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Argus *Tanker Freight*

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EDITOR'S WORD

Russian crude discounts have narrowed in the past few months, which, along with recent increases in crude prices, is causing concern about profitability for Indian state-controlled BPCL.

HEADLINES

- Panama Canal further cuts winter vessel transits
- Europe hesitant to increase Mideast term crude supply
- NNPC lifts formula crude prices for medium sweet grades

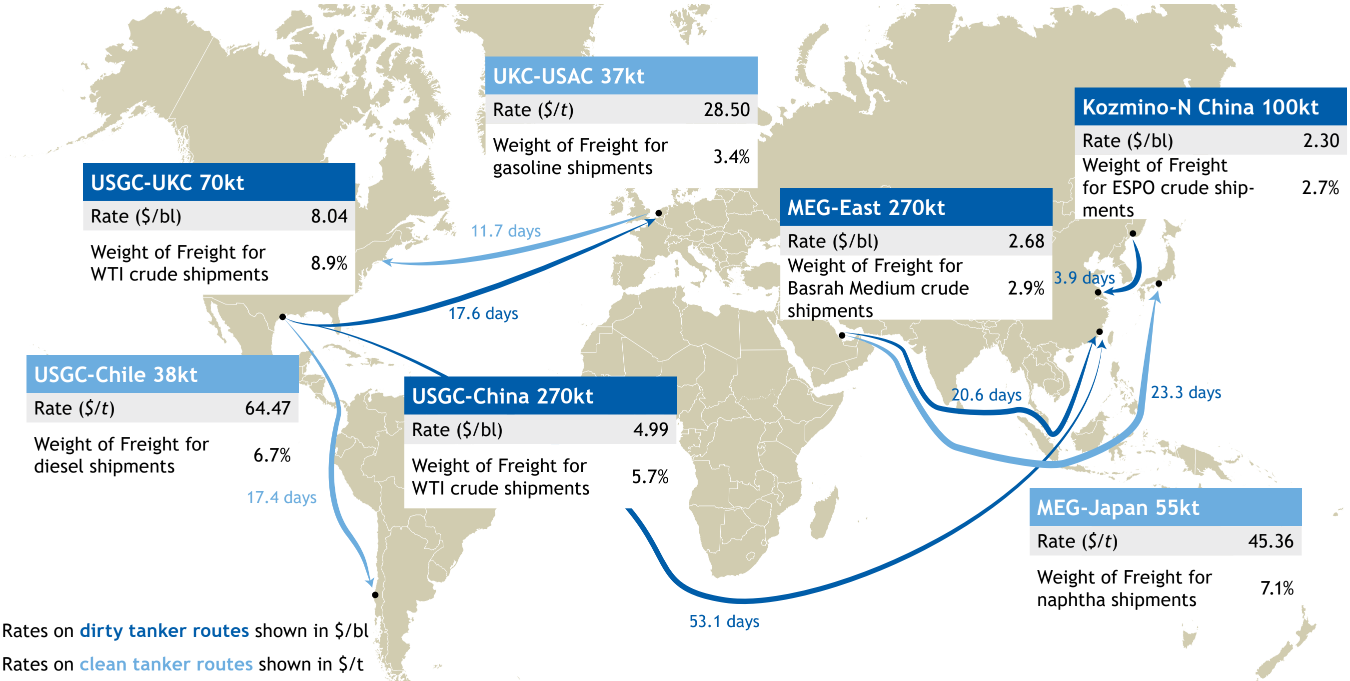
KEY PRICES

Tanker rates

Route	Size '000t	Rate	±	$/t	TCE (non-scrubber) $/day
Very large crude carriers (VLCCs)					
Mideast Gulf-East	270	72.50	+4.50	19.10	53,799
West Africa-China	260	75.00	+4.00	30.13	55,267
USGC-China	270	10,500,000	-250,000	38.89	45,421
Suezmax					
Mideast Gulf-China	130	-	-	34.56	51,551
West Africa-India	130	6,575,000	nc	50.58	-
Aframax					
Kozmino-N China	100	1,700,000	nc	17.00	88,815
Primorsk-WC India*	100	7,250,000	+250,000	72.50	-
USGC-UKC	70	270.00	nc	62.72	70,932
Long range (LR) tankers					
Mideast Gulf-Japan	75	170.00	-2.50	46.73	38,056
Mideast Gulf-S Korea	55	170.00	-5.00	43.37	-
USGC-N Brazil	60	-	-	30.18	-
Medium range (MR) tankers					
UKC-USAC	37	160.00	-5.00	28.50	13,559
USGC-Pozos	38	700,000	+5,000	18.42	15,133
USGC-Chile	38	2,450,000	-15,000	64.47	19,725
South Korea-Singapore	35	700,000	-50,000	20.00	19,352

** assessed weekly*

WEIGHT OF FREIGHT



Rates on dirty tanker routes shown in $/bl

Rates on clean tanker routes shown in $/t

Weight of Freight is the share of freight in the delivered cost of a commodity

DIRTY TANKERS - EUROPE, MIDDLE EAST AND AFRICA

Mideast Gulf VLCC rates move up

VLCC rates in the Mideast Gulf and west Africa continued rising on Tuesday but things were more mixed for midsize tankers.

EMEA VLCC rates continue rising

Freight for 270,000t shipments from the Mideast Gulf to Asia-Pacific rose by WS4.5 to WS72.5 on Tuesday – its highest level since June.

Rates rose in June ahead of Opec and Saudi production cuts which have since weakened demand for tankers in the region and held rates down. With the cuts still in place, the Atlantic has been the major driver of the surge in VLCC freight globally, but an uptick in demand from charterers in the Mideast Gulf this week has also supported rates there.

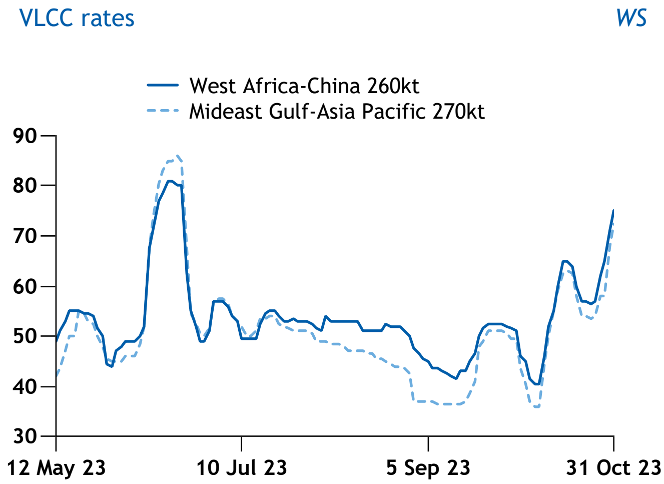
Chinese state-run trader Unipec put C. Progress on subjects at WS71 and New Giant on subjects at WS72.5 for Mideast Gulf to China voyages loading from 15-17 and 16-18 November, respectively. Kuwait Petroleum Corporation booked its own vessel, Al Yarmouk, for a Mideast Gulf to east Asia voyage loading from 11-12 November. South Korean refiner S-Oil put the Al Jabriyah on subjects from the Mideast Gulf to Onsan at WS67.75 loading from 14-16 November.

Freight for 260,000 west Africa to China shipments rose by WS4 to WS75 on Tuesday, pressured higher by activity in Brazil and the US Gulf. TotalEnergies' CSSA and ExxonMobil both fixed their own vessels to load in west Africa from 24 November.

Mideast Gulf Suezmax, Aframax rates flat

Suezmax and Aframax tanker rates from the Mideast Gulf were unchanged on stable fundamentals.

Freight rates for Suezmax shipments from the Mideast Gulf to east Asia and to the west coast of India held at WS125 and WS132.5, respectively. But rate could be poised to move higher if VLCC rates and west Africa Suezmax continued to increase, market participants said. Shell booked



Dirty tanker rates - Europe, Middle East, Africa

Route	Size '000t	Rate	±	$/t
Middle East				
Mideast Gulf-UKC/Med	280	38.00	nc	12.55
Mideast Gulf-USGC	280	38.00	+3.00	16.16
Mideast Gulf-USWC	280	52.00	nc	23.94
Mideast Gulf-East	270	72.50	+4.50	19.10
Mideast Gulf-Singapore	270	73.50	+4.50	12.77
Mideast Gulf-west coast India	270	83.00	+3.00	7.37
Mideast Gulf-Med	140	80.00	nc	16.59
Mideast Gulf-China	130	-	-	34.56
Mideast Gulf-east Asia	130	125.00	nc	-
Mideast Gulf-Singapore	130	-	-	21.59
Mideast Gulf-west coast India	130	132.50	nc	11.18
Mideast Gulf-east Asia, fuel oil	80	187.50	nc	31.67
Mideast Gulf-west coast India	80	192.50	nc	17.19
Red Sea-China	80	195.00	nc	55.93
Northern Europe				
North Sea-northeast Asia*	270	9,750,000	nc	36.11
Baltic-Med	100	220.00	-10.00	46.27
Baltic-UKC	100	210.00	-10.00	23.23
Cross UKC	80	200.00	-10.00	14.80
UKC-Med	80	195.00	-10.00	33.50
UKC-US Atlantic coast	80	155.00	-10.00	27.64
UKC-USGC fuel oil	55	140.00	nc	33.03
Baltic-Med fuel oil	30	-	-	-
Baltic-UKC fuel oil	30	-	-	-
Black Sea and Mediterranean				
Black Sea-Med	140	154.29	nc	15.00
Black Sea-east Asia*	135	6,800,000	nc	50.37
Black Sea-Med	135	160.00	nc	18.16
Black Sea-Singapore*	135	6,200,000	nc	45.93
Black Sea-west coast India*	135	5,800,000	nc	42.96
Cross Med	135	160.00	nc	11.82
Med/Black Sea-east Asia*	135	6,275,000	nc	46.48
Med-east Asia*	135	5,750,000	nc	42.59
Med-Singapore*	135	5,250,000	nc	38.89
Med-USGC	135	115.00	nc	28.75
Black Sea-Med	80	277.50	+32.50	31.50
Black Sea-UKC	80	267.50	+32.50	50.45
Cross Med	80	235.00	+10.00	19.83
Med-UKC	80	220.00	nc	31.90
Med-USGC	80	145.00	nc	37.24
Med-USGC fuel oil	55	140.00	nc	37.04
Black Sea -Med fuel oil	30	-	-	-
Cross Med fuel oil	30	305.00	nc	24.19
Med to Madeira	30	305.00	nc	35.20
West Africa				
West Africa-China	260	75.00	+4.00	30.13
West Africa-east coast India*	260	6,250,000	+550,000	24.04
West Africa-Singapore	260	76.00	+4.00	24.14
West Africa-USGC	260	80.50	+4.00	19.88
West Africa-west coast India*	260	5,950,000	+550,000	22.88
West Africa-east coast India*	130	6,650,000	nc	51.15
West Africa-India*	130	6,575,000	nc	50.58
West Africa-UKC/Med	130	165.00	-10.00	31.96
West Africa-USGC	130	160.00	-10.00	39.52
West Africa-west coast India*	130	6,500,000	nc	50.00
Delays				
Turkish Straits NB		7.0	nc	-
Turkish Straits SB		4.0	nc	-

** $ lumpsum*

DIRTY TANKERS - EUROPE, MIDDLE EAST AND AFRICA

the 2004-built Aegean Angel at WS120 for its 130,000t shipment from the Mideast Gulf to east Asia, loading from 16 November. But the fixture was concluded at a discount to prevailing market levels because of the vessel's age, a shipbroker said.

Freight rates for Aframax shipments from the Mideast Gulf to east Asia and to the west coast of India remained at WS187.5 and WS192.5, respectively. There were no fixtures or cargoes on the routes reported as of Singapore's market close, but east-bound freight rates could be supported as South Korea's crude imports rose in September as refinery run rates recovered from a two-month low.Overall September crude imports into South Korea increased by 13pc from August to 2.837mn b/d, according to provisional data from state-owned KNOC. South Korean refiners had operated at 75.8pc of capacity in September, up from 72.1pc in August.

The Middle East remained the top source of crude for South Korean refiners, accounting for around 76pc of total crude imports in September at 2.147mn b/d — up by 4.2pc from August and higher by 4.4pc from September 2021.

West African Suezmax rates fall

Freight for 130,000t west Africa to UK Continent-Mediterranean shipments fell by WS10 to WS165 on Tuesday but remain higher than any other time this year.

Vessel supply in the region is beginning to rebuild as charterers stay out of the market for now as refiners were looking elsewhere because of the high cost of shipping cargoes to Europe.

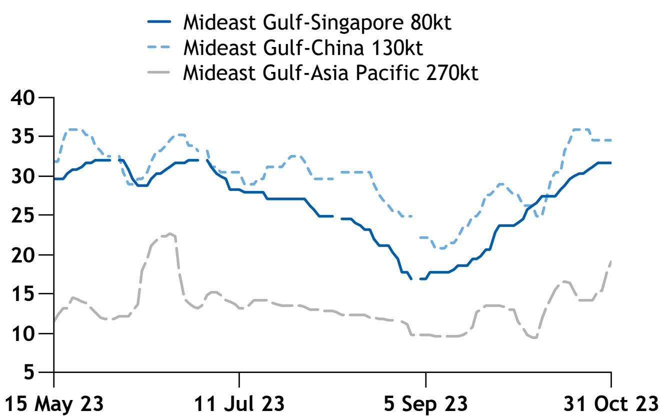
In Europe, a busy start to the week lifted Aframax rates in the Mediterranean and Black Sea higher. Freight for 80,000t cross-Mediterranean shipments rose by WS10 to WS235 on Tuesday, and freight for 80,000t Black Sea to Mediterranean shipments rose by WS32.5 to WS277.5

Italy's Eni put the Syros Warrior on subjects from the Black Sea CPC terminal to the Mediterranean at WS277.5 loading from 19-20 November, and trader Inpex put the Pacific Treasure on subjects from the CPC terminal to the Mediterranean at WS275 loading from 22-24 November.

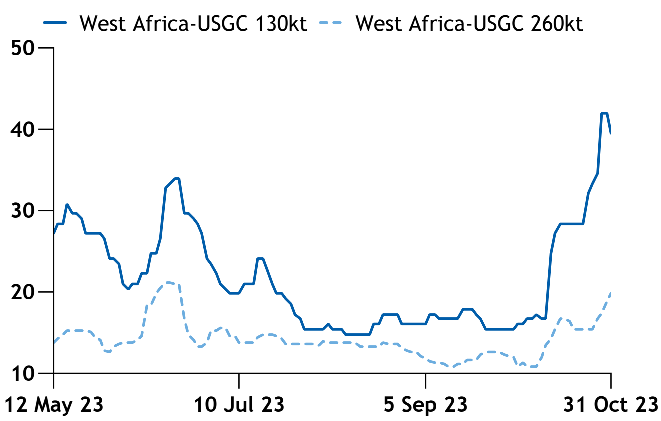
Three vessels were fixed for loading from mid-November in Libya, which typically takes a slight premium to other cross-Mediterranean voyages. Norway's Equinor put the Tyrrhenian Sea on subjects from Es Sider to the Mediterranean at WS240 loading from 12-13 November, Spain's Repsol put the Proteus Phillipa on subjects from Mellitah to Spain at WS247.5 loading from 13-14 November, and Chinese state-run trader Unipec put the Afrapearl II on subjects from Ras Lanuf to Savona at WS240 loading from 9-10 November.

But freight for 80,000t cross-UK Continent shipments fell by WS10 to WS200 as demand eased there. ExxonMobil put North Sea on subjects from west coast Norway to the UK Continent at that level loading from 8-10 November.

Mideast Gulf to Asia-Pacific dirty tanker rates $/t



West Africa-US dirty tanker rates $/t



DIRTY TANKERS - AMERICAS

VLCCs mixed, midsize demand muted

VLCC rates in the Americas were mixed, with charterers successfully pushing rates from the US Gulf coast slightly lower after a rapid rise late last week, while demand for Suezmaxes and Aframaxes was muted, though midsize rates held steady on limited tonnage.

Strong winds and choppy waves persisted in the Gulf of Mexico again today, delaying ship-to-ship operations and straining tonnage. Forecasts from the US National Weather Service indicate STS operations will be unworkable until Wednesday afternoon, when a pattern of calmer weather is expected to return.

