

☆RIM PRODUCTS INTELLIGENCE DAILY

★No.7834 Jan 30 2019

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--TOKYO, 20:00 JST Jan 30 2019<Assessment Closing Time>

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○Start of publication of indicative prices for 0.5%S bunker fuel oil in Singapore

Rim intelligence started publication of indicative prices for 0.5% sulfur bunker fuel in Singapore obtained from suppliers and traders from Jan 16, 2019. As of now, as no physical delivery is conducted, prices are only indicative values provided by each supplier and trader. These prices are not assessments by Rim Intelligence. We do not disclose the names of the companies providing indicative prices and only name them as "Company A" or "Company B", and we do not change the order (Company A continues to be Company A). When no price is indicated by Company A, the price of Company A would be blank. We are also planning to start publication of indicative prices for 0.5% sulfur bunker fuel in other areas going forward.

○Publication of expected JCC

On Mar 6, Rim Intelligence began publishing the expected CIF price for crude oil imported to Japan, or Japan Crude Cocktail (JCC) on our website. We post market news covering the summary of the expected JCC, as well as commentaries on the trend of Dubai crude prices and yen/dollar exchange rates, components used to determine the expected JCC, three times every month. The expected JCC has been published for more than 10 years on some of Rim daily reports including LNG, Lorry Rack and Japan Products. The expected JCC, calculated based on our long experience in price assessments and accumulated research data, has been recognized as a reliable benchmark by a wide variety of market players both within and outside Japan.

©RECX-22 index

RECX-22 index for Wednesday was 92.60, down 0.58 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

For inquiries on the above, please contact:

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©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	56,500 – 56,800 –	0 / 300	56,500 – 56,800 –	0 / 300
Kerosene	56,000 – 56,500	-500 / 0	- 54,900 – 55,100 –	-1,600 / -1,400
Gasoil-0.001%S	60,000 – 61,000	-1,000 / 0	60,000 – 61,000	-1,000 / 0
AFO-1.0%S	- 57,000 – 58,000 –	-500 / 500	- 57,000 – 58,000 –	-500 / 500
AFO-0.1%S	- 57,500 – 58,500 –	-500 / 500	- 57,500 – 58,500 –	-500 / 500
LSCFO-0.3%S	48,500 – 49,500	-500 / 500	48,500 – 49,500	-500 / 500
HSCFO-3.0%S	44,500 – 45,500	-500 / 500	44,500 – 45,500	-500 / 500
Floating price assessments in premiums or discounts against Rim monthly average				
-Tokyo Bay Refinery Rack Index-				
Gasoline	55,150 unch.			
Kerosene	59,050 unch.			
Gasoil-0.001%S#	59,250 unch.			
AFO-1.0%S	57,550 unch.			
LSAFO-0.1%S	57,550 unch.			
# before-tax gasoil				
-Japan Crude Cocktail or JCC(MOF CIF Japan Crude Prices, in Yen/kl)-				
18/11/01-30 58,080r	18/12/01-31 51,004r	19/01/01-31 due out on Feb 19		
18/11/01-10 57,737	18/12/01-10 54,320	19/01/01-10 46,090		
18/11/11-20 57,775	18/12/11-20 50,788	19/01/11-20 due out on Feb 07		
18/11/21-30 58,657	18/12/21-31 49,581	19/01/21-31 due out on Feb 19		

©Japan Product Paper Swap Assessments (FOB Tokyo Bay in Yen/kl)			
	Feb	Mar	Apr
Gasoline	56,000 – 57,000	+ 52,000 – 52,600 +	+ 52,200 – 52,800 +
Kerosene	+ 56,000 – 57,000 +	+ 58,800 – 59,400 +	+ 57,800 – 58,400 +
Gasoil	60,500 – 61,500	60,500 – 61,500	60,500 – 61,500
AFO-1.0%S	- 57,000 – 58,000 –	- 57,000 – 58,000 –	- 57,000 – 58,000 –
AFO-0.1%S	- 57,500 – 58,500 –	- 57,500 – 58,500 –	- 57,500 – 58,500 –
LSCFO	48,500 – 49,500	48,500 – 49,500	48,500 – 49,500
HSCFO	44,500 – 45,500	44,500 – 45,500	44,500 – 45,500

©TOCOM Energy Futures (FOB Tokyo Bay Refinery/Primary Storage in Yen/kl)						
	Open	High	Low	Settle	Change	Volume
Gasoline						
Mar	51,320	51,680	51,310	51,540	+720	23
Apr	51,440	51,870	51,440	51,740	+780	39
May	51,360	51,850	51,350	51,650	+740	29
Jun	51,500	51,840	51,450	51,700	+720	66
Jul	51,530	51,860	51,360	51,700	+750	272
Aug	51,390	51,840	51,320	51,690	+790	390
Total						819
Kerosene						
Mar	59,040	59,180	58,980	59,060	+550	14
Apr	58,110	58,320	58,000	58,140	+590	16
May	57,530	57,960	57,530	57,960	+750	9
Jun	57,570	57,800	57,400	57,800	+700	12
Jul	57,450	57,450	57,080	57,290	+120	127
Aug	57,010	57,220	56,840	57,010	+650	134
Total						312
Gasoil						
Mar	-	-	-	61,200	0	-
Apr	-	-	-	60,900	0	-

