Surugt tender details appears**

Spot differentials for March-loading East Siberia's ESPO were assessed at premiums of \$2.80-2.90 to Dubai quotes, down 5cts from the previous day. Brent/Dubai EFS remained narrow, which weighed down the evaluations for Dubai linked grades like ESPO as reported. Russia's producer Surugtneftgas sold five cargoes for Mar 8-12, 12-16, 16-20, 22-26, 27-31 loading through its sell tender closed on Tuesday. The lowest price was heard at a premium of around \$2.70 to Dubai quotes, while the highest price was at a premium of around \$3 to

Dubai quotes. The average price for these deals was asid to be at a premium of 2.80-2.90 to Dubai quotes. It turned out that the buyers were Britain's BP, Norway's Equinor, Europe's Vitol, Russia's Lukoil and China International United Petroleum & Chemicals Co (UNIPEC). Meanwhile, a small producer Tenergy was believed to have sold four cargoes of ESPO at similar price levels through its sell tender closed on Tuesday but the details of the buyers were unclear.

### ○North Sea

#### **Forties rises, Chinese Teapot refiner buys**

The CFR North East Asia market of North Sea's Forties for March arrival was assessed at premiums of \$2.60-2.70 to Dubai quotes on a CFR basis, up 15cts from the previous day. Brent/Dubai EFS narrowed, so that end-users in China moved to buy DTD Brent linked Forties. A Chinese independent refiner bought one VLCC or 2.00 mil bbl of Forties for March arrival. The price was said to be at a premium of around \$2.00 to ICE Brent on a CFR

basis. The price gap between ICE Brent and DTD Brent was at 60-70cts in favor of ICE Brent, so that the price was equivalent to a premium of \$2.60-2.70 to DTD Brent. Meanwhile, end-users in South Korea, which used to be major buyers for Forties, recently increased procurement for alteranative US grades recently. Under the circumstances, deals for South Korea were not heard recently.

### ○Africa

#### **Mar Djeno rises, deal done at -50cts**

Spot differentials for March-loading Congo's Djeno were assessed at discounts of 45-55cts to DTD Brent, up \$1.00 from the previous day. Djeno is one of grades favored by Chinese independent refiners and the market was supported by narrowing Brent/Dubai EFS spreads as noted

above. A total of ten cargoes for the March-loading Djeno planned to be loaded. Of these, at least two cargoes were seen sold to end-users in China. The prices were at a discount of around 50cts to DTD Brent.

### ○Brazil

#### **Petrobras offers Lula at ICE+\$2.40 CFR China**

Brazil's state-run Petrobras were in the midst of negotiations with Chinese buyers over its sales of the country's Lula for April arrival. Petrobras offered Lula to independent refiners in China for April arrival at a premium of \$2.40 over ICE Brent on a CFR basis. The gap between ICE Brent and DTD Brent hovering at 60-70cts in favor of ICE Brent as mentioned above, the offer translated into

a premium of slightly more than \$3 over DTD Brent. Petrobras apparently eyed exporting eight cargoes or so of Lula to Asia for April arrival. Meanwhile, Petrobras was said to have sold the country's Roncador Heavy for March-April arrival. The buyer was seen as a national oil company in China. The cargo was apparently traded at a price linked to DTD Brent on a CFR basis.

## OUS

### Thai PTT could have secured US grades for IRPC

Thailand's PTT Public Co cancelled its tender to buy light sweet crudes/condensates for Mar 20-Apr 10 arrival on behalf of the country's petrochemical firm IRPC as reported. In post-tender negotiations,

PTT apparently picked up some US grade for IRPC. Market talks had it that PTT could have taken WTI Midlands, but the exact grade name was not immediately confirmed.