US-loading VLCCs tick down

Rates for VLCCs loading from the US Gulf coast were slightly lower as charterers pushed back against last week's rally, though limited tonnage in the Atlantic basin indicates rates likely will face upward pressure if steady cargo demand continues.

The US Gulf coast-China 270,000t rate fell by $250,000 to $10.5mn lump sum, or $4.99/bl for WTI, including $250,000 load-port fees, after Trafigura provisionally hired the Sea Ruby at that level for a voyage loading from 25-30 November. Earlier, Unipec put the New Renown on subjects for the same voyage at $10.45mn, including load-port fees.

The USGC-Europe VLCC rate sank by $100,000 to $5.15mn, or $2.44/bl, including load-port fees, after Aramco hired the Seaduchess at that level for a voyage loading from 23-25 November.

In the south Atlantic, the Brazil-China VLCC rate rose by WS2 to WS70, or $4.43/bl for Tupi, after Petrobras provisionally booked the Maran Leo at that level for a voyage loading from 2 December.

Midsize demand muted, Panamax rates up

Suezmax and Aframax rates were flat after a recent rally in which the USGC-Europe 145,000t rate rose to WS145, or $4.45/bl, on 30 October from $1.54/bl a month prior. The USGC-UKC Aframax rate stood at WS270, or $6.25/bl for 90,000t cargoes of WTI.

Panamax owners increased rates, with a higher ceiling after recent rate gains for larger vessels. The Argentina-USWC Panamax rate jumped by WS15 to WS225, or $8.67/bl for 65,000t cargoes of Medanito.

Dirty tanker rates - Jones Act (weekly)

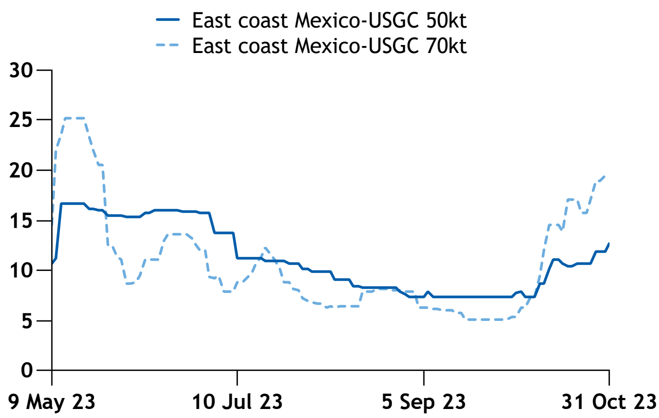
Route	Size '000bl	$/bl	±
Corpus Christi-Delaware Bay	260-330	4.78	-0.02
Corpus Christi-St. James	260-330	2.51	-0.01
Corpus Christi-St. James	140-260	3.33	-0.01

Dirty tanker rates - Americas

Route	Size '000t	Rate	±	$/t
Caribbean-China*	270	10,250,000	-250,000	37.96
Caribbean-Singapore*	270	9,250,000	-250,000	34.26
Caribbean-WC India*	270	9,050,000	-250,000	33.52
USGC-China*	270	10,500,000	-250,000	38.89
USGC-China (STS)*	270	10,250,000	-250,000	37.96
USGC-Rotterdam*	270	5,150,000	-100,000	19.07
USGC-Singapore*	270	9,500,000	-250,000	35.19
USGC-South Korea/Japan*	270	10,500,000	-250,000	38.89
USGC-WC India*	270	9,300,000	-250,000	34.44
West coast Panama-China	270	6,300,000	nc	23.33
Brazil-China	260	70.00	+2.00	31.73
Brazil-USWC	260	82.50	+2.00	28.64
Brazil-UKC	260	77.50	+2.00	16.30
Caribbean-UK continent	150	147.50	nc	30.03
USGC-Europe	145	145.00	nc	34.73
Brazil-UKC	130	155.00	-10.00	33.08
Caribbean-Panama	130	175.00	nc	9.10
Caribbean-USGC	130	165.00	nc	17.31
Guyana-Panama	130	175.00	nc	15.16
Panama-USWC	130	105.00	nc	14.52
USGC/Caribs-Singapore*	130	6,750,000	nc	51.92
USGC-China*	130	7,250,000	nc	55.77
Esmeraldas-Los Angeles	100	-	-	18.01
USGC-UK continent	90	-	-	48.78
USGC-Med	90	-	-	60.63
Vancouver-USWC	80	150.00	nc	14.37
Vancouver-Panama	80	150.00	nc	28.83
Vancouver-China via 270kt Panama STS	80	-	-	54.04
Caribbean-UK continent	70	275.00	nc	57.04
Caribbean-USGC	70	290.00	nc	34.34
East coast Mexico-USGC	70	310.00	nc	19.53
USGC-east coast Canada	70	285.00	nc	47.88
USGC-UK continent	70	270.00	nc	62.72
USGC-Med	70	270.00	nc	77.95
Argentina-USWC	65	-	-	66.70
Argentina-USAC	65	-	-	56.87
Argentina-USWC	50	225.00	+15.00	-
Argentina-USAC	50	225.00	+15.00	-
Caribbean-USGC	50	225.00	+15.00	26.64
East coast Mexico-USGC	50	225.00	+15.00	12.67
Ecuador-USWC	50	385.00	nc	61.95
Esmeraldas-Houston	50	-	-	36.36
USGC Aframax reverse lightering*		750,000	nc	-

** $ lumpsum*

Mexico-US dirty tanker rates $/t



DIRTY TANKERS - ASIA-PACIFIC

Southeast Asian Aframax rates unchanged

Aframax rates from the southeast Asia region held as tonnage supply was kept in check by chartering activity.

Southeast Asian Aframax rates to east coast Australia, and from Indonesia to Japan remained at WS160 and WS170 respectively. It emerged that PTT failed the Gunung Geulis which it booked on 27 October for its 80,000t shipment from Linggi, Malaysia to Thailand. Chevron then booked the Gunung Geulis as a replacement for the Yuan Lin Wan, for its 80,000t shipment from Singapore to Zhoushan, loading from 4 November. But details for the fixture had yet to emerge as of Singapore's market close.

On cargoes, Brunei refiner Hengyi Petrochemical remained in the market for its 80,000t shipment from Seria to Muara, loading from 11 November. Thailand's PTT remained in the market for two 80,000t shipments from Sungai Linggi, Malaysia and Seria, Brunei respectively to Thailand, loading from 9 November. Thailand's Star Refining Petroleum (SPRC) remained in the market for its 80,000t shipment from Tanjung Braus, Malaysia to Thailand, loading from 9 November.

Freight rates for 80,000t shipments from the northeast Australia to southeast Asia were unchanged at WS167.5. China's state-controlled refiner Sinochem sought a vessel from Dampier, Australia to China, loading from 25 November.

Dirty tanker rates - Asia-Pacific

Route	Size '000t	Rate	±	$/t
Indonesia to Japan	80	170.00	nc	27.23
SE Asia to EC Australia	80	160.00	nc	32.27
Kozmino to Yeosu*	100	1,360,000	nc	13.60
Kozmino to Chiba*	100	1,700,000	nc	17.00
Kozmino to north China*	100	1,700,000	nc	17.00
Kozmino to Singapore*	100	2,100,000	nc	21.00
Kozmino to Sikka*	100	2,750,000	nc	27.50
Kozmino-Paradip*	100	2,360,000	nc	23.60
Yeosu STS to Paradip*	100	2,325,000	nc	23.25
Yeosu STS to Mundra*	100	2,330,000	nc	23.30
De-Kastri to Yeosu*	100	1,940,000	+10,000	19.40
De-Kastri to Yeosu STS*	100	1,920,000	+10,000	19.20
De-Kastri to Kiire*	100	2,060,000	nc	20.60
De-Kastri to Qingdao*	100	2,120,000	nc	21.20
De-Kastri to Yantai*	100	2,160,000	nc	21.60
De-Kastri to Dongjiakou*	100	2,130,000	nc	21.30
De-Kastri to Zhoushan*	100	2,140,000	nc	21.40
De-Kastri to Batangas*	100	2,350,000	nc	23.50
De-Kastri to Sriracha*	100	2,550,000	nc	25.50
De-Kastri to Singapore*	100	2,590,000	nc	25.90
De-Kastri to Paradip*	100	2,760,000	nc	27.60
De-Kastri to Sikka*	100	3,150,000	nc	31.50

** $ lumpsum*

Workspaces:

- Russian-origin Crude + Freight - Global
- WTI Arbitrages + Freight - Global
- Crude Imports + Freight - China
- Crude + Freight - Atlantic Basin
- Crude Exports + Freight - US
- Crude Imports + Freight - India

• These Workspaces are templates, curated by the Freight editorial team
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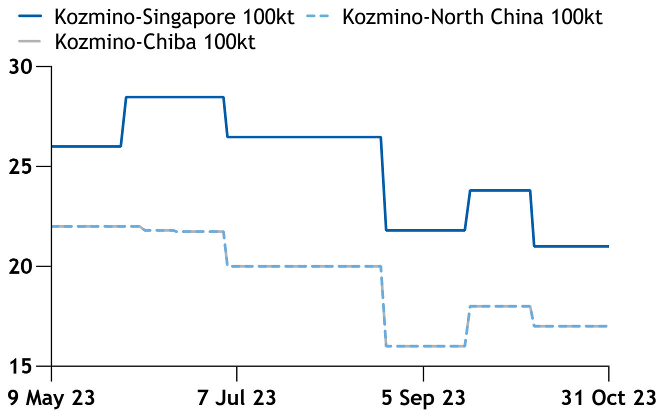
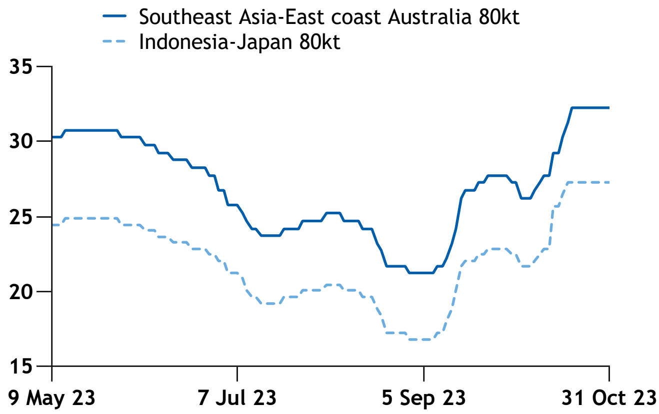
Kozmino dirty tanker rates *$/t*



Southeast Asia dirty tanker rates *$/t*



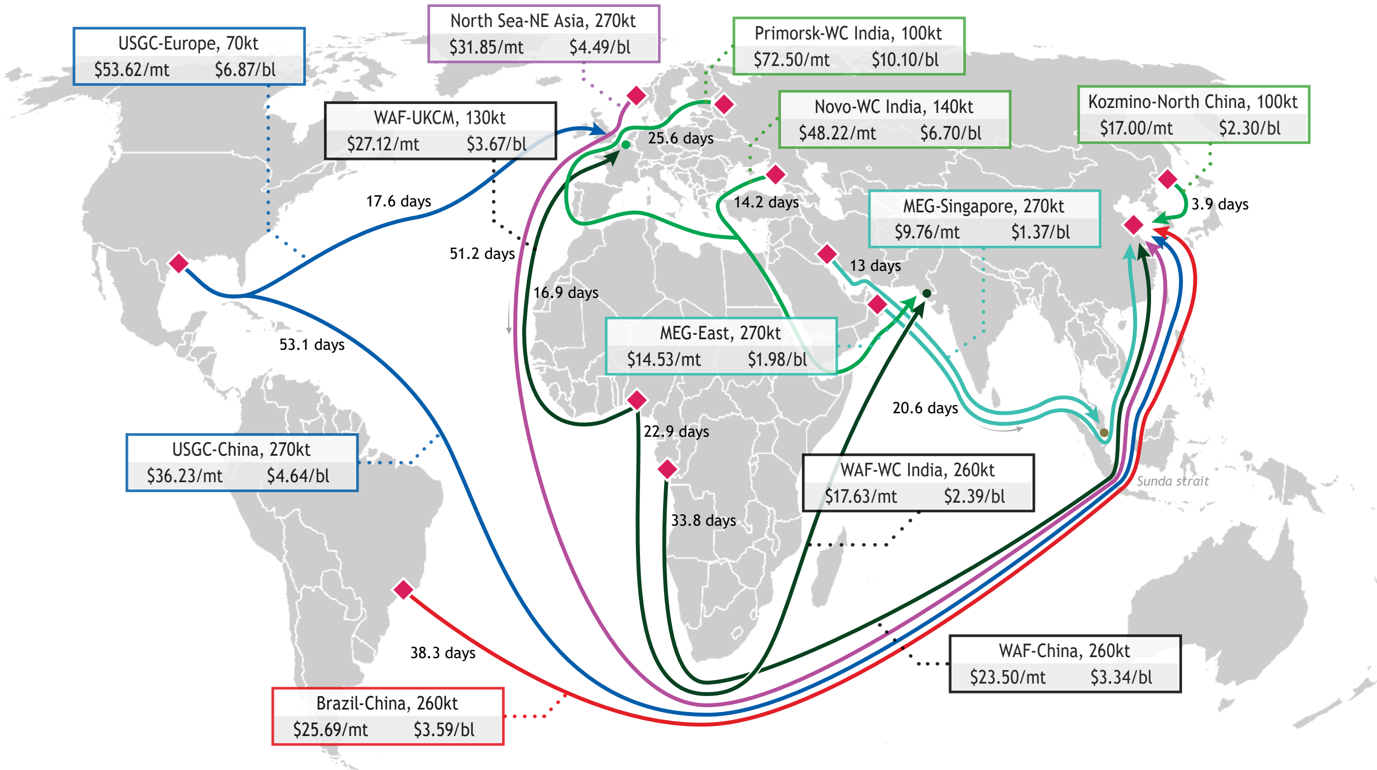
CRUDE TRADE ROUTES Weekly price updates

Published date: Tuesday 31 October 2023 Period: 43

The prices used are mid-week (Tue-Wed-Thu) averages for the previous assessment week, providing a broad snapshot of key seaborne trade routes for crude around the globe.

Key benchmark locations

Freight prices for trade routes and vessel size



Crude trade routes						
Crude	Origin	FOB Price	Destination	Freight		Delivered price
		$/bl		$/bl	$/t	$/bl
WTI	US Gulf	85.51	Rotterdam	6.87	53.62	92.04
WTI	US Gulf	85.51	China	4.64	36.23	91.58
Tupi	Brazil	88.17	Shandong	3.59	25.69	91.76
Johan Sverdrup	Norway	89.54	Shandong	4.49	31.85	94.03
Bonny Light	Nigeria	91.57	Rotterdam	3.67	27.12	95.24
Bonny Light	Nigeria	91.57	India	2.39	17.63	93.96
Djeno	Rep. Congo	88.08	Shandong	3.34	23.50	92.25
Urals, Baltic	Primorsk	73.83	WC India	10.10	72.50	84.13
Urals, Black Sea	Novorossiysk	76.65	WC India	6.70	48.22	84.13
Basrah Medium	Iraq	91.36	Singapore	1.37	9.76	92.70
ESPO Blend	Kozmino	83.80	Shandong	2.30	17.00	88.38
Oman	Oman	89.92	Shandong	1.98	14.53	76.09

CLEAN TANKERS - EUROPE, MIDDLE EAST AND AFRICA

Mideast Gulf clean cargo availability slides

Clean cargo numbers in the Mideast Gulf and Europe slipped lower on Tuesday as the seasonal uptick has still not started and most charterers kept their bids below the last-done level.

Japan-bound clean tanker rates fall

Clean tanker rates from the Mideast Gulf to Japan fell, as fundamentals weakened.