May	-	-	-	60,600	0	-
Jun	-	-	-	60,300	0	-
Jul	-	-	-	60,000	0	-
Aug	-	-	-	59,700	0	-
Total						-
Crude oil						
Jan	40,520	40,520	40,510	40,510	+50	2
Feb	41,630	42,000	41,580	41,820	+700	53
Mar	41,460	41,760	41,330	41,610	+710	101
Apr	41,200	41,470	41,070	41,350	+680	186
May	40,970	41,200	40,760	41,090	+750	799
Jun	40,710	40,950	40,500	40,850	+780	3,995
Total						5,136
In contracts of 50 kiloliters						
Open interest (01/29) (Short):	Gasoline	5,886	Kerosene	2,519	Gasoil	0
Open interest (01/29) (Long):	Gasoline	5,886	Kerosene	2,519	Gasoil	0
	Crude oil	63,918				

©CFR Japan MR Cargoes (Naphtha and FO in \$/mt, Others in \$/bbl)			
	-Physical-	-Premium-	Import Cost (Yen/kl)
Naphtha	+ 497.75 - 503.75 + **	8.00 / 9.00#	38,705
Mar 1st-half	+ 506.25 - 506.75 +		
Mar 2nd-half	+ 503.25 - 503.75 +		
Apr 1st-half	+ 497.75 - 498.25 +		
Jet/Kerosene	+ 76.20 - 76.30 +	1.15 / 1.25	56,105
Gasoil 0.001%S	+ 75.50 - 75.60 +	0.35 / 0.45	56,023
FO 380cst 3.5%S	+ 397.00 - 398.00 +	7.50 / 8.50	45,844
LSFO 0.3%S	+ 461.25 - 471.25 +	70.00 / 80.00*	53,245
--Exchange rate (TTS Yen/\$ as of Jan 30) 110.42 (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	+ 74.25 - 74.35 +	-0.80 / -0.70	53,937
Gasoil CARB DIESEL	+ 74.15 - 74.25 +	-1.00 / -0.90	53,868
Gasoil 0.001%S	+ 73.90 - 74.00 +	-1.25 / -1.15	53,696
FO 380cst 3.5%S	+ 383.00 - 386.00 +	-6.50 / -3.50	43,820
--Exchange rate (TTM Yen/\$ as of Jan 30) 109.42 (MUFG Bank)			
*Yen/kl prices include Yen 2,800/kl refund.			

©FOB Singapore Cargoes (FO in \$/mt, Others in \$/bbl)			
	-Physical-	-Premium-	
Mogas 97RON	+ 61.65 - 61.75 +	3.20 / 3.30*	
95RON	+ 60.15 - 60.25 +	1.70 / 1.80*	
92RON	+ 58.40 - 58.50 +	-0.45 / -0.35*	
Naphtha	+ 53.80 - 53.90 +	0.55 / 0.65	
Jet/Kerosene	+ 73.95 - 74.05 +	-1.10 / -1.00	
Gasoil 0.001%S	+ 74.95 - 75.05 +	-0.20 / -0.10	
Gasoil 0.05%S	+ 73.00 - 73.10 +	-2.15 / -2.05	
FO 180cst 3.5%S	+ 393.00 - 394.00 +	1.75 / 2.75	
FO 380cst 3.5%S	+ 392.50 - 393.50 +	3.00 / 4.00	
* Premium to FOB Singapore Mogas 92RON. 92RON Physical price does not include Premiums.			

©FOB Indonesia LSWR Cargoes			
	-Physical-	-Premium-	
LSWR 0.45%S (\$/mt)	+ 420.25 - 422.25 +	29.00 / 31.00*	
LSWR 0.45%S (\$/bbl)	+ 63.65 - 63.95 +		
*Premium to Singapore HSFO 180cst paper swaps			

©Singapore Paper Swaps (FO in \$/mt, Others in \$/bbl)			
	Feb	Mar	Apr
Naphtha	+ 53.20 - 53.30 +	+ 52.45 - 52.55 +	+ 52.00 - 52.10 +
Jet/Kerosene	+ 75.00 - 75.10 +	+ 75.60 - 75.70 +	+ 75.95 - 76.05 +
Regrade	+ -0.15 - -0.05 +	+ -0.10 - 0.00 +	+ 0.00 - 0.00
Gasoiil 0.001%S	+ 75.10 - 75.20 +	+ 75.65 - 75.75 +	+ 75.95 - 76.05 +
FO 180cst 3.5%S	+ 391.00 - 391.50 +	+ 386.75 - 387.25 +	+ 382.75 - 383.25 +
FO 380cst 3.5%S	+ 389.25 - 389.75 +	+ 383.75 - 384.25 +	+ 379.25 - 379.75 +

©Singapore Crack Margins (Against Dubai Swaps, in \$/bbl)			
	Feb	Mar	Apr
Naphtha	-7.57	-8.10	-8.29
Jet/Kerosene	14.23	15.05	15.66
Gasoiil 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