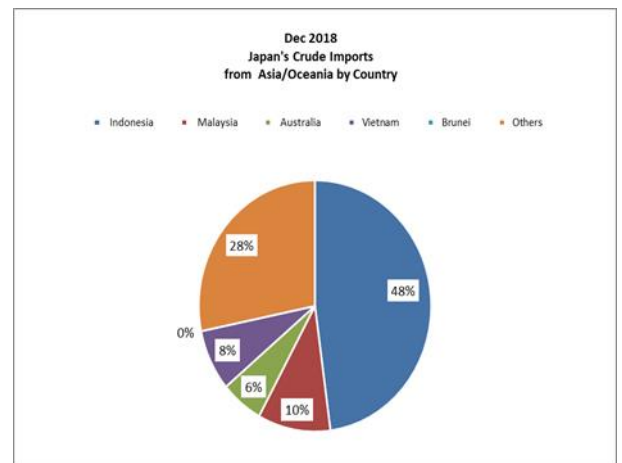
## ASIA PACIFIC CRUDE/CONDENSATE

### Market Summary

Flat prices of March-loading regional grades firmed from the previous day as the benchmark Dated Brent and ICP prices rose. Flat prices of Australia's condensates and Oceania's light grades rose less than other grades as the discounts to Dated Brent widened.

In the floating based trade linked to Dated Brent and ICP for March-loading, Australia's condensates and Oceania's light grades softened. These grades were weighed down by weaker naphtha prices and expectations that demand/supply fundamentals would loosen in the future. Meanwhile, in tender related news, Indonesia's state-owned Pertamina issued a buy

tender for April arrival condensates for the country's TPPI.



## Condensates

### Mar NWSC weakens on depressed naphtha cracks

Spot differentials for March-loading Australia's condensates weakened to discounts of \$3.00-3.10 to Dated Brent, down 10cts from the previous day. Weak naphtha crack spreads in Asia weighed on the market. The prompt month contract for naphtha in Singapore stood at minus \$7.57 as of Jan 30, down \$3.97 from late last year. In addition, demand/supply fundamentals for Australian

condensates would loosen in the future as mentioned below, and this was also cited as a factor to lower the market for NWSC. A trader in Singapore said that tradable levels for March-loading NWSC would be at a discount of slightly larger than \$3.00 to Dated Brent, said a trader in Singapore.

### **Australian condensate fundamentals forecast to loosen**

In the trade of March-loading Australia's condensates, expectations were growing that demand/supply fundamentals would loosen further. Indonesia's state-owned Pertamina issued a condensate buy tender for April arrival for the country's TPPI as mentioned below. But in the tender, Pertamina was seeking only one 650,000bbl cargo. Meanwhile, of a total of four cargoes for March-loading NWSC, three cargoes still failed to find homes, reinforcing views that circumstances surrounding condensates would be in oversupply. Mitsui & Co had one 650,000bbl cargo for Mar 3-7

loading in hand, while Australia's Woodside Petroleum and British BP also had one 9-13 loading cargo and a 25-29 loading cargo unplaced. In addition, US Chevron still had one uncommitted cargo of Australia's Wheatstone condensate.

### **Pertamina issues condensate buy tender for TPPI**

Pertamina issued a buy tender for April-arrival condensates for TPPI. IT was seeking 650,000bbl for 1-3 arrival. The tender will close on Friday. Offers would be valid until February 4. Pertamina earlier purchased two cargoes of NWSC in its previous March arrival tender.

## **OPapua New Guinea**

### **Kutubu softens on slide in naphtha cracks**

Spot differentials for Papua New Guinea's Kutubu were assessed at discounts of 45-55cts to Dated Brent, down 5cts from the previous day. A downward trend for naphtha crack spreads in Asia eroded the values for Kutubu. The country's state-owned Oil Search sold 600,000bbl of Kutubu for 19-23 loading at a discount of 40-50cts to Dated Brent. Following the deal, "the tradable levels for Kutubu should be at a discount of about 50cts to Dated

Brent or a wider discount than the level," said a trader in Singapore, citing that the naphtha market was depressed. Elsewhere, supplies for rival Australia's Ichthys condensate, in which quality is similar to Kutubu, increased steadily and this would be regarded as a bearish factor.

## **ORim Trading Board**

In the Rim Trading Board (RTB) as of 15:30 Tokyo time on Thursday, Lukoil bid for Mar Attaka/Minas paper spread, 50,000bbl, at \$3.00.