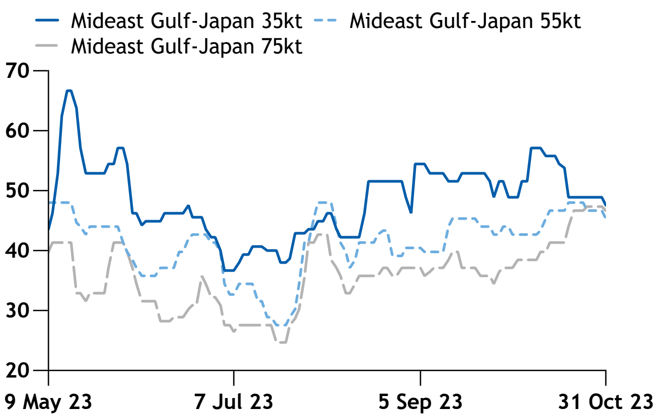
LR2, LR1 and MR rates for 75,000t, 55,000t, and 35,000t shipments from the Mideast Gulf to Japan fell by WS2.5, WS5, and WS5, respectively, to WS170, WS165 and WS175. It emerged that BP booked the Hafnia Nile at an index-linked rate for its LR1 shipment from the Mideast Gulf to Japan, loading from 5 November. Index-linked fixtures tend to be concluded when the market shows a higher level of uncertainty. On cargoes, Abu Dhabi Marine International Chartering (Admic), Japanese trading firm Marubeni each sought a vessel for their LR2 shipment, while Marubeni also sought a vessel for a its LR1 shipment on the route, loading from 9 to 13 November.

But freight rates could come under pressure, as Japanese petrochemical producer Mitsui Chemical shut its Sakai-based cracker on 28 October because of issues with a pipeline, curbing its immediate demand for feedstock naphtha.

The 455,000 t/yr cracker is expected to restart in a week's time, said traders, although this timeline could not be confirmed with Mitsui Chem itself. The company had planned to issue a tender on 30 October to buy spot naphtha for delivery to Osaka but postponed it because of the unplanned shutdown.

Both the Sakai crackers run mainly on feedstock naphtha and less than 10pc on butane when operating at full capacity. It buys on average 3-4 cargoes of 25,000t naphtha each month for the Sakai cracker.

Mideast Gulf clean rates $/t



Clean tanker rates - Europe, Middle East, Africa

Route	Size '000t	Rate	±	$/t
Middle East				
Mideast Gulf-UKC*	90	4,300,000	-100,000	47.78
Red Sea-Med*	90	3,100,000	-50,000	34.44
Red Sea-UKC*	90	3,200,000	-50,000	35.56
Mideast Gulf-Japan	75	170.00	-2.50	46.73
Mideast Gulf-South Korea	75	175.00	-2.50	44.64
Mideast Gulf-UKC*	65	3,350,000	-100,000	51.54
Red Sea-Med*	65	2,350,000	-100,000	36.15
Red Sea-UKC*	65	2,450,000	-100,000	37.69
Mideast Gulf-Brazil*	40	2,200,000	-150,000	55.00
Mideast Gulf-Japan	55	165.00	-5.00	45.36
Mideast Gulf-Singapore	55	180.00	-5.00	29.25
Mideast Gulf-South Korea	55	170.00	-5.00	43.37
Mideast Gulf-Durban	35	-	-	35.55
Mideast Gulf-Durban**	35	-	-	40.11
Mideast Gulf-east Africa	35	198.00	nc	26.63
Mideast Gulf-east Africa**	35	230.00	nc	30.94
Mideast Gulf-east coast India	35	220.00	-5.00	-
Mideast Gulf-east coast India*	35	1,175,800	-26,800	33.59
Mideast Gulf-Japan	35	175.00	-5.00	47.57
Mideast Gulf-Singapore	35	215.00	-5.00	36.31
Mideast Gulf-UKC*	40	2,000,000	-100,000	50.00
Mideast Gulf-Walvis Bay	35	-	-	47.62
Mideast Gulf-Walvis Bay**	35	-	-	55.32
Mideast Gulf-west coast India	35	220.00	-5.00	-
Mideast Gulf-west coast India*	35	683,000	-15,600	19.51
Northern Europe				
UKC-west Africa	60	180.00	nc	36.47
ARA-Durban	37	-	-	50.25
ARA-Walvis Bay	37	-	-	41.84
UKC-east coast Mexico	37	145.00	-5.00	33.23
UKC-South America	37	175.00	-5.00	37.78
UKC-US Atlantic coast	37	160.00	-5.00	28.50
UKC-west Africa	37	170.00	-5.00	34.44
Baltic-UKC	30	185.00	-5.00	19.55
Cross UKC	30	170.00	-5.00	11.29
Cross UKC	22	232.50	-5.00	15.44
Black Sea and Mediterranean				
Med-Japan*	80	3,500,000	nc	43.75
Med-Japan*	60	2,800,000	nc	46.67
Med-US Atlantic coast	37	160.00	nc	31.76
Black Sea-Med	30	205.00	nc	26.73
Cross Med	30	195.00	nc	15.89
Cross Med gasoline	30	195.00	nc	15.89
Cross Med jet	30	195.00	nc	15.89
Cross Med naphtha	30	195.00	nc	15.89
Med gasoline premium	30	+0.00	nc	-
Med jet premium	30	+0.00	nc	-
Med naphtha premium	30	+0.00	nc	-
Med-UKC	30	205.00	nc	30.46
Med-UKC gasoline	30	205.00	nc	28.54
Med-UKC jet	30	205.00	nc	28.54
Med-UKC naphtha	30	205.00	nc	30.75
Med-Walvis Bay	35	217.00	-1.50	51.73

** $ lumpsum **inclusive of anti-piracy fees*

CLEAN TANKERS - EUROPE, MIDDLE EAST AND AFRICA

European clean rates edge lower

European clean MR tanker rates ticked lower on Tuesday as there were still a significant number of available ships in the north of the continent.

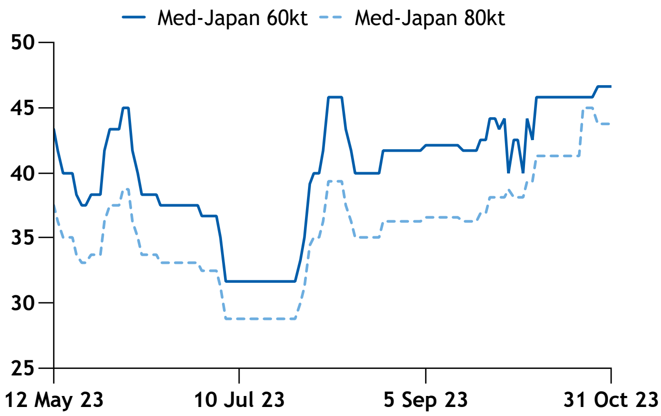
The UK Continent to US Atlantic coast MR market stepped WS5 lower to WS160. Charterer TotalEnergies put the Energy Artemis on subjects at this level, loading from 4 November. There were 13 ships available from Rotterdam over the next five days and significantly more in the 4-11 November period, which will likely keep the MR market under pressure. Most charterers have cargoes from 4 November, which gives them access to more vessels than a standard 5-day window.

US gasoline demand is still low and west Africa demand is again lacklustre despite ticking higher earlier in October. Gasoline importers will likely start to stock up on material as is typical for the fourth quarter but there is no sign of this yet.

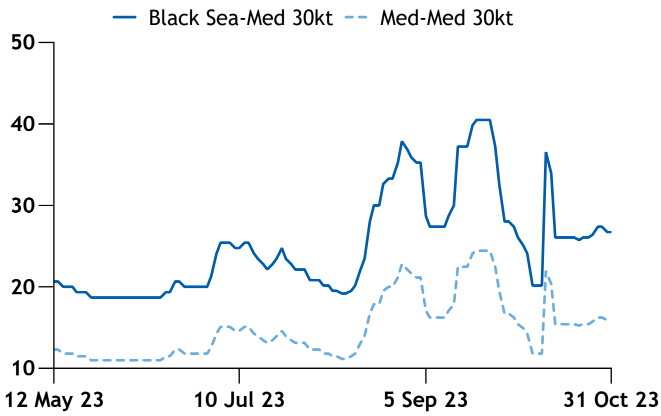
In the Handysize market, the cross-UK Continent rate fell by WS5 to WS170. Charterers have few diesel cargoes available and an economic slowdown in Europe has also limited demand across the continent for diesel. Falling LR2 rates could make Mideast Gulf diesel a more economical option for Europe and these cargoes would then be broken down in 30,000t cargoes. But movement in the market is limited.

The cross-Mediterranean rate held at WS195 as charterers repeated the last-done level. Vessel numbers are shrinking, which could drive rates higher later in the week.

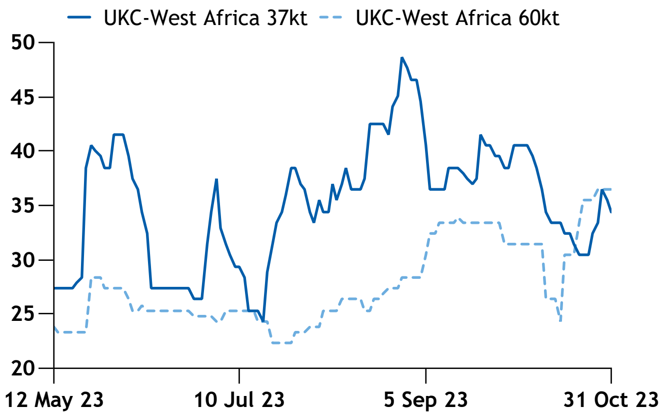
Med-Japan LR rates $/t



Black Sea/Mediterranean clean tanker rates $/t



UKC-west Africa clean tanker rates $/t



CLEAN TANKERS - AMERICAS

USGC MR rates mostly flat

Rates for MR shipments from the US Gulf coast were mostly unchanged on Tuesday, with an uptick in demand counter-balanced by the ample supply of prompt tonnage available in the region.

Tonnage was mostly sufficient to cover the uptick in chartering activity, with some short-duration voyages rising and longer-duration, Panama Canal-transiting rates dropping.

BB Energy put the Celsius Porto on subjects for a US Gulf coast-Caribbean voyage from 3-4 November at $700,000 lump sum, raising the rate on the route by $5,000 to that level.

The deal included discharge options in Chile at $2.45mn, dropping the rate on the route by $15,000 to that level, to Peru at $2.15mn, dropping the rate on the route by $15,000 to that level, to Ecuador at $1.85mn, raising the rate on the route by $10,000 to that level, and to Brazil at WS200, raising the rate on the route by WS5 to that level. The deal also included demurrage at $35,000/d.

ExxonMobil put the Stavanger Pioneer on subjects for a US Gulf coast-Europe voyage from 5-7 November carrying ultra-low sulphur diesel at WS112.5, raising the rate on the route by WS2.5 to that level.

Raizen put the Weco Madeline MR tanker on subjects for a US Gulf coast-Brazil voyage from 5-7 November at WS197.5, and the UOG Harriet LR1 tanker on subjects for a US Gulf coast-Brazil voyage from 14-15 November at WS160, raising the rate on the latter by WS5 to that level.

Four other MR tankers were heard to have been put on subjects in the course of the trading day, and the clearing of tonnage overall could pressure rates higher in the near-term.

Panama Canal delays set to jump

The Panama Canal Authority (ACP) announced further restrictions to daily canal transits, dropping the average 32 transits down to 25 overall on 3 November.

The new restrictions will ramp up through February 2024, when transits will be restricted to 18 a day, reflecting the severity of the drought in the region.

Delays

Location	Days	±
Panama Canal Neopanamax locks NB	6	+1
Panama Canal Neopanamax locks SB	8	+1
Panama Canal Panamax locks NB	6	nc
Panama Canal Panamax locks SB	6	nc

Clean tanker rates - Americas

Route	Size '000t	Rate	±	$/t
Worldscale				
USGC-Brazil	60	160.00	+5.00	-
USGC-north Brazil	60	-	-	30.18
USGC-south Brazil	60	-	-	38.64
USGC-UKC	60	140.00	+5.00	33.39
Caribbean-USAC	38	180.00	+5.00	22.39
USAC-UKC	38	102.50	+2.50	18.66
USGC/Caribbean-UKCM	38	112.50	+2.50	23.33
USGC-Argentina/Uruguay	38	-	-	57.58
USGC-east coast Canada	38	195.00	+5.00	30.62
USGC-east coast South America	38	200.00	+5.00	-
USGC-north Brazil	38	-	-	37.72
USGC-south Brazil	38	-	-	49.64
Lumpsum				
USGC-Japan	60	3,200,000	+50,000	53.33
EC Canada - USAC	38	550,000	nc	14.47
USGC-Chile (not south of Coronel)	38	2,450,000	-15,000	64.47
Calbuco diff	38	+100,000	nc	+2.63
Caldera diff	38	-100,000	nc	-2.63
Mejillones/Antofagasta diff	38	-125,000	nc	-3.29
Quintero diff	38	-50,000	nc	-1.32
USGC-Dominican Republic	38	700,000	+5,000	18.42
USGC-east coast Mexico	38	500,000	+5,000	13.16
USGC-Ecuador	38	1,850,000	+10,000	48.68
USGC-Japan	38	2,500,000	-15,000	65.79
USGC-Las Minas	38	650,000	+5,000	17.11
USGC-Lazaro Cardenas	38	2,250,000	-15,000	59.21
USGC-Peru	38	2,150,000	-15,000	56.58
Callao/Conchan diff	38	-100,000	nc	-2.63
USGC-Pozos	38	700,000	+5,000	18.42
Barranquilla diff	38	-45,000	nc	-1.18
Bolivar diff	38	-45,000	nc	-1.18
Cartagena diff	38	-30,000	nc	-0.79
USGC-Rosarito	38	2,400,000	-15,000	63.16
USWC-Chile (not south of Coronel)	38	2,250,000	nc	59.21
Calbuco diff	38	+100,000	nc	+2.63
Caldera diff	38	-100,000	nc	-2.63
Mejillones/Antofagasta diff	38	-125,000	nc	-3.29
Quintero diff	38	-50,000	nc	-1.32
USWC-Lazaro Cardenas	38	987,500	nc	25.99
USWC-Rosarito	38	687,500	nc	18.09
USWC-Topolobampo	19	-	-	21.25
USGC-Guaymas	12	-	-	64.21
USWC-Guaymas	12	-	-	26.43

Clean tanker rates - Jones Act (weekly) *$/bl*

Route	Size '000bl	Rate	±
Houston-Tampa	310-330	2.53	-0.01
Houston-Tampa	140-260	3.56	-0.01
Houston-Port Everglades	310-330	3.08	-0.01
Houston-Port Everglades	140-260	4.11	-0.01
Houston-Jacksonville	310-330	3.64	-0.01
Houston-New York	310-330	4.78	-0.02
Houston-New York	140-260	7.06	-0.03
US-US $/d	310-330	79,974	-41

CLEAN TANKERS - ASIA-PACIFIC

Northeast Asian clean MR rates fall

Clean MR tanker rates from the northeast Asia region decreased, as tonnage supply continued to rise amid muted activity and weaker fundamentals.

MR lumpsum rates for 35,000t shipments from South Korea to Singapore and to the US west coast (USWC) fell by $50,000 each to $700,000 and $1.85mn respectively. Similarly, MR rates for 35,000t shipments from South Korea to Australia lowered by WS5 to WS200. On cargoes, Chinese state-controlled trader Unipec remained in the market for its MR shipment from Yingkou, north China to Singapore, loading from 8 November.

But Vietnam-bound freight rates could be pressured as demand for 500ppm sulphur gasoil waned from Vietnam, a key outlet of 500ppm sulphur gasoil supplies from Asia. The country's largest refinery, the 200,000 b/d Nghi Son, had returned from a turnaround earlier this month. Buying interest from Vietnam has slowed accordingly, after a buying spree in previous months as importers stocked up ahead of the planned maintenance.

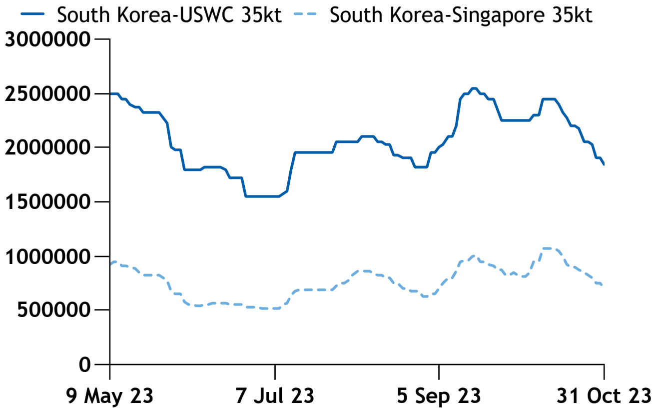
MR rates for 35,000t shipments from southeast Asia to Australia held at WS194 as some chartering activity kept vessel availability in check. BP replaced the NCC Dalia with the Crimson Jade at $400,000 for its MR shipment from Muara, Brunei to Singapore, loading from 5 November. BP also booked the Ardmore Engineer for its MR shipment from Muara, Brunei to Singapore, loading from 8 November. But the fixture's rate had yet to emerge as of Singapore's market close.