©FOB South Korea Cargoes (FO in \$/mt, Others in \$/bbl)			
MR Cargoes	-Physical-	-Premium-	
Mogas 91RON/0.001%S	+ 59.15 - 59.35 +	0.70 / 0.90*	
Mogas 92RON/0.05%S	+ 56.15 - 56.35 +	-2.30 / -2.10*	
Jet/Kerosene	+ 74.70 - 74.80 +	-0.35 / -0.25	
Gasoiil 0.001%S	+ 73.90 - 74.00 +	-1.25 / -1.15	
Gasoiil 0.05%S	+ 72.50 - 72.60 +	-2.65 / -2.55	
Gasoiil 0.25%S	+ 71.35 - 71.45 +	-3.80 / -3.70	
Gasoiil 0.5%S	+ 70.85 - 70.95 +	-4.30 / -4.20	
FO 380cst 3.5%S	+ 387.00 - 388.00 +	-2.50 / -1.50	
LSFO 0.3%S	+ 451.25 - 461.25 +	60.00 / 70.00***	
SR Cargoes	-Physical-	-Premium-	Import Cost(Yen/kl) #
Mogas 91RON	+ 59.95 - 60.05 +	1.50 / 1.60*	47,768
Kerosene	+ 76.55 - 77.05 +	1.50 / 2.00	58,848
Gasoiil 0.001%S	+ 74.25 - 74.35 +	-0.90 / -0.80	57,516
AFO 1.0%S	+ 71.50 - 71.70 +	-3.65 / -3.45**	52,091
LSAFO 0.1%S	+ 71.90 - 72.10 +	-3.25 / -3.05**	52,368
LSFO 0.3%S	+ 461.25 - 471.25 +	70.00 / 80.00***	56,044

*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 LSFO 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 LSFO includes Yen 2,800/kl petroleum tax and Yen 249/kl import duty.

SR Clean Tanker Freight Rates (\$/bbl)			
Korea to Tomakomai	3.90 - 4.10	Korea to Keihin	3.60 - 3.80
Korea to Nagoya	3.30 - 3.50	Korea to Kanmon	2.90 - 3.10

SR Dirty Tanker Freight Rates (\$/mt)			
Korea to Tomakomai	27.00 – 29.00	Korea to Keihin	25.00 – 27.00

©FOB Taiwan Cargoes (in \$/bbl)			
MR Cargoes	-Physical-	-Premium-	
Mogas 93RON	+ 58.20 – 58.40 +	-0.25 / -0.05	
Jet/Kerosene	+ 74.20 – 74.30 +	-0.85 / -0.75	
Gasoil 0.001%S	+ 74.15 – 74.25 +	-1.00 / -0.90	
Gasoil 0.05%S	+ 72.70 – 72.80 +	-2.45 / -2.35	
Gasoil 0.25%S	+ 71.85 – 71.95 +	-3.30 / -3.20	
Gasoil 0.5%S	+ 71.55 – 71.65 +	-3.60 / -3.50	

©FOB China Cargoes (in \$/bbl)			
MR Cargoes	-Physical-	-Premium-	
Mogas 92RON	+ 58.00 – 58.20 +	-0.45 / -0.25	
Gasoil 0.001%S	+ 73.90 – 74.10 +	-1.25 / -1.05	

©CFR China Cargoes				
	(FO in \$/mt, Others in \$/bbl)		(Yuan/mt)	(Yuan/mt)
	-Physical-	-Premium-	-Import Cost-	-Domestic-###
North China				
Mogas 92RON***	+ 57.55 – 57.75 +	-0.90 / -0.70	6,281	6,850 – 6,900
Gasoil 0.001%S*	+ 75.50 – 75.60 +	0.35 / 0.45	6,127	5,900 – 5,950
East China				
Mogas 92RON***	+ 57.45 – 57.65 +	-1.00 / -0.80	6,275	+ 6,850 – 6,900 +
Gasoil 0.001%S*	+ 75.40 – 75.50 +	0.25 / 0.35	6,121	+ 5,850 – 5,900 +
South China				
Mogas 92RON***	+ 57.65 – 57.85 +	-0.80 / -0.60	6,288	6,800 – 6,850
Gasoil 0.001%S*	+ 75.60 – 75.70 +	0.45 / 0.55	6,133	5,800 – 5,850
FO 380cst 3.5%S*	+ 408.50 – 409.50 +	19.00 / 20.00	4,640	4,300 – 4,350 ##
--Exchange rate (MIDDLE Yuan/\$ as of Jan 30) 6.7343				
***Yuan/mt prices for Mogas include 1% duty, 16% value added tax and Yuan 2,082/mt consumption tax.				
*Yuan/mt prices for Gasoil include 1% duty, 16% 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	+ 476.50 – 477.00 +	10.00 / 12.00	
Jet/Kerosene	+ 71.85 – 71.95 +	0.70 / 0.90	
Gasoil 0.05%S	+ 70.90 – 71.00 +	0.40 / 0.60	
FO 380cst 3.5%S	+ 381.00 – 382.00 +		