## **©NYMEX WTI/ICE Brent, Jan 30**

WTI crude futures on the NYMEX extended gains on Wednesday. The front-month March contract ended at \$54.23 per barrel (bbl), up 92cts from the previous day. The contract hit the highest level in two months. The contract was \$1.21 higher than one week ago.

According to weekly inventory data released by the US Energy Information Administration (EIA) on Wednesday, US crude oil inventories increased from the previous day, but the size of the build was 900,000 bbl, notably smaller than market

expectations. In addition, gasoline inventories decreased 2.20 mil bbl from the previous week, contrary to market expectations. The data eased domestic oversupply concerns, which triggered buying in the crude oil market.

The US government announced Monday that it would impose sanctions on Venezuela's state-run oil firm PDVSA. The announcement raised worries that end-user countries other than US would also refrain from importing Venezuelan crudes and global supply/demand fundamentals would

tighten further. This was also regarded as a bullish factor.

North Sea Brent crude futures on the ICE also advanced. The March contract ended at \$61.65/bbl, up 33cts from the previous day. The contract was 51cts higher than one week ago.

In NYMEX products, both heating oil futures and RBOB gasoline extended gains. The February heating oil was up 0.09cts/gallon from the previous day to 189.84cts. The February contract of RBOB gasoline was up 3.14cts/gallon to 138.23cts.

◎MARKET NEWS

○Japan Dec crude imports down 15.0% at 14.76 million kl

Japan's combined crude imports for December were at 14.76-million kl, or 93.86 million barrels, down 15.0% from the corresponding month a year earlier, the Ministry of Economy, Trade and Industry said in its preliminary report on oil statistics released on Thursday. The imports fell from the same month a year earlier for a second straight month. The December import price for crude (JCC) was at \$71.68/bbl CIF (58,101 yen/kl), down \$10.05/bbl (down 7,076 yen/kl) on month on a preliminary basis. Japan's oil imports are shown separately by country in the table below. Unit is 1,000kl. ( ) shows % changes from the previous year.

<Middle East>

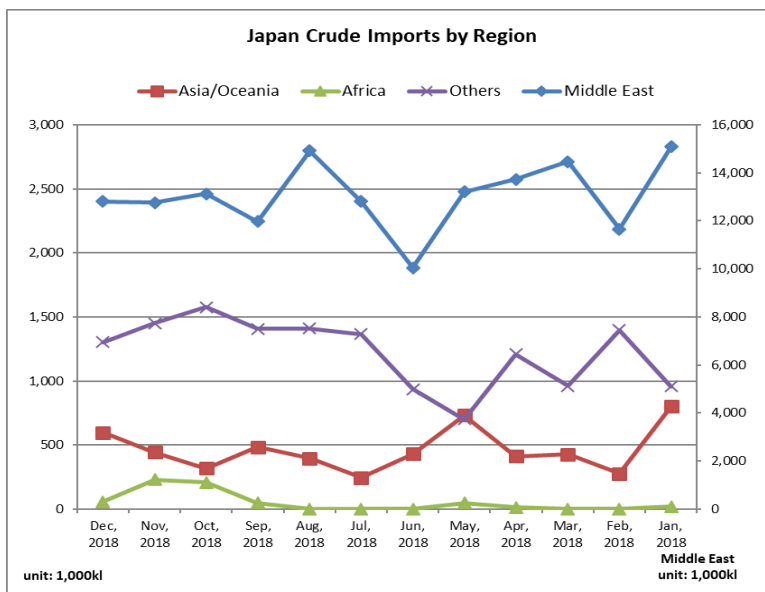
Kuwait	805(- 29.8)	Saudi Arabia	6,270(- 10.1)	Qatar	1,402(+ 13.6)
UAE	3,622(- 19.4)	Oman	57( ---- )	Bahrain	322( ---- )
Iraq	327(+ 71.8)				

<Asia/Oceania>

Malaysia	61(- 9.5)	Kazakhstan	169(- 3.0)	Australia	35(- 45.5)
Vietnam	47(+ 22.4)	Indonesia	286(- 2.2)		

<Russia/Africa/America/Europe>

Russia	222(- 68.5)	Mexico	80(- 83.8)	US	981(+288.8)
Columbia	20( ---- )	Algeria	57( ---- )		



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