Clean tanker rates - Asia-Pacific

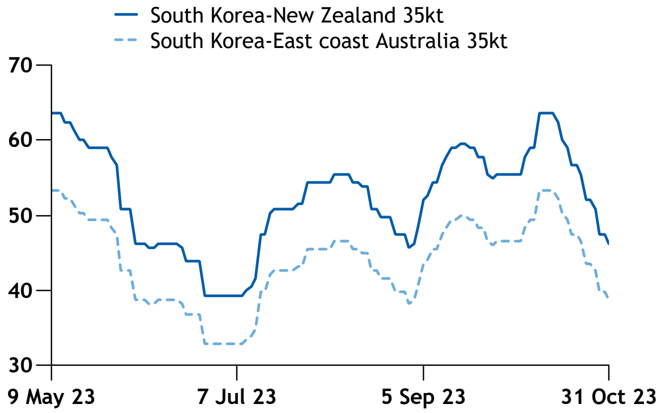
Route	Size '000t	Rate	±	$/t
West coast India-south Brazil*	90	4,350,000	-100,000	48.33
West coast India-UKC*	90	4,200,000	-100,000	46.67
West coast India-south Brazil*	65	3,400,000	-150,000	52.31
West coast India-UKC*	65	3,250,000	-100,000	50.00
West coast India-south Brazil*	40	2,100,000	-150,000	52.50
SE Asia-EC Australia	35	194.00	nc	36.90
South Korea-Australia/New Zealand	35	200.00	-5.00	-
South Korea-Chile*	35	2,765,000	-50,000	79.00
South Korea-east coast Australia	35	-	-	38.72
South Korea-New Zealand	35	-	-	46.24
South Korea-Singapore*	35	700,000	-50,000	20.00
South Korea-USWC*	35	1,850,000	-50,000	52.86
North China-east coast Australia	35	200.00	-5.00	43.60
North China-west coast Australia	35	200.00	-5.00	38.52
Dalian-Singapore*	35	748,000	-53,000	21.37
SE Asia-EC Australia	30	226.50	nc	43.08
Singapore-Japan	30	185.00	nc	25.59
SE Asia-Walvis Bay	35	231.50	+2.00	60.17

** $ lumpsum*

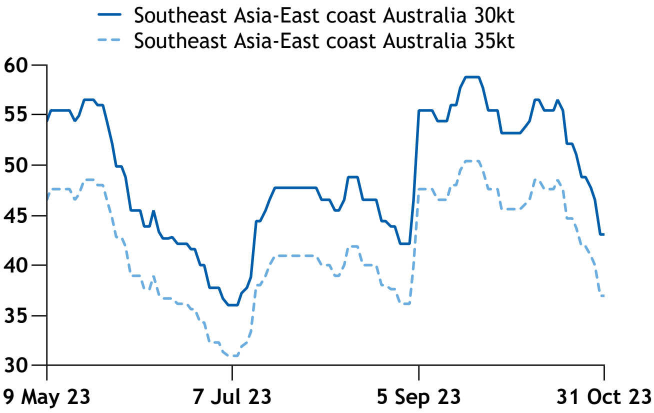
South Korea clean tanker lumpsum rates $



South Korea-Australia/New Zealand clean tanker rates $/t



Southeast Asia-Australia clean tanker rates $/t



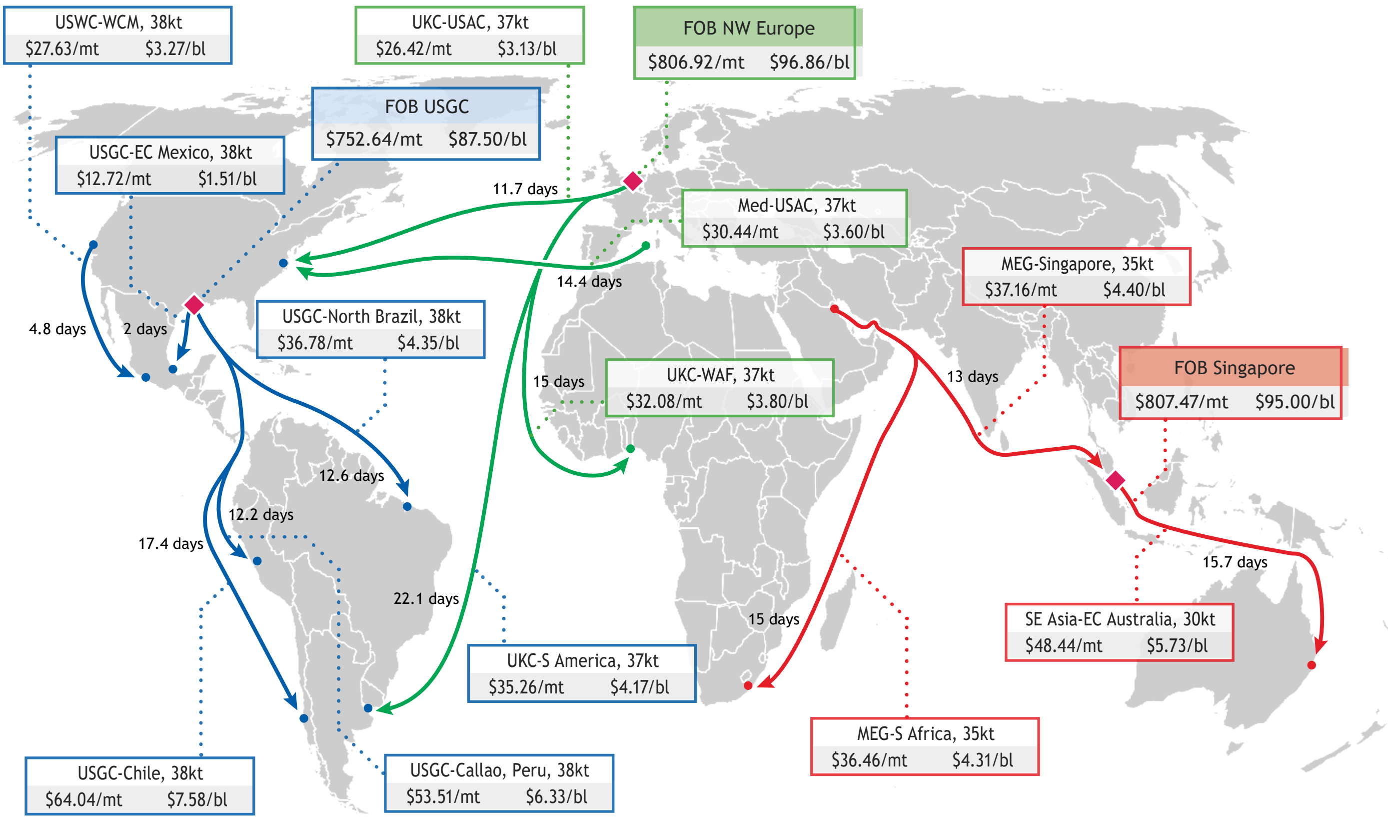
GASOLINE TRADE ROUTES Weekly price updates

Published date: Tuesday 31 October 2023 Period: 43

The prices used are mid-week (Tue-Wed-Thu) averages for the previous assessment week, providing a broad snapshot of key seaborne trade routes for gasoline around the globe.

Key benchmark locations

Freight prices for trade routes and vessel size



Americas Trade Routes		
Exports from regional hubs	**$/mt**	**$/bl**
Gasoline 87 conv USGC WB ex RVO	752.64	87.50
to East Coast Mexico	765.36	89.01
to Peru	806.15	93.83
to Chile	816.68	95.08
to Brazil	789.42	91.85
Gasoline reg CARBOB SF WB fob ex RVO	818.11	97.38
to West Coast Mexico	845.74	100.65

Europe Trade Routes		
Exports from regional hub	**$/mt**	**$/bl**
Eurobob Oxy barges	806.92	96.86
to USAC	833.34	99.99
to Argentina (Gasoline Eurobob oxy NWE del Buenos Aires)	856.84	102.85
to West Africa (Gasoline Eurobob delivered west Africa)	839.00	100.71
Gasoline 95r 10ppm W Med fob	812.08	97.48
to USAC	842.52	101.08

Asia Trade Routes		
Exports from regional hubs	**$/mt**	**$/bl**
Gasoline 92r Singapore	807.47	95.00
to Australia	855.91	100.73
Gasoline 92r Mideast Gulf	768.95	91.00
to South Africa (Gasoline 95r c+f Durban)	854.85	101.17

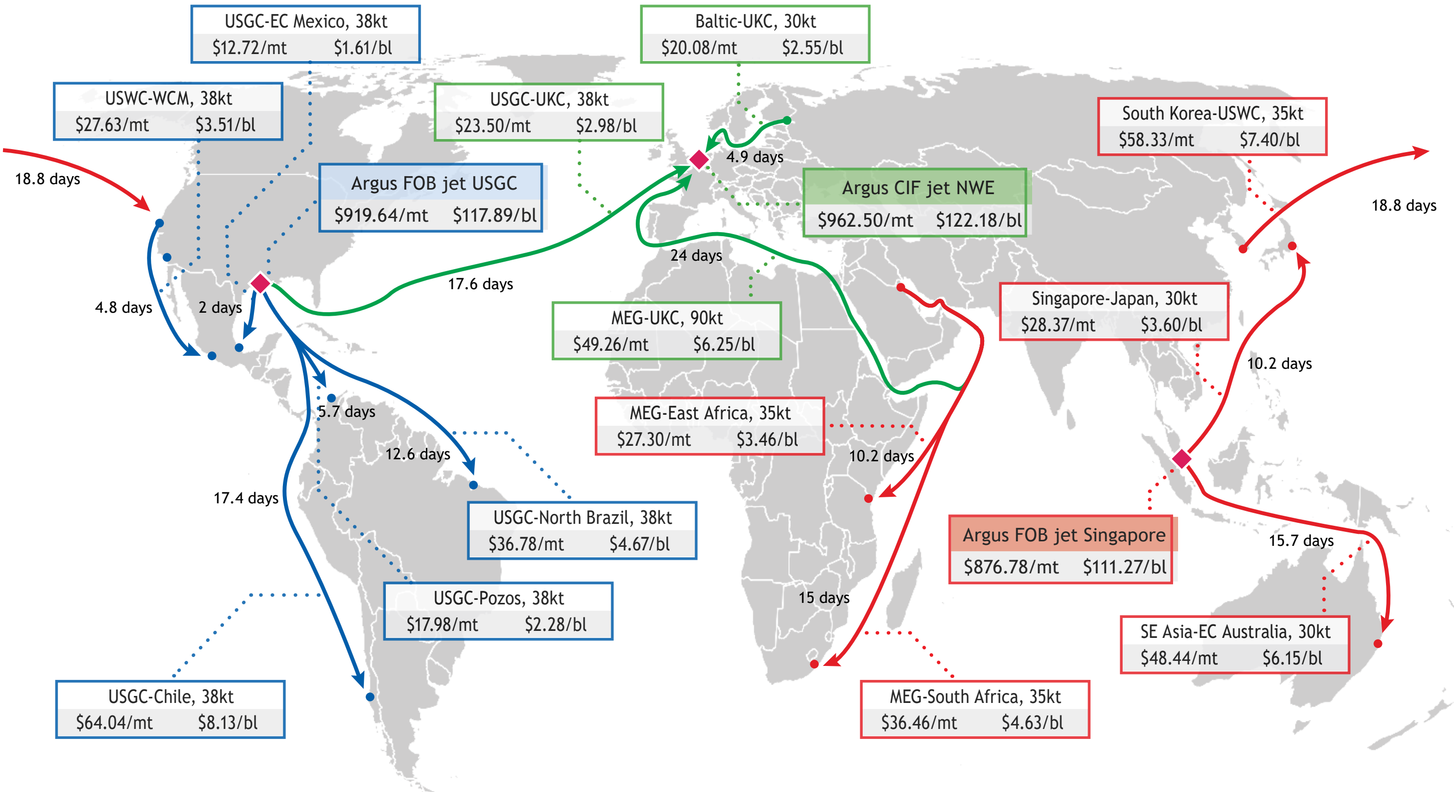
KEY JET FUEL TRADE ROUTES Weekly price updates

Published date: Tuesday 31 October 2023 Period: 43

The prices used are mid-week (Tue-Wed-Thu) averages for the previous assessment week, providing a broad snapshot of key seaborne trade routes for jet fuel around the globe.

Key benchmark locations

Freight prices for trade routes and vessel size



Americas Trade Routes		
Exports from regional hubs	**$/mt**	**$/bl**
Argus FOB jet USGC	919.64	117.89
to East Coast Mexico	932.36	119.50
to Pozos/Caribbean	937.62	120.17
to Chile	983.68	126.02
to Brazil	959.71	123.02
Argus FOB jet USWC	956.42	122.60
to West Coast Mexico	978.41	125.42

Asia Trade Routes		
Exports from regional hubs	**$/mt**	**$/bl**
Argus FOB jet Singapore	876.78	111.27
to Australia	925.22	117.42
to Japan	905.05	114.88
Argus FOB jet MEG	844.60	107.18
to South Africa	880.85	111.81
to East Africa	871.90	110.64
Argus FOB jet South Korea	874.20	110.97
to USWC	956.42	122.60

Europe Trade Routes		
Imports to regional hub	**$/mt**	**$/bl**
Argus CIF jet NWE	962.50	122.18
ex MEG	844.60	107.18
ex USGC	919.64	117.89
ex Baltic	942.42	119.63

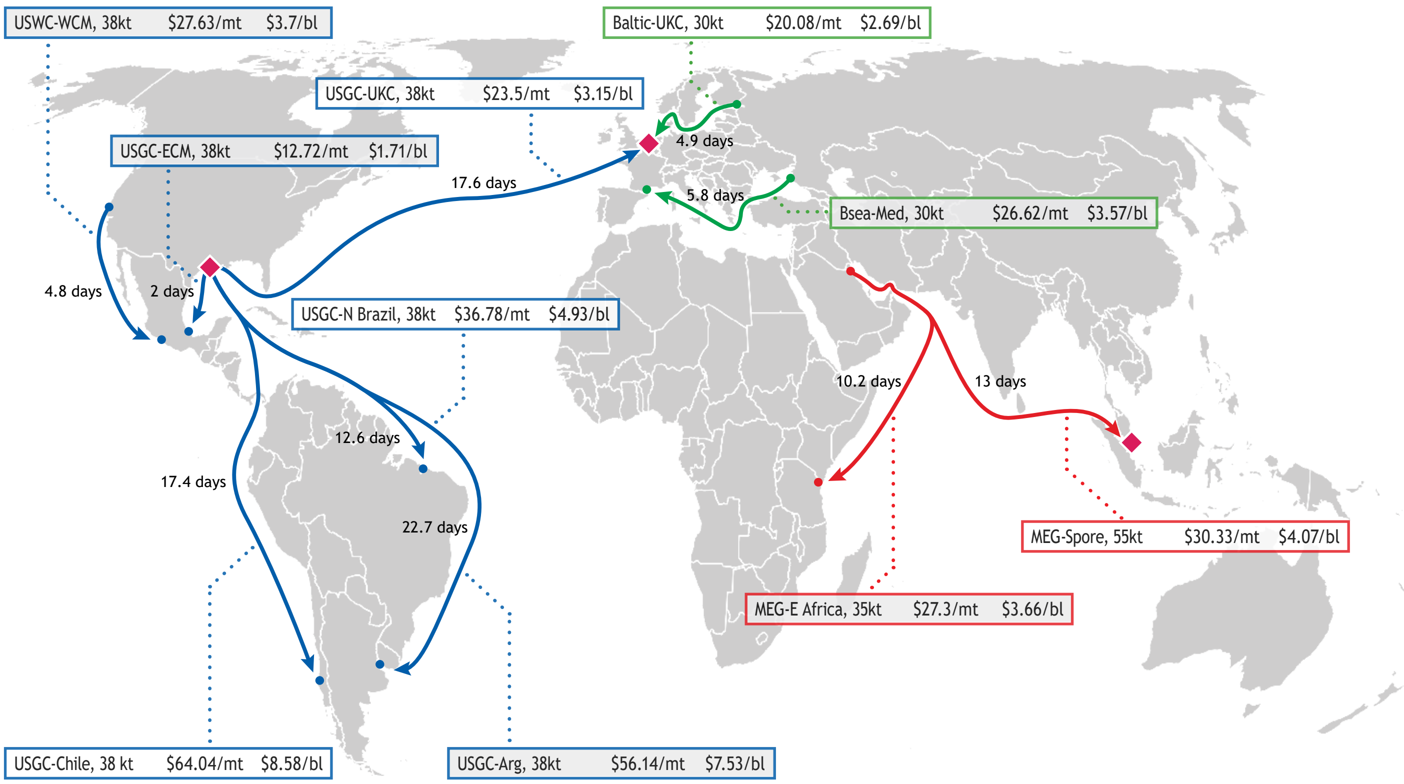
KEY DISTILLATES TRADE ROUTES Weekly price updates

Published date: Tuesday 31 October 2023 Period: 43

The prices used are mid-week (Tue-Wed-Thu) averages for the previous assessment week, providing a broad snapshot of key seaborne trade routes for distillates around the globe.