©Asia Bunker Prices (\$/mt)						
— 30Jan19 Closing Quotes —						
Port/Location	180cst		380cst		MGO (MDO: Japan)	
	Low – High	Change	Low – High	Change	Low – High	Change
Tokyo Bay	439.00 – 442.00	+10.00	432.00 – 435.00	+10.00	545.00 – 555.00	+10.00
West Japan	445.00 – 448.00	+10.00	438.00 – 441.00	+10.00	554.00 – 564.00	+10.00
Ise Bay	444.00 – 447.00	+10.00	437.00 – 440.00	+10.00	545.00 – 555.00	+10.00
#Rim Average-Jan	406.46	+0.87	399.46	+0.87	526.52	+0.87
S. Korea	455.00 – 457.00	+14.00	439.00 – 442.00	+13.00	610.00 – 620.00	+15.00
F. E. Russia*	361.00 – 363.00	+5.00	340.00 – 343.00	+5.00	670.00 – 680.00	+20.00

Taiwan Kaohsiung PP**	436.00 – 439.00	0.00	432.00 – 435.00	0.00	637.00 – 640.00	0.00
Taiwan Keelung PP**	436.00 – 439.00	0.00	432.00 – 435.00	0.00	637.00 – 640.00	0.00
Taiwan Taichung PP**	436.00 – 439.00	0.00	432.00 – 435.00	0.00	637.00 – 640.00	0.00
Taiwan Others PP**	440.00 – 443.00	0.00	440.00 – 443.00	0.00	637.00 – 640.00	0.00
Kaohsiung	431.00 – 433.00	0.00	429.00 – 432.00	0.00	627.00 – 637.00	0.00
Hong Kong	416.00 – 418.00	+15.00	407.00 – 410.00	+11.00	561.00 – 571.00	+12.00
Singapore	436.00 – 438.00	+12.00	405.00 – 408.00	+12.00	560.00 – 570.00	+10.00

--Note: *Nakhodka, Vostochny, Vladivostok, **Posting Price

#Rim Tokyo Bay monthly average

Port/Location	180cst		380cst		MGO	
	Low – High	Change	Low – High	Change	Low – High	Change
Shanghai	420.00 – 422.00	0.00	415.00 – 418.00	+5.00	688.00 – 698.00	0.00
Bangkok	424.00 – 426.00	-8.00	404.00 – 407.00	-8.00	639.00 – 649.00	-6.00
Colombo	518.00 – 520.00	+10.00	437.00 – 440.00	+10.00	720.00 – 730.00	+10.00

--Prices at three ports listed above are reference numbers.

©Bunker fuel Oil(0.5%S) indications in \$/mt

	Singapore
A	552.00
B	532.00
C	510.00

*Sulfur content 0.5% or less

©ASIA PRODUCTS MARKET COMMENTARY

○Benchmark Crude Summary

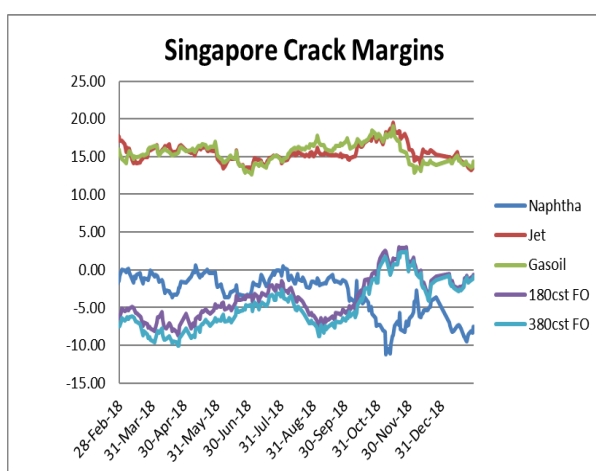
Jan 30 crude oil prices (As of the evening time in Tokyo)

NYMEX • WTI MAR: \$53.28/bbl (up \$1.21/bbl versus a day earlier)

ICE • BRENT MAR: \$61.30/bbl (up \$1.30/bbl versus a day earlier)

DUBAI PAPER FEB: \$60.82/bbl (up \$X.XX/bbl versus a day earlier)

○Singapore Crack Margins



In the Singapore paper swap market, the crack spread of naphtha over Dubai crude oil for February was at minus \$7.57/bbl, up 74cts/bbl from a day earlier. The crack spread of jet fuel was at \$14.23/bbl, up 74cts/bbl from a day earlier, that of 0.001% sulfur gasoil at \$14.33/bbl, up 69cts/bbl from a day earlier, that of 180cst fuel oil at minus 63cts/bbl, up 21cts/bbl from a day earlier, and that of 380cst fuel oil at minus 90cts/bbl, up 29cts/bbl from a day earlier.