Key benchmark locations

Freight prices for trade routes and vessel size



Americas Trade Routes		
Exports from regional hubs:	**$/mt**	**$/bl**
FOB USGC	842.07	117.30
del EC Mexico	854.79	119.01
del Chile	906.11	125.88
del N Brazil	898.21	124.83
del Argentina	958.20	133.19
del NW Europe	897.25	120.54
FOB USWC	886.89	123.47
del WC Mexico	914.52	127.17

Europe Trade Routes		
Imports to regional hubs:	**$/mt**	**$/bl**
Argus Diesel French 10 ppm NWE cif		
ex Baltic	897.25	120.54
Argus Gasoil Diesel French 10 ppm W Med cif		
ex Black Sea	891.08	119.71

Asia Trade Routes		
Exports from regional hub:	**$/mt**	**$/bl**
Argus Gasoil 10 ppm MEG	823.21	110.35
to Singapore	853.54	114.42
to East Africa	850.51	114.01

TANKER TCE RATES

Dirty tanker time charter equivalent rates

Route	WS/LS	TCE (non-scrubber) USD/day	±	TCE (scrubber) USD/day	±
Dirty Tankers - VLCC					
EMEA					
Basrah-Los Angeles	52.00	33,688	-395	44,874	-155
Bonny-Ningbo	75.00	55,267	+4,620	66,326	+5,226
Ras Tanura-LOOP	38.00	18,175	+5,037	28,689	+5,613
Ras Tanura-Ningbo	72.50	53,799	+5,445	64,202	+6,015
Ras Tanura-Rotterdam	38.00	11,262	-654	21,291	-104
Americas					
Corpus Christi-Ningbo	10,500,000	45,421	-2,799	56,546	-2,190
Dirty Tankers - Suezmax					
EMEA					
Basrah-Trieste	80.00	5,770	-505	13,597	-76
Bonny-Rotterdam	165.00	67,345	-6,615	70,355	-5,963
Novorossiysk-Ningbo	6,800,000	54,664	-534	63,029	-75
Ras Tanura-Qingdao	125.00	51,551	-539	59,988	-76
Ras Tanura-Singapore	125.00	48,814	-507	56,658	-77
Americas					
Houston-Rotterdam	145.00	78,831	+155	82,714	+264
Dirty Tankers - Aframax					
EMEA					
Arzew-Trieste	235.00	71,038	+4,333	-	-
Fujairah to Singapore	187.50	45,285	-471	-	-
Americas					
Dos Bocas-Houston	310.00	80,249	+232	-	-
Houston-Rotterdam	270.00	70,932	+122	-	-
Asia-Pacific					
Bukit Tua-Kikuma	170.00	43,859	-407	-	-
Kimanis-Geelong	160.00	40,886	-435	-	-
Kozmino-Longkou	1,700,000	88,815	+86	-	-

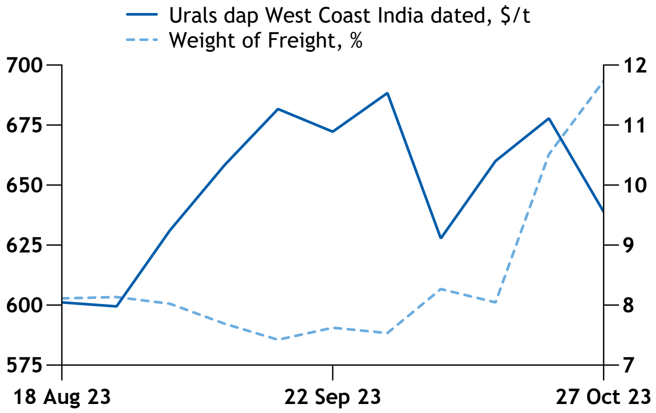
Clean tanker time charter equivalent rates

Route	WS/LS	TCE (non-scrubber) USD/day	±
Clean Tankers-Long Range 2			
EMEA			
Arzew-Oita	3,500,000	9,634	-451
Ras Tanura-Chiba	170.00	38,056	-1,404
Ras Tanura-Rotterdam	4,300,000	39,877	-1,825
Yanbu-Rotterdam	3,200,000	43,311	-1,308
Asia-Pacific			
Sikka-Rotterdam	4,200,000	38,773	-1,868
Clean Tankers-Long Range 1			
EMEA			
Arzew-Oita	2,800,000	7,278	-365
Ras Tanura-Chiba	165.00	24,803	-1,760
Ras Tanura-Singapore	180.00	27,839	-1,690
Ras Tanura-Rotterdam	3,350,000	29,493	-1,823
Yanbu-Rotterdam	2,450,000	28,309	-2,654
Asia-Pacific			
Sikka-Rotterdam	3,250,000	28,438	-1,866
Clean Tankers-Medium Range			
EMEA			
Ras Tanura-Chiba	175.00	21,425	-1,396
Ras Tanura-Singapore	215.00	20,400	-1,132
Ras Tanura-Dar es Salaam	230.00	23,098	+14
Rotterdam-New York	160.00	13,559	-795
Americas			
Houston-Coronel	2,450,000	19,725	-304
Houston-Pozos	700,000	15,133	+354
Asia-Pacific			
Daesan-Port Botany	200.00	18,826	-917
Singapore-Port Botany	194.00	17,925	-281
Yeosu-Los Angeles	1,850,000	24,202	-1,101
Yeosu-Singapore	700,000	19,352	-2,881
Clean Tankers-Handysize			
Arzew-Trieste	195.00	14,218	-176
Brofjordan-Rotterdam	170.00	8,362	-554

RUSSIAN-ORIGIN FREIGHT

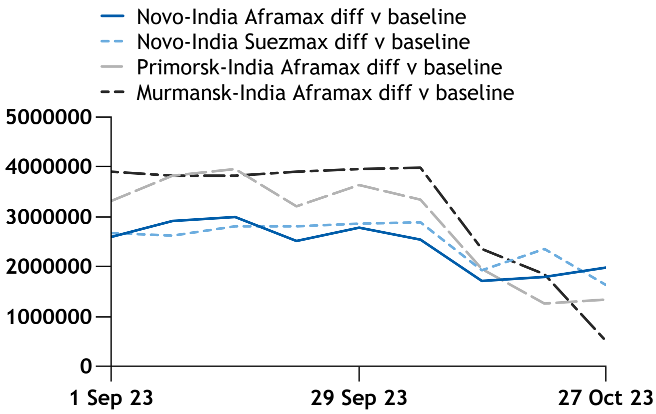
Russian-origin freight assessments						
Route	Size '000t	Low	High	Midpoint	+/-	$/t
Black Sea						
Novorossiysk-west coast India	80	5,500,000	6,500,000	6,000,000	+300,000	75.00
Novorossiysk-north China	80	7,000,000	8,200,000	7,600,000	nc	95.00
Novorossiysk-west coast India	140	6,000,000	7,500,000	6,750,000	+250,000	48.22
Novorossiysk-north China	140	8,000,000	9,000,000	8,500,000	+500,000	60.72
Baltic Sea						
Primorsk-west coast India	100	6,500,000	8,000,000	7,250,000	+250,000	72.50
Primorsk-north China	100	8,000,000	10,000,000	9,000,000	+100,000	90.00
Barents Sea						
Murmansk-west coast India	140	7,500,000	8,500,000	8,000,000	+250,000	57.14
Murmansk-north China	140	8,900,000	10,500,000	9,700,000	+50,000	69.29

Weight of Freight for Urals del India (% of del price) *$mn/t*



Russian-origin Baseline				
Route	Size '000t	Rate	+/-	$/t
Black Sea				
Novorossiysk-west coast India	80	5,005,534	+752,443	62.57
Novorossiysk-north China	80	7,407,392	+1,138,899	92.59
Novorossiysk-west coast India	140	5,113,334	+4,854	36.52
Novorossiysk-north China	140	7,432,872	+18,961	53.09
Baltic Sea				
Primorsk-west coast India	100	7,454,238	+1,172,462	74.54
Primorsk-north China	100	9,622,760	+1,510,209	96.23
Barents Sea				
Murmansk-west coast India	140	7,516,886	-13,503	53.69
Murmansk-north China	140	9,670,570	+26,731	69.08

Russian-origin freight to India vs baseline $

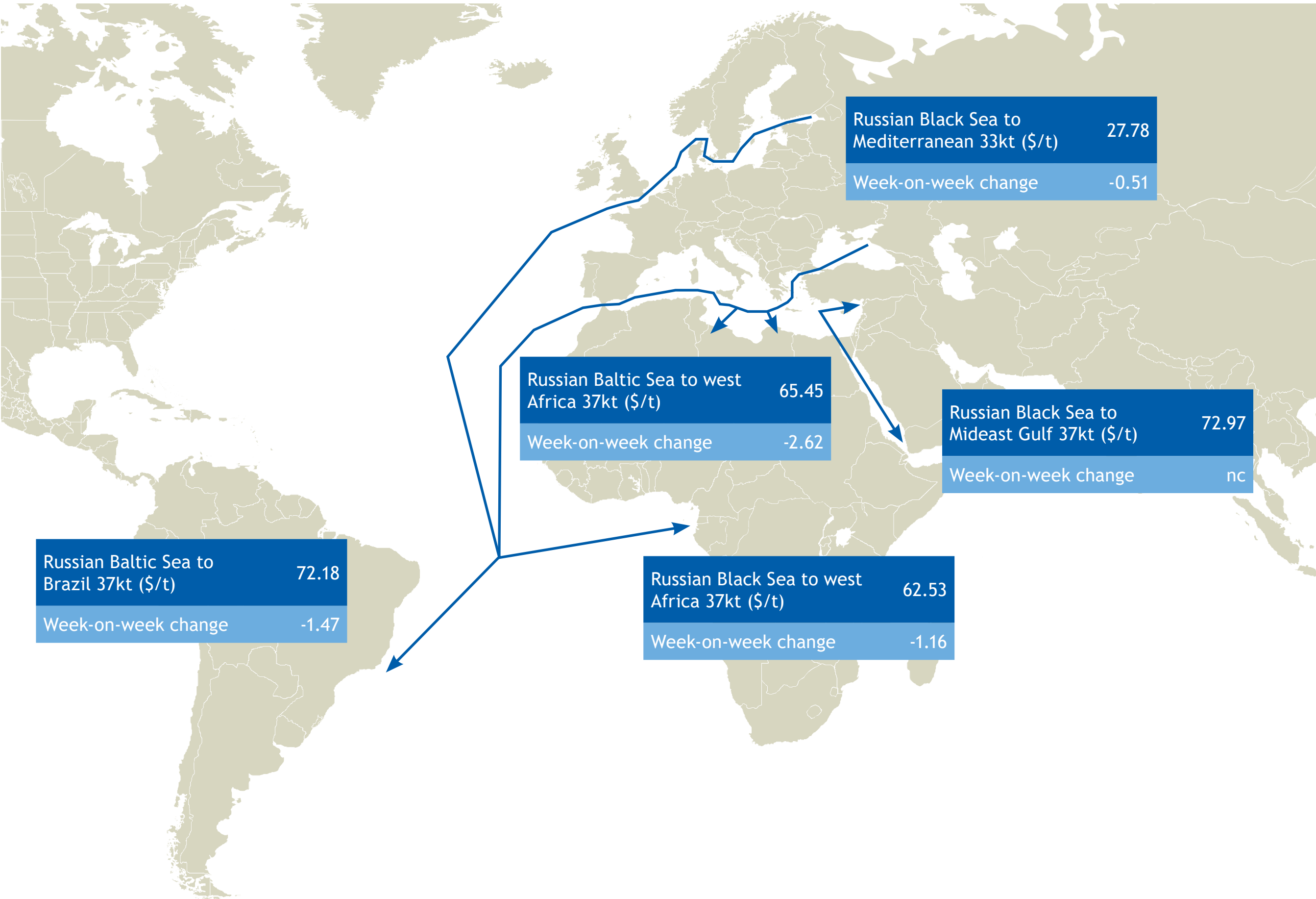


Additional War Risk Premium					
Region	Low	High	Midpoint	+/-	$/t
Aframax					
Black Sea	571,500	857,250	714,375	nc	8.93
Baltic Sea	57,150	142,875	100,013	nc	1.00
Suezmax					
Black Sea	640,000	960,000	800,000	nc	5.71
Barents Sea	64,000	160,000	112,000	nc	0.80

RUSSIAN-ORIGIN FREIGHT

Russian-origin clean freight assessments						
Route	Size '000t	Low	High	Midpoint	+/-	$/t
Black Sea						
Russian Black Sea-Mediterranean	33	250.00	300.00	275.00	-5.00	27.78
Russian Black Sea-west Africa	37	250.00	290.00	270.00	-5.00	62.53
Russian Black Sea-Mideast Gulf	37	2,400,000	3,000,000	2,700,000	nc	72.97
Baltic Sea						
Russian Baltic Sea-Mediterranean	37	220.00	250.00	235.00	-15.00	45.05
Russian Baltic Sea-west Africa	37	240.00	260.00	250.00	-10.00	65.45
Russian Baltic Sea-Brazil	37	230.00	260.00	245.00	-5.00	72.18
Russian Baltic Sea-Mideast Gulf	37	2,900,000	3,400,000	3,150,000	+100,000	85.14
Russian Baltic Sea-Singapore	37	3,400,000	4,300,000	3,850,000	+50,000	104.06
Russian Baltic Sea-west coast India	37	2,900,000	3,500,000	3,200,000	+50,000	86.49

Russian-origin clean products



FORWARD FREIGHT, CCF, DEMURRAGE AND SPECIALISED TANKERS

Forward Freight Agreement assessments

Route	Size '000t	Rate	±	$/t
Dirty tankers - EMEA				
Mideast Gulf-East	270	72.50	+4.50	19.10
Oct 23	270	52.50	+0.50	13.83
Nov 23	270	72.00	+1.50	18.96
Dec 23	270	71.50	nc	18.83
West Africa-UKCM	130	165.00	-10.00	31.96
Oct 23	130	109.50	+0.50	21.21
Nov 23	130	129.00	-2.50	24.99
Dec 23	130	117.00	-1.00	22.66
Dirty tankers - Americas				
USGC-China (STS)	270	10,250,000	-250,000	37.96
Oct 23	270	9,000,000	nc	33.33
Nov 23	270	10,350,000	nc	38.33
Dec 23	270	10,750,000	nc	39.81
USGC-UKC	90	-	-	48.78
Oct 23	90	-	-	33.61
Nov 23	90	-	-	42.10
Nov 23	90	-	-	42.10
USGC-UKC	70	270.00	nc	62.72
Oct 23	70	186.00	nc	43.21
Nov 23	70	233.00	+1.00	54.13
Dec 23	70	209.00	-1.00	48.55
Clean tankers - EMEA				
Mideast Gulf-Japan	55	165.00	-5.00	45.36
Oct 23	55	166.00	-0.50	45.63
Nov 23	55	163.50	-4.00	44.95
Dec 23	55	177.50	-2.00	48.79
UKC-US Atlantic coast	37	160.00	-5.00	28.50
Oct 23	37	164.00	+0.50	29.21
Nov 23	37	186.50	-3.50	33.22
Dec 23	37	215.00	+1.00	38.29
Cross Med	30	195.00	nc	15.89
Oct 23	30	193.00	-0.50	15.73
Nov 23	30	245.00	-2.50	19.97
Dec 23	30	290.00	-5.50	23.64
Clean tankers - Americas				
USGC/Caribbean-UKCM	38	112.50	+2.50	23.33
Oct 23	38	117.55	-0.15	24.38
Nov 23	38	147.50	+2.50	30.59
Dec 23	38	162.25	+2.25	33.65

Demurrage

Route	Segment	$/day	±
Atlantic basin-Asia	VLCC	100,000	nc
Mideast Gulf-East	VLCC	65,000	+5,000
Mideast Gulf-East	Suezmax	60,000	nc
Black Sea-Med	Suezmax	90,000	nc
Black Sea-Med	Aframax	65,000	nc
Kozmino-north China	Aframax	60,000	nc
De-Kastri-north China	Aframax	60,000	nc
De-Kastri-South Korea	Aframax	60,000	nc
De-Kastri-India	Aframax	60,000	nc
USGC-Europe	Aframax	125,000	+5,000
Atlantic coast Americas	MR	35,000	+3,000

Specialised tanker rates (weekly)

Route	Cargo	Size '000t	$/t	±
UKC-USGC	Biodiesel	10	48.00	nc
USGC-Itaqui	Ethanol	10-20	80.50	+6.00
South Brazil-UKC	Ethanol	10	98.50	nc
South Brazil-Ulsan	Ethanol	10	110.60	nc
USGC-east coast Mexico	Ethanol	5-10	26.50	nc
USGC-UKC	Ethanol	5	90.00	+3.00
USGC-UKC	Methanol	10	81.50	+2.00
USGC-Ulsan	Methanol	10	89.00	+3.00
Argentina+S Brazil (2p)-China (2p)	Vegetable oils	40	77.50	nc
Argentina+S Brazil (2p)-WC India (2p)	Vegetable oils	40	61.00	nc
Argentina-WC India (2p)	Vegetable oils	30	65.50	nc

CCF (Carbon cost of freight) indexes

		Lump sum $		$/t		$/bl	
Route	Size '000 t	One-way	Round-trip	One-way	Round-trip	One-way	Round-trip
Dirty							
Ras Tanura-Rotterdam (Arab Light)	280	92,547	149,569	0.33	0.53	0.04	0.07
Bonny-Rotterdam (Bonny Light)	130	48,606	80,561	0.37	0.62	0.05	0.08
Houston-Rotterdam (WTI)	70	43,547	75,190	0.62	1.07	0.08	0.14
Clean							
Ras Tanura-Rotterdam	65	42,681	76,600	0.66	1.18	-	-
Houston-Rotterdam	38	27,411	47,886	0.72	1.26	-	-
Rotterdam-New York	37	19,103	32,585	0.52	0.88	-	-

CRUDE-SPECIFIC FREIGHT

North America

Delivery to	Size	$/bl
Cold Lake		
West coast Panama	80kt	4.22
China via 270kt Panama STS	80kt	7.91
US west coast	80kt	2.10
Mars		
China	270kt	5.45
China (STS)	270kt	5.32
China (STS) futures (Oct 23)	270kt	4.67
China (STS) futures (Nov 23)	270kt	5.37
China (STS) futures (Dec 23)	270kt	5.58
China	130kt	7.81
east coast Canada	70kt	6.71
Europe	145kt	4.86
Med	70kt	10.92
Rotterdam	270kt	2.67
Singapore	270kt	4.93
South Korea/Japan	270kt	5.45
UKC	70kt	8.79
UKC futures (Oct 23)	70kt	6.05
UKC futures (Nov 23)	70kt	7.58
UKC futures (Dec 23)	70kt	6.80
west coast India	270kt	4.82
WCS		
China	270kt	5.77
China (STS)	270kt	5.63
China (STS) futures (Oct 23)	270kt	4.95
China (STS) futures (Nov 23)	270kt	5.69
China (STS) futures (Dec 23)	270kt	5.91
China	130kt	8.27
Europe	145kt	5.15
Med	70kt	11.57
Rotterdam	270kt	2.83
Singapore	270kt	5.22
South Korea/Japan	270kt	5.77
UKC	70kt	9.31
UKC futures (Oct 23)	70kt	6.41
UKC futures (Nov 23)	70kt	8.03
UKC futures (Dec 23)	70kt	7.20
west coast India	270kt	5.11
WTI		
China	270kt	4.99
China (STS)	270kt	4.87
China (STS) futures (Oct 23)	270kt	4.27
China (STS) futures (Nov 23)	270kt	4.91
China (STS) futures (Dec 23)	270kt	5.10
China	130kt	7.15
east coast Canada	70kt	6.14
Europe	145kt	4.45
Med	90kt	7.77
Med	70kt	9.99
Rotterdam	270kt	2.44
Singapore	270kt	4.51
South Korea/Japan	270kt	4.99
UKC	90kt	6.25
UKC futures (Oct 23)	90kt	4.31
UKC futures (Nov 23)	90kt	5.40
UKC futures (Dec 23)	90kt	4.84
UKC	70kt	8.04
UKC futures (Oct 23)	70kt	5.54
UKC futures (Nov 23)	70kt	6.94
UKC futures (Dec 23)	70kt	6.22
west coast India	270kt	4.42

Middle East

Delivery to	Size	$/bl
Arab Heavy		
Asia-Pacific	270kt	2.68
China	130kt	4.85
Europe	280kt	1.76
Mediterranean	140kt	2.33
Singapore	270kt	1.79
Singapore	130kt	3.03
Singapore	80kt	4.45
US Gulf coast	280kt	2.27
west coast India	270kt	1.03
west coast India	130kt	1.57
west coast India	80kt	2.41
Arab Light		
Asia-Pacific	270kt	2.60
China	130kt	4.70
Europe	280kt	1.71
Mediterranean	140kt	2.26
Singapore	270kt	1.74
Singapore	130kt	2.93
USGC coast	280kt	2.20
west coast India	270kt	1.00
west coast India	130kt	1.52
west coast India	80kt	2.34
Arab Medium		
Asia-Pacific	270kt	2.63
China	130kt	4.76
Europe	280kt	1.73
Mediterranean	140kt	2.29
Singapore	270kt	1.76
Singapore	130kt	2.97
US Gulf coast	280kt	2.23
west coast India	270kt	1.02
west coast India	130kt	1.54
west coast India	80kt	2.37
Basrah Heavy		
Asia-Pacific	270kt	2.76
China	130kt	5.00
Europe	280kt	1.82
Mediterranean	140kt	2.40
Singapore	270kt	1.85
Singapore	130kt	3.12
US Gulf coast	280kt	2.34
west coast India	270kt	1.07
west coast India	130kt	1.62
west coast India	80kt	2.49
Basrah Medium		
Asia-Pacific	270kt	2.68
Asia-Pacific futures (Oct 23)	270kt	1.94
Asia-Pacific futures (Nov 23)	270kt	2.66
Asia-Pacific futures (Dec 23)	270kt	2.64
China	130kt	4.85
Europe	280kt	1.76
Mediterranean	140kt	2.33
Singapore	270kt	1.79
Singapore	130kt	3.03
US Gulf coast	280kt	2.27
west coast India	270kt	1.03
west coast India	130kt	1.57
west coast India	80kt	2.41
Kuwait		
Asia-Pacific	270kt	2.63
China	130kt	4.75
Europe	280kt	1.73
Mediterranean	140kt	2.28
Singapore	270kt	1.76
Singapore	130kt	2.97
US Gulf coast	280kt	2.22
west coast India	270kt	1.01
west coast India	130kt	1.54
west coast India	80kt	2.36

Middle East (continued)

Delivery to	Size	$/bl
Murban		
Asia-Pacific	270kt	2.50
Asia-Pacific futures (Oct 23)	270kt	1.81
Asia-Pacific futures (Nov 23)	270kt	2.48
Asia-Pacific futures (Dec 23)	270kt	2.46
China	130kt	4.52
Europe	280kt	1.64
Mediterranean	140kt	2.17
Singapore	270kt	1.67
Singapore	130kt	2.83
US Gulf coast	280kt	2.11
west coast India	270kt	0.96
west coast India	130kt	1.46
west coast India	80kt	2.25
Oman		
Asia-Pacific	270kt	2.61
China	130kt	4.72
Europe	280kt	1.71
Mediterranean	140kt	2.26
Singapore	270kt	1.74
Singapore	130kt	2.95
US Gulf coast	280kt	2.21
west coast India	270kt	1.01
west coast India	130kt	1.53
west coast India	80kt	2.35

West Africa

Delivery to	Size	$/bl
Bonny Light		
China	260kt	4.08
east coast India	260kt	3.26
east coast India	130kt	6.93
UKCM	130kt	4.33
UKCM futures (Oct 23)	130kt	2.87
UKCM futures (Nov 23)	130kt	3.39
UKCM futures (Dec 23)	130kt	3.07
west coast India	260kt	3.10
west coast India	130kt	6.78
Cabinda		
China	260kt	4.13
east coast India	260kt	3.30
east coast India	130kt	7.02
UKCM	130kt	4.38
west coast India	260kt	3.14
west coast India	130kt	6.86
Dalia		
China	260kt	4.37
east coast India	260kt	3.48
east coast India	130kt	7.41
UKCM	130kt	4.63
US Gulf coast	260kt	2.88
US Gulf coast	130kt	5.73
west coast India	260kt	3.32
west coast India	130kt	7.25
Djeno		
China	260kt	4.29
east coast India	260kt	3.42
east coast India	130kt	7.28
UKCM	130kt	4.55
west coast India	260kt	3.25
west coast India	130kt	7.11

CRUDE-SPECIFIC FREIGHT

West Africa (continued)

Delivery to	Size	$/bl
Egina		
China	260kt	4.27
east coast India	260kt	3.41
east coast India	130kt	7.25
UKCM	130kt	4.53
west coast India	260kt	3.24
west coast India	130kt	7.09
Escravos		
China	260kt	4.10
east coast India	260kt	3.27
east coast India	130kt	6.95
UKCM	130kt	4.34
west coast India	260kt	3.11
west coast India	130kt	6.80
Forcados		
China	260kt	4.20
east coast India	260kt	3.35
east coast India	130kt	7.13
UKCM	130kt	4.45
west coast India	260kt	3.19
west coast India	130kt	6.96
Girassol		
China	260kt	4.17
east coast India	260kt	3.33
east coast India	130kt	7.08
UKCM	130kt	4.42
west coast India	260kt	3.17
west coast India	130kt	6.92
Qua Iboe		
China	260kt	4.03
east coast India	260kt	3.22
east coast India	130kt	6.85
UKCM	130kt	4.28
US Gulf coast	260kt	2.66
US Gulf coast	130kt	5.29
west coast India	260kt	3.06
west coast India	130kt	6.69

Latin America

Delivery to	Size	$/bl
Castilla		
China	270kt	5.08
Panama	130kt	1.22
US Gulf coast	130kt	2.32
US Gulf coast	70kt	4.60
US Gulf coast	50kt	3.57
west coast India	270kt	4.49
Isthmus		
US Gulf coast	70kt	2.65
US Gulf coast	50kt	1.72
Maya		
US Gulf coast	70kt	2.86
US Gulf coast	50kt	1.86
Medanito		
US west coast	65kt	8.67
US Atlantic coast	65kt	7.40

Latin America (continued)

Delivery to	Size	$/bl
Napo		
Houston	50kt	5.51
Los Angeles	100kt	2.73
Oriente		
Houston	50kt	5.29
Los Angeles	100kt	2.62
US west coast	50kt	9.02
Tupi		
China	260kt	4.43
UKC	260kt	2.28
UKC	130kt	4.62
US west coast	260kt	4.00
Vasconia		
Panama	130kt	1.31
US west coast	130kt	2.09

North Sea, Baltic, Barrents

Delivery to	Size	$/bl
Ekofisk		
east Asia	270kt	4.80
Mediterranean	80kt	4.45
UKC	80kt	1.97
US Atlantic coast	80kt	3.67
Forties		
east Asia	270kt	4.61
Mediterranean	80kt	4.28
UKC	80kt	1.89
US Atlantic coast	80kt	3.53
Johan Sverdrup		
east Asia	270kt	5.09
Mediterranean	80kt	4.72
UKC	80kt	2.08
US Atlantic coast	80kt	3.89
Urals		
West coast India	100kt	10.07
North China	100kt	12.50
Mediterranean	100kt	-
UKC	100kt	-
Urals (Baseline)		
West coast India	100kt	10.39
North China	100kt	13.41
Varandey		
West coast India	100kt	7.61
North China	100kt	9.23
Varandey (Baseline)		
West coast India	100kt	7.15
North China	100kt	9.20

Asia-Pacific

Delivery to	Size	$/bl
ESPO		
Chiba	100kt	2.30
north China	100kt	2.30
Singapore	100kt	2.84
Yeosu	100kt	1.84

Mediterranean

Delivery to	Size	$/bl
Arab Light (Sidi K)		
Mediterranean	80kt	2.70
UKC	80kt	4.34
BTC		
east Asia	130kt	6.16
Mediterranean	130kt	1.57
Mediterranean	80kt	2.63
UKC	80kt	4.23
Es Sider		
east Asia	130kt	6.24
Mediterranean	80kt	2.66
UKC	80kt	4.28
US Gulf coast	130kt	3.86
US Gulf coast	80kt	5.00
Saharan		
east Asia	130kt	5.89
Mediterranean	130kt	1.50
Mediterranean	80kt	2.51
UKC	80kt	4.04
US Gulf coast	130kt	3.64
US Gulf coast	80kt	4.72

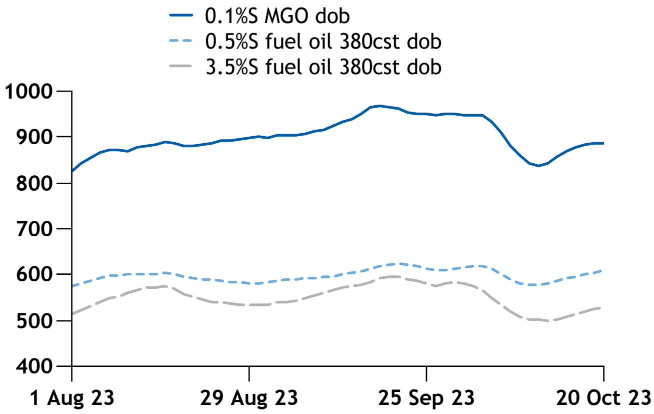
Black Sea

Delivery to	Size	$/bl
Azeri Light (Supsa)		
Mediterranean	80kt	4.23
UKC	80kt	6.78
CPC		
east Asia	130kt	5.92
Mediterranean	130kt	2.31
Mediterranean	80kt	4.01
UKC	80kt	6.43
US Gulf coast	130kt	-
Kebco		
Mediterranean	140kt	2.08
Urals		
West coast India	80kt	10.42
North China	80kt	13.19
West coast India	140kt	6.70
North China	140kt	8.43
east Asia	130kt	-
Mediterranean	140kt	-
Mediterranean	80kt	-
UKC	80kt	-
US Gulf coast	130kt	-
Urals (Baseline)		
West coast India	80kt	8.72
North China	80kt	12.90
West coast India	140kt	5.09
North China	140kt	7.40