○Gasoline

The differential for MR-size cargoes of 92RON gasoline on an FOB South Korea basis was at a discount in the range of \$2.10-2.30/bbl to Singapore quotations, unchanged from a day before. On the other hand, the

differential for MR-size cargoes of 92RON gasoline on an FOB China basis was at a discount in the range of 25-45cts/bbl to the same quotations, up 15cts/bbl from a day before on widening contango in the paper swaps

market. In the market in Singapore, a Feb/Mar and a Mar/Apr spread were both at 60cts in contango. Meanwhile, a refiner in China sold an MR-size cargo of 92RON gasoline loading on Feb 27-28 from South China at a discount of around 25cts/bbl to Singapore quotations on an FOB basis. On the demand side, Indonesia's state-owned Pertamina closed a buy tender for a combined volume of 500,000bbl of 88RON gasoline to be loaded in late February from around Singapore on Wednesday with its price validity date set on Thursday. In the meantime, stable differentials for 92RON gasoline on an FOB Singapore basis and high freight rates capped the differential on an FOB South Korea basis.

CFR East China MR-size cargoes of 92RON gasoline maintained from the previous day at a discount of

\$0.80-1.00/bbl to Singapore quotations on Wednesday. In East China, domestic prices for 92RON gasoline on an ex-primary storage basis were in the range of Yuan 6,850-6,900/mt, up by Yuan 50/mt from the previous day. The price was above the import cost by Yuan 600/mt or \$10.49/mt.

FOB Singapore prices for 92RON gasoline rallied by \$1.15/bbl to \$58.40-58.50/bbl on Wednesday on vibrant naphtha prices. In this situation, Hin Leong bought two 50,000bbl cargoes of 92RON gasoline loading on Feb 19-23 and Feb 25-Mar 1 at \$58.40/bbl and \$58.50/bbl from BP and Vitol, respectively. Buying and selling ideas were indicated at a discount of 35-45cts to Singapore quotations, holding steady from a day earlier.

ONaphtha

Open-spec naphtha prices in Asia were in the range of \$497.75-503.75/mt, up \$20.25/mt from a day earlier on firm Brent crude futures.

Whereas arrivals of arbitrage from Europe were expected to be delayed, some movements of short cover were seen in Asia. Therefore, prices for cargoes to be delivered in Asia were strengthening. For cargoes from India, supply was getting thin due to regular maintenance of Reliance Industries Ltd's refinery. Reliance seemed to have sold a cargo loading in the first half of March at a premium of \$14.00-15.00/mt to Middle East quotations on an FOB basis.

For prices for cargoes to be delivered in Japan, a market source said that a deal for a cargo to be delivered in the first half of March could be done at a low to mid-single digit premium to Japan quotations. In South Korea, LG Chem and Hanwha Total were likely to expand the capacity of their naphtha crackers during their regular maintenance in March and April. However, during the period, demand of naphtha would decline. On the other hand, refiners in China and Malaysia were scheduled to shut down their

refineries for planned maintenance activities and supply of naphtha would get tight. In the market, there were both bullish and bearish factors seen.

In Brent crude oil futures trades on the Intercontinental Exchange (ICE) early in the evening in Asia, the Mar contract rose by \$1.30/bbl to \$61.30/bbl. Open-spec naphtha prices for H1 Mar arrival were at \$506.25-506.75/mt, H2 Mar arrival at \$503.25-503.75/mt, and H1 Apr arrival at \$497.75-498.25/mt.

On a timing spread, a H1 Mar/H1 Apr spread was in backwardation of \$8.50/mt, widening by \$2.00/mt from a day earlier. A Mar Brent/H1 Mar naphtha spread was at \$47/mt in favor of naphtha, widening by \$12/mt from the previous day.

Early in the evening in Asia, Feb NWE naphtha prices were \$471.00-473.00/mt, up \$18.00/mt from the previous day. Prices for Mar and Apr were at \$472.00-474.00/mt and \$470.75-472.75/mt. A H1 Mar Asia/Feb NWE spread was at \$35/mt in favor of Asia, spreading by \$4/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 70-80cts/bbl to Singapore quotations, unchanged from a day before, while the differential for MR-size cargoes of jet fuel on an FOB South Korea basis was also unchanged at a discount in the range of 25-35cts/bbl to the same quotations. Some refiners advanced their spot sales for cargoes loading in March. A refiner in South Korea was making moves to sell two MR-size cargoes of jet fuel; one for early March and the remaining one for late March loading. No deals were reported to date.

Meanwhile, China Aviation Oil (CAO) closed a buy tender for 25,000mt of jet fuel to be delivered on Mar 4-8 in Huangpu, South China as reported earlier.

FOB Singapore prices for jet fuel oil strengthened by \$2.30/bbl to \$73.95-74.05/bbl on Wednesday. The Feb swaps contract rose by \$2.30/bbl to \$75.05/bbl. Buying and selling ideas were indicated at a discount of \$1.00-1.10/bbl to Singapore quotations, unchanged from a day earlier.

OGasoil

The differentials for MR-size cargoes of 0.001% sulfur gasoil on an FOB South Korea basis and on an FOB Japan basis were both at a discount in the range of \$1.15-1.25/bbl to Singapore quotations, unchanged from a day before. Talks on cargoes loading in February were almost over, and market players were keen on cargoes loading in March. It was reported that a 0.001% sulfur gasoil cargo loading in February from Northeast Asia were traded at a discount in the range of \$1.80-1.90/bbl to Singapore quotations on an FOB basis. However, the cargo may have been traded at a low differential due to its prompt laycan.