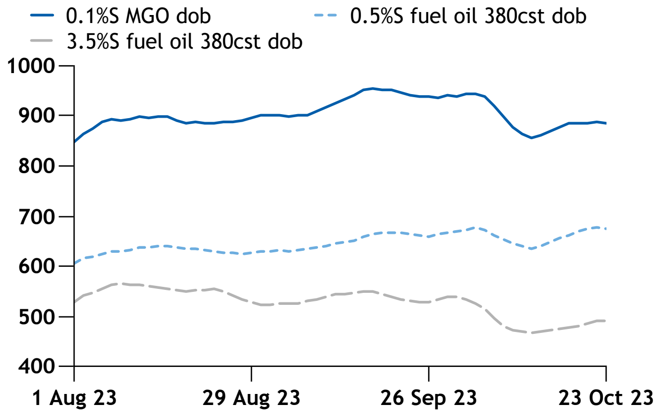
BUNKERS

Conventional

Rotterdam bunker prices (0.5%S, 3.5%S, MGO) $/t

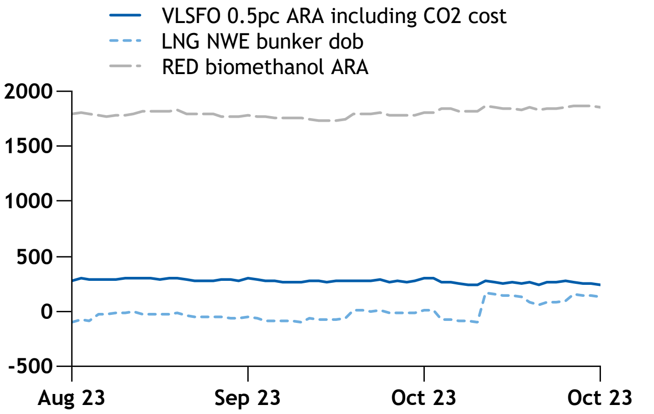


Singapore bunker prices (0.5%S, 3.5%S, MGO) $/t

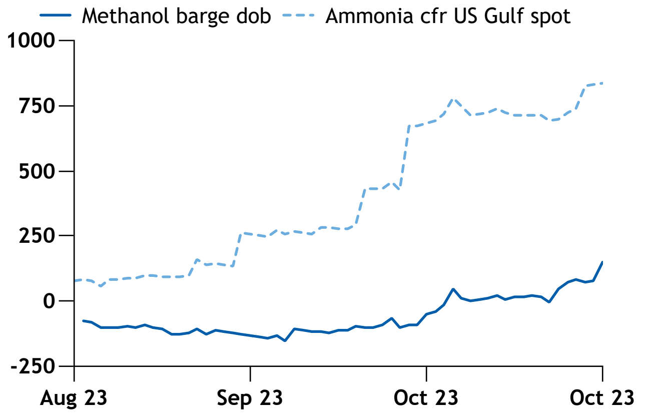


Alternative

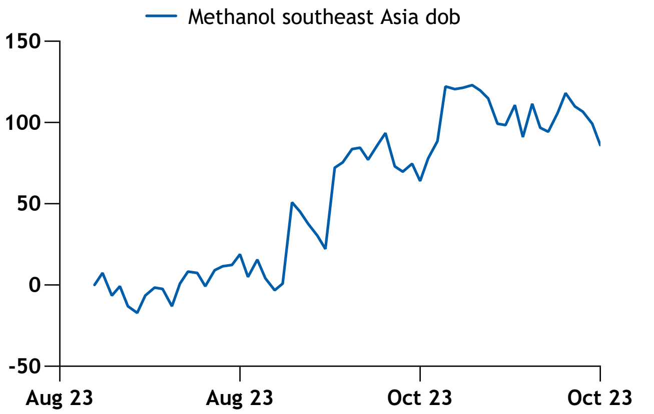
Rotterdam - LNG, others as premiums to VLSFO $/t



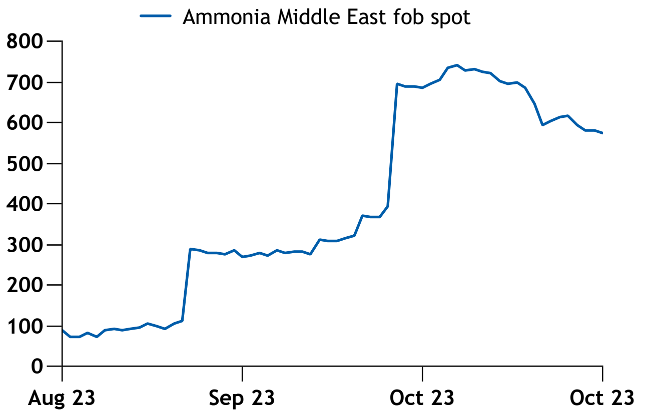
USGC - Methanol, ammonia as premiums to VLSFO $/t



Singapore - Methanol premium to VLSFO $/t



Middle East - Ammonia premium to VLSFO $/t



NEWS

Panama Canal further cuts vessel transits

The Panama Canal Authority will cut the number of ships transiting through the canal this winter citing falling rainfall projections, gradually reducing total sailings from 3 November through to February 2024.

The number of booking slots to cross the Panama Canal will be reduced to 25 from 3 November and to 24 from 30 November. These available slots will be further reduced to 22 in December, 20 in January and 18 in February — remaining at this level until further notice (see table).

These restrictions are in addition to the authority's so-called "Booking Condition 5," which will redistribute transit slots among the various vessel sizes transiting the Panama Canal from 8 November — a move that was already set to considerably increase the wait time for non-booked vessels. Under the condition, vessels in the "Panamax Plus" category, such as Kamsarmax bulkers that could fit within the Panamax locks, will no longer be allowed to use the deeper Neopanamax locks.

To transit, shipowners will instead need to reduce their draft to the much shallower Panamax lock levels, potentially increasing traffic through the older locks which make up around 70pc of activity through the Panama Canal overall.

Water levels in the Canal stood at 79.7ft (24.2m) on 31 October, compared with the five-year month average of 86ft. The authority expects 38pc less rainfall for the rest of the year, when water levels typically peak during Panama's rainy season.

It adjusted its forecast for levels to increase to 80.7ft, down from 82ft, by the end of November before falling again into early December. This is considerably below the five-year average of 87ft for the period.

Wait times for Panama Canal transits are likely to increase in the near term with further restrictions ahead of the peak season. The suspension of most Panama Canal auctions on 21 October has driven prices paid by LPG tanker owners to record $2.8mn in the daily auction of offered seven days prior to transit slots, according to a shipping agent, compared with the base cost of $93,500 for a slot. Auctions will resume from 1 November.

By Yohanna Pinheiro

Europe hesitant to up Mideast term supply

European refiners look unlikely to increase their term supplies of Mideast Gulf crude next year as high official formula prices push them to the spot market and to sweeter alternatives.

Four refiners in northwest Europe and the Mediterranean have told *Argus* that they plan to keep their annual term supplies from Saudi Arabia and/or Iraq unchanged from this year. Two more buyers in the region said they do not intend to start new term contracts with either. Iraq's state-owned oil marketer Somo gave refiners until 15 October to submit their requirements for 2024, while some European buyers looking to renew their contracts with state-controlled Saudi Aramco said they had not yet submitted their requested volumes. Annual term supplies are typically negotiated in the October-November period before the official January formula prices are issued in December.

Buyers often turn to term contracts as a way to secure reliable supplies, but Mideast Gulf oil producers have made consistent hikes to their official formula prices this year, making that option less appealing, according to some refiners. Aramco's official formula prices for November-loading crude exports to Europe were the highest since *Argus* records began. Somo's European November formula prices for Basrah Heavy were the strongest since March 2021, while the official November price for Europe-bound exports of Basrah Medium was the highest since its launch in January 2021.

The price increases come against a backdrop of tight sour crude availability, which has been driven by a combination of Opec+ production cuts, a prolonged absence of Iraqi Kirkuk blend exports from the Turkish port of Ceyhan and the EU's ongoing ban on seaborne imports of Russian crude. While the tight supply situation has some refiners concerned about whether they will be allocated their requested volumes, the fact that India and China have increased their intake of more competitively priced Russian crude means Mideast Gulf sellers could have more availability for the European market. Saudi Arabia's exports to Europe have increased slightly this year despite its 500,000 b/d voluntary production cut since May and a further 1mn b/d cut from July. Around 755,000 b/d of Saudi crude headed for Europe in the first nine months of this year, up by 30,000 b/d on the same period last year, according to oil analytics firm Vortexa.

Meanwhile, exports of Iraqi Basrah crude to Europe averaged 725,000 b/d over January-September, up from 659,000 b/d a year earlier, according to *Argus* tracking data. Loadings to the region neared 1mn b/d in both June and August, for the first time since *Argus* records began in 2010. Should this trend continue, Europe as a whole could displace India as the second-largest buyer of Basrah. Basrah is sold on both a term basis and on the spot market. The exports data do not differentiate the split, but market participants suggest that reduced demand from customers in Asia-Pacific has contributed to increased spot supplies being redirected to Europe, at a time when rising freight rates and lower refining margins in Europe are already driving spot prices down.

The latest *Argus* assessments put spot cargoes of Basrah

NEWS

Medium and Heavy at discounts of 70¢/bl and $1/bl to their official November formula prices for European customers, respectively. The former is the widest discount since September 2022 and the latter the widest since January this year. This could make the spot market more appealing than term contracts to European refiners.

Sweeter tooth

Customers in Europe and the Mediterranean have already taken steps to reduce their reliance on sour crudes in response to the higher formula prices, turning their attention to sweeter alternatives. Concern that the Israel-Hamas conflict might spill over into the wider Mideast Gulf region and disrupt supply may prompt them to redouble their efforts. Europe is spoiled for choice when it comes to sweet crudes at the moment owing to record high volumes of US light grade WTI being shipped to the region. Sour grades have accounted for 45pc of total crude deliveries to Europe so far this year, down from 50pc during the same period in 2022, according to Vortexa.

By Kuganiga Kuganeswaran and Giulio Bajona

Algeria’s Sonatrach eyes return to Libya

Algeria’s state-owned Sonatrach could resume exploration in Libya after it was forced to abandon activities in the country in 2014 because of the deteriorating security situation.

Sonatrach and Libya’s state-owned National Oil Corporation (NOC) are to hold a high-level meeting on 7 November in Tripoli where discussions on Sonatrach resuming its contractual commitments will take place. Sonatrach holds a 50pc stake in Area 65 and a 50pc stake in Areas 95 and 96 in the Ghadames basin, all of which contain several discoveries.

Sonatrach’s return would provide a boost of confidence to Libya’s upstream sector, which has seen little exploration since its 2011 civil war. While Russia’s Tatneft announced a rare new oil discovery in March, Spain’s Repsol has struggled to get a planned nine-well campaign going.

Italian Eni's plans to drill an exploration well onshore next year to be followed by an offshore well in late 2024 and early 2025, upstream director Luca Vignati told *Argus* in a recent interview.

But these plans will ultimately depend on Libya's testy politics, which have hampered upstream targets for more than a decade. A plan by NOC to boost its crude oil production by 100,000 b/d to 1.3mn b/d by the end of the year looks unlikely to be met. Libya’s crude output stood at 1.196mn b/d in September, according to its official submission to Opec.

By Aydin Calik

Nigeria lifts prices for medium sweet grades

Nigeria's state-owned NNPC has raised next month's official formula prices for two-thirds of its crude grades, despite a backlog of unsold November-loading cargoes and ample availability of competing European crudes weighing on differentials.

Formula prices for Nigeria's medium sweet grades were raised across the board, notably for the key stream Forcados, which has been increased by $1.61/bl compared with October to a $5.05/bl premium to the North Sea Dated benchmark. NNPC has raised the formula price of similar-quality Escravos by $88¢/bl to a $6.20/bl premium.

EA Blend and Erha prices have been hiked, by 90¢/bl and 86¢/bl to respective premiums of $6.05/bl and $5.48/bl. Prices of other medium grades also got a boost, with Bonga and Egina raised by $1.27/bl and $1.19/bl on the month, respectively, to premiums of $6.28/bl and $7.44/bl.

The November formula prices are significantly above some traders' expectations, coming against a backdrop of rising freight costs and a recent drop in European gasoline margins. The spike in freight rates has undermined arbitrage shipments, as has a backwardated market structure — where prompt cargoes are valued at a premium to those loading further forward — which means long-haul cargoes essentially lose value while on the water.

NNPC has cut the official formula prices for 11 of its crude grades, in line with the deteriorating profitability of shipping west African oil east and to Europe. The November price of flagship light sweet stream Qua Iboe has been cut by 9¢/bl on the month to a premium of $3.88/bl to Dated. The price of similar-quality Bonny Light was raised by $22¢/bl though, and now stands at its highest premium to Dated since September 2022.

Grades that have been cut include very light Agbami, down by 2¢/bl to a 26¢/bl discount to the benchmark, and similar-quality Amenam, down by 20¢/bl to a 43¢/bl premium. NNPC has also reduced the formula price for light sweet CJ Blend by 37¢/bl to a $1.16/bl premium, while niche grade Ima has seen the most substantial cut, with its formula price slashed by $2.46/bl from October to a $1.11/bl discount to Dated.

By Sanjana Shivdas

OMV hit by lower oil prices, petchem margins

Austrian integrated energy firm OMV reported a steep drop in profit in the third quarter compared with the same period last year on the back of lower oil and gas prices, a fall in upstream production and depressed petrochemical margins, partly offset by a higher refinery utilisation rate in Europe.

The company's oil and gas output was down by 5pc on

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the year at 364,000 b/d of oil equivalent (boe/d) in the July-September period, driven by unplanned shutdowns in Norway, natural decline in Norway and Romania, and longer routine maintenance work in Malaysia than a year earlier. Higher production in New Zealand and the UAE tempered the fall in total output.

OMV achieved an average of $81.15/bl for its crude production in the third quarter, 18pc lower than the same period last year, while the average price of its natural gas sales was down by roughly 70pc on the year. The firm has tweaked its forecast for oil prices — it now expects the Brent benchmark to average more than $80/bl in 2023, compared with previous guidance of $75-80/bl. The company has kept its full-year upstream production forecast intact at around 360,000 boe/d, which is more than 30,000 boe/d lower than 2022.

OMV's petrochemical business had a tough quarter. Olefin and polyolefin margins were subdued by the global economic slowdown and high inflation, and there was a significantly lower contribution from the Borealis joint ventures, the firm said. The company has downgraded its 2023 forecast for indicator margins for both ethylene and polyethylene.

OMV's refinery business delivered a much improved performance, thanks to a strong recovery in the utilisation rate in Europe and higher fuel sales. The firm's European refineries operated at 84pc of capacity in the third quarter, up from just 44pc a year earlier when problems at Austria's 193,700 b/d Schwechat refinery constrained throughput.

OMV's European refining margin indicator dipped to $14.05/bl in July-September from $14.38/bl in the same period last year, mainly because of lower cracks for middle distillates. But the company has raised its forecast for the full year to an average of $10-12/bl, up from previous guidance of $8-10/bl.

OMV reported a profit of €474mn for July-September, down by 43pc on the year. Stripping out inventory valuation effects and other one-off items, profit came in at €431mn, a fall of 64pc from a year earlier.
By James Keates

Orlen volumes drop as Polish demand surges

Polish integrated oil company Orlen reduced its refined volumes in Poland in the third quarter as consumption of motor fuels in the country surged on the back of discounted prices at the pump.

The company reduced crude throughput at its Polish refineries by more than 8pc on the year to 438,000 b/d in the third quarter, it said today. The decline was mainly because of 32,000 b/d lower output on the year at its 373,000 b/d Plock refinery, which had a shutdown of its hydrocracker and one of four crude distillation units in the quarter, Orlen said. Lower Plock volumes were only partly compensated by some increase in output at the 210,000 b/d Gdansk refinery. Orlen has a 70pc stake in Gdansk equivalent to 148,000 b/d capacity, with the remainder owned by Saudi Aramco.

While Orlen's refining volumes in Poland were lower, consumption of diesel and gasoline in the country surged in the third quarter on the back of discounted prices offered by the company since mid-August. Orlen estimated that Polish consumption of diesel and gasoline rose by 11pc on the year in the quarter.

Because of the combination of strong demand and low output, supply of motor fuels — particularly diesel — in Poland remains very tight.

"Diesel storage and supply in Poland is way too tight for what it should be at this time of the year and in the current international context," a diesel importer told *Argus*.

State-owned Orlen has since mid-August pursued a policy of offering discounted prices of fuel at the pump in an apparent move to boost the incumbent government's chances of retaining power in the general election on 15 October.

Orlen's wholesale diesel prices dropped below cif ARA prices in early September, making imports uncompetitive. Despite that, seaborne imports into Poland increased in September to their highest since March 2022, according to Vortexa.

Since mid-October Orlen has been increasing its wholesale prices every day, but they remain below cif ARA. One importer told *Argus* that if Orlen maintains the pace of price increases, Polish wholesale diesel prices will reach parity with imports within five-six days, but it will take nearly a week more before they reach their usual premium to cif ARA.

Suppliers said diesel supplies are very tight and there is strong demand to buy imports, even at a premium to current Orlen wholesale prices. "If there is any unplanned disruption at refineries, there will be a major risk to supplies," one supplier said.