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 \$2.55-2.65/bbl to Singapore quotations, unchanged from a day before, while the differential for MR-size cargoes of 0.05% sulfur gasoil on an FOB Taiwan basis was also unchanged at a discount in the range of \$2.35-2.45/bbl to the same quotations. A market source said that a refiner in South Korea was making moves to sell a 0.05% sulfur gasoil cargo

loading in March, but the deal had yet to be reported. In the meantime, another refiner in the country was said to have sold a 0.05% sulfur gasoil cargo loading in February at an early stage. In addition to 0.05%S, prices for 0.25%S and 0.5%S gasoil cargoes remained weak.

CFR East China MR-size cargoes of 0.001% gasoil held steady from a day before at a premium of 25-35cts/bbl to Singapore quotations on Wednesday. In East China, domestic prices for 0.001% gasoil on an ex-primary storage basis were in the range of Yuan 5,850-5,900/mt, up by Yuan 50/mt from a day before. The price was below the import cost by Yuan 246/mt or \$4.87/mt.

FOB Singapore prices for 0.001% sulfur gasoil gained by \$2.25/bbl to \$74.95-75.05/bbl on Wednesday. The Feb swaps contract strengthened by \$2.25/bbl to \$75.15/bbl. Buying and selling ideas were indicated at a discount of 10-20cts/bbl to Singapore quotations, unchanged from a day earlier.

OLSWR

The differential for MR-size cargoes of LSWR on an FOB Indonesia basis was at a premium in the range of \$29.00-31.00/mt to Singapore quotations (180cst), unchanged from the previous day. Sales for low-sulfur fuel oil (decant oil) loading in February by Indonesia's state-run Pertamina was in tough negotiations. Bids

and offers were not matched, and the retender became normal situations. The company retendered on Jan 30 for 80,000bbl low-sulfur fuel oil (decant oil) loading on Feb 22-23 from Praju refinery. The closing date was Feb 1. The validity was said to be up to Feb 6.

OFuel Oil

The differential for MR-size cargoes of 0.3% sulfur fuel oil on a CFR Japan basis remained steady from a day before at a premium in the range of \$70.00-80.00/mt to Singapore quotations. On the back of tightness in supply and demand fundamentals, the differential was steady. Due to coming into peak demand season in winter for power, demand for low sulfur fuel oil to power generation seemed to be firm. In the meantime, traders digested stocks in hand, and it was voiced that they were not in need to sell at low prices. The term tender arriving in May-Dec for 0.3%S fuel oil by CPC entered into the final step for discussions, and the tender would be awarded this weekend.

FOB Singapore prices for 380cst fuel oil rose by \$12.50/mt to \$392.50-393.50/mt on Wednesday along with strong paper swap values and differentials. The Feb swaps contract was valued at \$389.50/mt, up \$12.00/mt from a day earlier. Buying and selling ideas were indicated at a premium of \$3.00-4.00/mt to Singapore quotations, up 50cts/mt from a day earlier on strong buying interests by traders. On Wednesday, Hin Leong bought 20,000mt of 380cst fuel oil loading in Feb 14-18 at a premium of \$3.50/mt to Singapore quotations from Glencore.

©ASIA BUNKER MARKET COMMENTARY**○Japan**

The price for 380cst in Tokyo Bay, Japan was in the range of \$432.00-435.00/mt, up \$10.00/mt from a day before with a rise in the fuel oil cargo price in Singapore. Offers were heard in the range of \$435.00-440.00/mt. Despite a surge in prices, many inquiries especially from foreign shipping companies were reported on Wednesday. There were views that demand for February delivery has been quite strong, a supply/demand situation of which would likely get

better, amid supply tightness since end January and a petroleum processing company stepping out of the spot market in South Korea. Meanwhile, persistent rough weather has caused disruption in fuel oil delivery works. Traders set offers based on the monthly average price in the middle of many inquiries. The January average price for 380cst in Tokyo Bay was estimated at \$399.46/mt, down \$2.95/mt from a month earlier.

○South Korea

The price for 380cst in South Korea was in the range of \$439.00-442.00/mt, up \$13.00/mt from a day before with a rise in the fuel oil cargo price in Singapore. Offers were heard in the range of \$439.00-450.00/mt. The price for 180cst was in the range of \$455.00-457.00/mt, up \$14.00/mt from a day before with a rise in the fuel oil cargo price in Singapore.

Offers were shown in the range of \$455.00-465.00/mt. The price for MGO was in the range of \$610.00-620.00/mt, up \$15.00/mt from a day before with a rise in the gasoil cargo price in Singapore. Offers were posted in the range of \$620.00-630.00/mt. No offers were quoted on LSMGO on Wednesday.

○F.E.Russia

The price for 380cst in Far East Russia was in the range of \$340.00-343.00/mt, up \$5.00/mt from a day before with tight supply/demand fundamentals. Offers were heard in the range of \$340.00-350.00/mt. On Wednesday, an ex-Nakhodka parcel of around 200mt was believed to have been traded in the mid-\$340's/mt although confirmation has yet to be obtained. It came

clear that a reduction in a tax rate on exports of petroleum products reported on the previous day has been effective since this month. A source said that exports would increase from February and expected tight bunker supply would likely send prices higher from now on. The price for MGO was in the range of \$670.00-680.00/mt, up \$20.00/mt from a day earlier

with tight supply/demand fundamentals. Offers were

posted in the range of \$670.00-720.00/mt.

OHong Kong

The price for 380cst in Hong Kong was in the range of \$407.00-410.00/mt, rising by \$11.00/mt from Tuesday tracking firm Singapore fuel oil paper swap values. Offers were posted at \$410.00-417.00/mt. The price for 180cst was in the range of \$416.00-418.00/mt, increasing by \$15.00/mt from Tuesday reflecting strong

Singapore fuel oil paper swap values. Offers were cast at \$418.00-426.00/mt. The price for MGO was in the range of \$561.00-571.00/mt, up \$12.00/mt from Tuesday following strong Singapore gasoil paper swap values. Offers were heard at \$571.00-590.00/mt.

OSingapore

The price for 380cst in Singapore was in the range of \$405.00-408.00/mt, rising by \$12.00/mt from Tuesday following strong Singapore fuel oil paper swap values. Offers were posted at \$408.00-409.00/mt. The price for MGO was in the range of \$560.00-570.00/mt, up \$10.00/mt from Tuesday reflecting firm Singapore gasoil paper

swap values. Offers were heard in the range of \$560.00-580.00/mt. For LSMGO, offers were quoted in the range of \$572.00-583.00/mt. In addition, indicative prices for bunker fuel oil with a sulfur content of 0.5% or less were cast in the range of \$510.00-552.00/mt.

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OAverage price prediction for bunker fuel from January to December 2019

According to the survey compiled by Rim Intelligence, average price predictions for marine fuel oil and MGO from January to December 2019 are shown below. The prices are predicted based on the results of 2018 as it is difficult to predict the impact of the sulfur cap regulation leading by IMO starting from January 2020. Rim Intelligence asked price prediction to those at around 10 companies including financial companies, shipping companies and trading houses both in Japan and foreign countries.

<AVERAGE PRICE FOR 2019/1~2019/12>

(US\$/MT)

Port/Location	180cst	380cst	LSMGO **	0.5%S **
Vancouver BC *	427.92	399.67	689.67	-
Seattle/Tacoma *	458.54	396.40	695.71	-
Los Angeles *	444.84	389.23	631.16	-
New York *	416.66	387.13	625.63	-
Houston *	423.79	359.96	603.16	-
New Orleans *	474.06	373.82	606.63	-
Panama *	420.94	373.52	632.76	-
Rotterdam	404.23	361.81	568.33	-
Gibraltar	415.07	388.15	625.23	-
Fujairah	467.17	389.56	677.25	-

Tokyo Bay	428.47	421.47	601.21	-
S.Korea	436.38	413.54	648.19	-
F.E.Russia	378.08	361.27	653.33	-
Taiwan kaohsiung PP	436.40	429.15	713.76	575.08
Shanghai	435.23	415.04	710.87	-
Hongkong	412.66	400.91	614.06	-
Singapore	429.45	395.22	616.21	576.21
Bangkok	437.20	413.30	676.69	-
NYMEX(WTI) \$/BBL	56.83			
ICE(BRENT) \$/BBL	65.15			
DUBAI	64.29			

* Ex-wharf

**LSA:Japan

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OMOF TRADE: Dec, 19 Petroleum exports from Japan

MOF TRADE:		Dec,19 Petroleum exports from Japan			
		19/12-Provisional Data-		19 Nov-Revised Data-	
Oil type	Volume (KL)	Yen/KL	Dlrs/bbl	Volume (KL)	Yen/KL
Petroleum spirits--mogas	445,661	45,468	63.90	154,281	58,280
others	73,796	52,000	73.08	10,811	81,054
Kerosene	356,706	56,361	79.20	288,990	162
Gasoil	679,450	53,799	75.60	370,056	64,898
Heavy Fuels	330,414	52,705	74.07	402,407	53,889
-Exchange rate (Yen/\$) (19 Dec)	113.13				

OMOF TRADE: Dec,18 Petroleum imports into Japan

MOF TRADE:		Dec, 18 Petroleum imports into Japan			
		18/Dec-Provisional Data-		18/Nov-Revised Data-	
Oil type	Volume (KL)	Yen/KL	Dlrs/bbl	Volume (KL)	Yen/KL
Crude Oil	16,252,553	51,004	71.68	15,743,969	58,080
Reformate	-	-	-	-	-
Gasoline	215,151	51,281	72.07	179,353	58,072
Naphtha--Petchem use	2,644,149	48,426	68.06	2,564,122	54,812
Kerosene--Jet Fuel	160,101	59,558	83.70	286,197	66,698
--Petchem use	-	-	-	-	-
--Others	298,983	63,864	89.76	136,740	67,819
Gasoil--Petchem use	-	-	-	-	-
--Others	36,503	62,153	87.35	97,119	69,650
AFO--(1)	-	-	-	5,955	60,154
--0.3%S or less	9,367	68,302	95.99	11,143	66,213

--more than 0.3%S	—	—	—	—	—
CFO—for Refining	14,816	56,572	79.51	47,793	60,606
--0.3%S or less	64,154	57,455	80.75	20,075	63,140
--more than 0.3%S	296	51,990	73.07	21,908	63,875
Exchange rate (Yen/\$)	18/Dec	113.14			
<i>*Reformat: Unit·MT, \$/MT</i>					
<i>*A fuel oil (1) is for use in the Agriculture, Fishery and Forestry only.</i>					

Japan Oil Statistics

Japan Oil Statistics

Refinery Operations

	Current Week	Last Week	Change from Last Week
	20/Jan/2019-26/Jan	13/Jan/2019-19/Jan	
Crude Input(KL)	3,619,907	3,666,724	-46,817
Weekly Average Capacity(BPSD)	3,482,371	3,518,800	-36,429
Utilization Rate against BPSD	93.4%	93.6%	-0.2%
Designed Capacity(BPCD)	3,518,800	3,518,800	0
Utilization Rate against BPCD	92.4%	93.6%	-1.2%

"Weekly Capacity(BPSD)" is operable capacity for the week and is determined by deducting suspended capacity (by accident/maintenance) from "Designed Capacity(BPCD)".

Products Stocks

	Current Week	Last Week	Change from Last Week
	20/Jan/2019-26/Jan	13/Jan/2019-19/Jan	
Gasoline	1,824,904	1,808,172	16,732
Naphtha	1,389,309	1,464,876	-75,567
Jet	817,827	846,072	-28,245
Kerosene	2,013,686	2,097,947	-84,261
Gasoil (Diesel)	1,664,337	1,737,794	-73,457
LSA	285,071	304,701	-19,630
HSA	542,006	510,869	31,137
AFO	827,077	815,570	11,507
LSC	658,266	664,397	-6,131
HSC	1,429,194	1,478,322	-49,128
CFO	2,087,460	2,142,719	-55,259
Total	10,624,600	10,913,150	-288,550

Unit: kl

Crude, Unfinished Oil and Feed Stocks

	Current Week	Last Week	Change from Last Week
	20/Jan/2019-26/Jan	13/Jan/2019-19/Jan	
Crude Oil	13,447,216	13,504,266	-57,050
Gasoline	2,484,398	2,476,984	7,414
Kerosene	653,418	615,087	38,331
Gasoil	985,632	1,060,886	-75,254
AFO	629,462	629,267	195
Feed Stocks	2,826,363	2,853,364	-27,001

Total **7,579,273** **7,635,588** **-56,315**

Unit: kl

Not include stocks on the territorial ocean.

Refinery Production

	Current Week 20/Jan/2019-26/Jan	Last Week 13/Jan/2019-19/Jan	Change from Last Week
Gasoline	927,697	980,228	-52,531
Naphtha	415,717	473,814	-58,097
Jet	197,301	269,545	-72,244
Kerosene	412,506	445,566	-33,060
Gasoil (Diesel)	832,020	864,894	-32,874
LSA	151,155	141,393	9,762
HSA	145,132	134,627	10,505
AFO	296,287	276,020	20,267
LSC	76,332	65,826	10,506
HSC	202,963	228,976	-26,013
CFO	279,295	294,802	-15,507
Total	3,360,823	3,604,869	-244,046

Unit: kl

Imports

	Current Week 20/Jan/2019-26/Jan	Last Week 13/Jan/2019-19/Jan	Change from Last Week
Gasoline	n.a.	n.a.	n.a.
Naphtha	n.a.	n.a.	n.a.
Jet	n.a.	n.a.	n.a.
Kerosene	n.a.	n.a.	n.a.
Gasoil (Diesel)	n.a.	n.a.	n.a.
LSA	n.a.	n.a.	n.a.
HSA	n.a.	n.a.	n.a.
AFO	n.a.	n.a.	n.a.
LSC	39,718	0	39,718
HSC	0	0	0
CFO	39,718	0	39,718
Total	n.a.	n.a.	n.a.

Unit:kl

Exports

	Current Week 20/Jan/2019-26/Jan	Last Week 13/Jan/2019-19/Jan	Change from Last Week
Gasoline	105,136	93,108	12,028
Naphtha	0	0	0
Jet	173,494	272,975	-99,481
Kerosene	29,956	50,329	-20,373
Gasoil (Diesel)	285,913	253,781	32,132
LSA	22,700	83	22,617
HSA	8,408	7,132	1,276
AFO	31,108	7,215	23,893
LSC	33,499	5,020	28,479
HSC	128,210	94,523	33,687
CFO	161,709	99,543	62,166



Total	787,316	776,951	10,365
Unit: kl			

Weekly Average Imports (Past 3 years)	
	Average Imports Dec-Feb
Gasoline	15,543
Naphtha	562,916
Jet	7,083
Kerosene	81,060
Gasoil (Diesel)	11,998
AFO	763
CFO	n.a.
Unit: kl	

* From: Energy Statistics Monthly & Annual/METI

* The numbers on the table are calculated from daily imports of past 3 years.

Source: Petroleum Association of Japan

"n.a." means too small sample to announce.



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