Its aggressive pricing policy badly hit Orlen's profits in the third quarter. Despite high refining margins, its profits fell by 44pc on the year to 3.46bn zlotys ($829mn). Operations in other countries helped overall profits. In the third quarter profits at its Orlen Lietuva subsidiary — which operates the 190,000 b/d Mazeikiai refinery — were almost double the company's entire Polish business. In addition to low wholesale margins and weak figures from its Polish retail business, Orlen blamed the disappearance of its crude supplies discount with the reduction of Urals crude imports. Urals is supplied only to the Czech Republic currently, with supplies to Poland halted since early this year. As a result,

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the cost of crude processed by Orlen in the third quarter was at a $1/bl premium to Brent compared with a $7.4/bl discount a year earlier.

Orlen's refineries — including Mazeikiai, 108,000 b/d Litvinov and 66,000 b/d Kralupy in the Czech Republic — processed nearly 800,000 b/d in the third quarter, 4pc down on the year.

Commenting on its prospects for the fourth quarter, Orlen said it expects seasonal weakening of its refining margin, which was very strong at nearly $22/bl in the third quarter.
By Tomasz Stepien

UAE remains Japan's top crude supplier in Sep

Japan's crude purchases from the UAE remained firm in September, with more Abu Dhabi's light sour Murban delivered to the country.

Japan imported 2.6mn b/d in September, down by 5pc from a year earlier, according to preliminary data released on 31 October from the country's trade and industry ministry (Meti). The UAE has been Japan's top crude supplier since April this year, except for June, outstripping cargoes from its other main source Saudi Arabia.

The UAE delivered 614,000 b/d of Murban to Japan in September, up by 17pc from the previous year, while it exported 264,000 b/d of Das crude, down by 5pc. Japan purchased from Saudi Arabia 525,000 b/d of Arab Extra Light and 227,000 b/d of Arab Light, up by 44pc on a year earlier and down by 31pc respectively.

Domestic oil product output and sales each fell in September by 1pc from a year earlier, mostly pressured by lower heavy fuel oil production and demand. Overall product output and sales in the month totalled 2.5mn b/d and 2.4mn b/d respectively, Meti data show.

Product imports dropped by 12pc from a year earlier to 533,000 b/d in September, mainly because of a drop in naphtha deliveries. Japan cut its exports by 7pc to 577,000 b/d with lower gasoil and heavy fuel oil shipments.
By Maiko Nakashima

Green Plains updates CCS projects, turns profit

Renewable fuels company Green Plains is pursuing carbon capture and sequestration (CCS) at several of its plants and reported a profit for the third quarter.

Four of Nebraska-based Green Plains' facilities, totaling 316mn USG/yr of ethanol production, are committed to the Summit Carbon Solutions pipeline project, which should be completed in 2026, according to chief executive Todd Becker. The Summit project will allow plants connected to it to sequester carbon from ethanol production and get lower carbon intensity scores for their product.

Three additional plants in Nebraska are undergoing separate CCS projects that are expected to start in 2025.

CCS reduces the emissions released in manufacturing, resulting in a lower carbon intensity of ethanol.

The company's 6,000 b/d Madison, Illinois, and 7,000 b/d Fairmont, Minnesota, facilities are hitting startup delays because of permitting issues taking longer than the company anticipated, but Green Plains said the Madison plant is on a good path to permitting.

Green Plains' 11,000 b/d joint venture facility in Casselton, North Dakota, is still on track to begin commissioning in the first quarter of 2024.

Green Plains sold 223,000 USG of ethanol during the quarter, a 2pc increase from the same quarter last year, while ethanol revenues slid by 4.6pc to $773mn, an effect of lower ethanol prices, Becker said.

The company reported a profit of $22.3mn in the third quarter, up from a loss of $73.5mn a year earlier.

Plant utilization increased to 93.9pc from 91pc in the same quarter last year and 81.5pc in the second quarter.

The company expects the fundamentals for ethanol demand will remain strong for the foreseeable future.
By Payne Williams

US warns Venezuela over opposition crackdown

Early signs of a renewed crackdown on opposition parties by Venezuelan president Nicolas Maduro's government will test Washington's resolve to keep oil sanctions against the South American Opec producer lifted.

A Venezuelan court on 30 October suspended the results of a presidential primary held by the government's political opposition ahead of elections next year, which resulted in a resounding win by former lawmaker Maria Corina Machado.

The US administration on 18 October lifted sanctions on Venezuela's oil and gas sector for a period of six months, conditioned on Maduro's pledge to work with the opposition parties toward a free election next year. A deal between Maduro and the Unitary Platform opposition alliance called for carrying out primary elections and allowing international observers in next year's election.

The US administration will snap back the sanctions "if the [Maduro)] regime has in fact violated the agreement that it reached," US secretary of state Tony Blinken told a Senate panel today. "They're not getting a free pass for actions that they take that are in contradiction to the commitments that they've made to move toward free and fair elections."

Blinken would not say if the court action against Machado violates the agreement. US officials previously said that they view Machado's eligibility to participate in next year's election as a critical part of the conditions for future renewal of

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the sanctions waiver, which is set to expire on 18 April 2024. The Maduro government has disqualified Machado from running in national elections.

The latest twist in Venezuela's domestic politics provides a reminder of how tenuous the relief of US sanctions is. In effect, the US has extracted a promise from Maduro to hold a free election next year that he could lose — a prospect he has resisted for years, before giving a half-hearted agreement earlier this month.

Oil markets are still trying to absorb Venezuela's sudden return to the fold. US refiners and market analysts suggested that some of the 310,000 b/d of Venezuelan crude discharged in China last year could end up being diverted to its previous top destination, the US. Chevron was the only company allowed to import oil from Venezuela to the US since last November, and only from its joint ventures with state-owned PdV.

US crude imports from Venezuela averaged 120,000 b/d in January-August, according to the Energy Information Administration.

By Haik Gugarats

Oil futures: WTI down on strong dollar

WTI crude futures fell by nearly 1.5pc today on a strengthening US dollar, record high crude production in the US and Chinese data suggesting a faltering manufacturing sector.

December Nymex WTI today fell by $1.29/bl to $81.02/bl while December Ice Brent fell by 4¢/bl to $87.41/bl. The December Brent-December WTI spread widened by $1.25/bl to $6.39/bl.

West Texas Intermediate (WTI) at Magellan East Houston terminal in Texas was shown on the *Argus* Crude Market Ticker (ACMT) at a prompt 75¢-85¢/bl bid-ask spread above the Cushing benchmark today at Nymex settlement, below yesterday's 90¢/bl volume-weighted average.

A strengthening US dollar weighed on WTI with the greenback rising by 0.5pc against a basket of international currencies to about 106.6 today. The US DXY dollar index is near its highest level year-to-date, making dollar-denominated commodities such as oil more expensive for holders of foreign currency.

Traders will be keeping a close eye on the outcome of the US Federal Reserve meeting today and tomorrow. Policymakers are widely expected to keep their target lending rate unchanged at a 22-year high of 5.25-5.5pc following the policy meeting Wednesday, while leaving the door open to make further hikes if necessary to quell inflation.

Meanwhile, a gloomier outlook in China also cast doubt on the health of that country's economy, and by extension, its demand for crude oil. China's official manufacturing PMI reading showed contraction Monday, reaching 49.5 in October, down from 50.2 the previous month. It marked a sixth month of contraction in the latest seven months. A PMI reading above 50 indicates expansion, with any reading below 50 showing contraction.

US crude output continues to rise, hitting a new monthly high on gains from New Mexico, Texas and North Dakota. Output averaged 13.05mn b/d in August, up from 12.96mn b/d in July, the Energy Information Administration (EIA) said today in its Petroleum Supply Monthly report. This surpasses the previous high of 13mn b/d set in November 2019.

Rising production is a boon for midstream companies, including Enterprise Products Partners that said it flowed record volumes on its pipelines and marine terminals in the third quarter.

Nymex RBOB today rose by 0.27¢/USG to $2.2227/USG and Nymex ultra-low sulphur diesel rose by 2.47¢/USG to $2.9910 /USG.

By Brett Holmes

JetBlue capacity growth slows in 3Q

JetBlue Airways' capacity was little changed in the third quarter from the prior three months despite an uptick in jet fuel consumption.

The airline’s available seat miles (ASM) — a measurement of capacity — was little changed at 17.4bn miles in the third quarter from the prior three months, when it grew by 3.5pc on the previous quarter. Still, ASMs in the latest quarter surpassed third quarter 2022 by over 7pc.

JetBlue consumed 230mn USG of jet fuel in the third quarter, up from 228mn USG in the second quarter. Last year, the airline utilized only 215mn USG of jet fuel in the third quarter.

Jet fuel costs this year have been comparatively lower at $2.94/USG, compared to $3.84/USG the third quarter in 2022.

The carrier’s load factor — which measures seats filled by paying costumers — shrank to 85.1pc in the third quarter, down from 85.3pc in the second quarter. Levels also fell short of the prior year’s third quarter load factor of 86.1pc.

Revenue passenger miles (RPM) — an additional metric used to show the number of miles traveled by paying customers — followed a similar trend. RPMs declined to 14.78bn miles in the third quarter, down from 14.8bn miles in the second and nearly 6pc below 2022 levels.

The airline acknowledged various headwinds in the past quarter, including inclement weather as well as rising fuel costs. “We are narrowing our capacity growth outlook to 5-7pc year over year,” president and chief operating office Joanna Geraghty said.

By Craig Ross

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PBF Torrance refinery reports flaring

PBF Energy reported unplanned flaring at its 160,000 b/d Torrance, California, refinery today.

Emergency flaring in response to unplanned operational conditions began at 1:28pm ET, according to a filing submitted by PBF with local environmental regulators.

Affected units were not disclosed.

PBF began a major turnaround at the Torrance refinery in late September, that was originally expected to last around 50 days and is ongoing, according to regulatory filings.

By Gordon Pollock

Sao Martinho eyes biomethane in Brazil

Brazilian energy group Sao Martinho plans to build a biomethane plant near its Santa Cruz sugarcane milling unit in Americo Brasiliense, in Sao Paulo state's countryside.

Sao Martinho will invest R250mn ($49.6mn) in the plant, which should produce 15.6mn normal m^3/crushing season (Nm^3) of biomethane from vinasse, a waste byproduct of ethanol production. It will also generate Brazilian Cbios carbon credits. Nm^3 is a cubic meter of gas at a pressure of 1 atmosphere at 32°F.

Sugarcane crushing activities in Sao Paulo and other central-southern states typically start in early April and end in mid-November.

The company expects the biomethane plant to begin operations in the second half of 2025 and to reach full capacity by the 2026-27 season.

Brazil's hydrocarbons regulator ANP has authorized six biomethane plants, adding up to approximately 469,230 Nm^3/d of capacity. Another 11 units are awaiting authorization.

Santa Cruz unit

Santa Cruz has a milling capacity of approximately 5.6mn metric tons (t)/sugarcane harvest, according to Sao Martinho.

It is 280km (174 miles) from Sao Paulo's capital and 350km from the Santos port.

Earlier last month, the unit received the International Sustainability Carbon Certification (ISCC) Corsia Plus certification that proves that its ethanol complies with international requirements to produce sustainable aviation fuel (SAF).

The unit was also granted the ISCC EU certification that acknowledges compliance with the legal requirements for the sustainability and greenhouse gas (GHG) emissions savings criteria for sustainable fuels set out in the renewed Renewable Energy Directive (REDII).

By Vinicius Damazio and Rebecca Gompertz

Petroecuador to end Unipec, PTT oil deals

Petroecuador will not renew its oil supply deals with state-owned Thai company PTT and China's Unipec, which expire in December 2023, Petroecuador's chief executive Reinaldo Armijos said.

The end of the contracts will allow Petroecuador to sell around 18.8mn-19.2mn b/yr of Oriente and Napo crude in spot tenders. The Ecuadorian company sold 17mn b/yr to PTT and 1.8mn-2.2mn b/yr to Unipec.

Those agreements required Petroecuador to sell dozens of millions of barrels through several years to those companies calculating the price of crude with specific and complicated formulas that result in lower prices compared with spot sales, Armijos said.

From January-October, Petroecuador sold Oriente and Napo crude at an average discount of $12/bl and $17/bl to WTI crude, respectively, under the long-term oil supply deals, it said.

In the same period, Petroecuador sold Oriente and Napo crude at an average discount of $7/bl and $11/bl to the WTI, respectively, in spot tenders.

The Ecuadorian company will also terminate one of three oil supply contracts that expire in April 2024 with Petrochina, Armijos said. The company did not specify that contract's volumes. The other two agreements expire in December 2027 and require Petroecuador to sell 13mn b/yr to Petrochina.

The oil supply agreements with PTT, Unipec and Petrochina have been in force since 2010-2012 and have been renewed every 2-4 years. In exchange, the deals were tied to credits or advance payments.

Favoring spot tenders over long-term oil supply deals more than doubles Petroecuador's supply available for spot sales. The company will be able to sell 64.7mn bl in the spot market in 2024 from 29.7mn bl in 2023, Armijos said.

Petroecuador expects to export around 96mn bl of Oriente and Napo crude in 2023, a 4pc drop from 100.5mn bl in 2022.

By Alberto Araujo

Weak demand constrains crude runs

Chinese crude runs may drop in October on the back of poor refining margins and a shortage of product export quotas.

Chinese crude runs are on course to average 15.2mn b/d in October, *Argus* surveys indicate, down from the 15.5mn b/d that the National Bureau of Statistics reported for September. Oil firms began cutting runs as gasoline demand fell following the Golden Week public holidays and cooler temperatures slowed construction activity, softening diesel demand. Gasoline crack spreads dropped by more than $3/bl by 20

October from the September average of $7.80/bl. Diesel crack spreads declined by $2/bl from last month.

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And state-owned refiners have used up much of their oil product export quotas for this year, forcing them to lower throughputs and cut their purchases of oil products from independent refiners. Diesel flows from the northeast Bohai bay to eastern regions shrank to their lowest this year on 1-20 October, reaching 81,000 b/d from 140,000 b/d in September, *Argus* data show.

State-owned oil giant Sinopec is expected to process about 5mn b/d of crude this month, down by 230,000 b/d on the month. Its Qingdao Petrochemical, Zhanjiang Dongxing and Guangzhou refineries shut crude units for maintenance in October, bringing 265,000 b/d of capacity off line. Sinopec has chosen not to lift run rates at its other refineries, despite being responsible for securing domestic product supply, as it is expecting demand to remain sluggish. State-run PetroChina will process about 3.9mn b/d of crude in October, 20,000 b/d more than last month. Its 200,000 b/d Sichuan refinery remains closed for maintenance, but its 200,000 b/d Daqing Refining and Chemical plant restarted operations this month.

China's private-sector mega-refiners will process a combined 2.6mn b/d in October, down by 10,000 b/d from last month. Rongsheng is running its 800,000 b/d ZPC refinery at 116pc this month but will cut throughputs to 97pc in November. Shenghong has cut run rates by 10 percentage points at its 320,000 b/d Lianyungang refinery in Jiangsu, following problems at one of its residue hydrogenation units.

Chasing a dream

Oil demand is closely tied to GDP growth in China, and the latter was relatively robust in the first three quarters. GDP needs to grow by just 4.4pc in the fourth quarter in order for China to achieve its 5pc growth target for 2023. But concerns are mounting about China's economic prospects next year owing to its ongoing real estate crisis and local government cash-flow problems. Beijing on 24 October approved Yn1 trillion ($137bn) in special bonds that will enable local governments to refinance their more urgent debts. This may remove a key impediment to construction starts, something typically overseen by local administrations, but it is unlikely to have a significant impact on activity until the first quarter.

Fourth-quarter run rates probably will be shaped by state-owned refineries' lack of product export quotas and independent refiners' shrinking crude import quotas. Independents also face weakening margins as Russian crude — a favourite with private-sector firms because of its relative cheapness — is becoming pricier. Sinopec is lobbying for extra export quotas, or the early release of 2024 quotas, to facilitate product destocking as domestic demand weakens. Refiners may lower throughputs to minimise their losses as profits are squeezed.

Runs rates at Shandong's independent oil firms, with a combined capacity of 3.4mn b/d, dropped by one percentage point to 70pc in October. The Dongying-based 52,000 b/d Shenchi refinery trimmed its operating rates by five percentage points from September, although this could be offset by higher run rates at the 70,000 b/d Lijin refinery after it concluded a one-month full turnaround.

Jet fuel demand growth surges

Chinese jet fuel demand grew significantly in the third quarter and is expected to continue growing at pace for the rest of the year, but overall demand is likely to remain below that of 2019.

Domestic civil aviation traffic reached a record 8.5bn tonne-kilometres in August but dropped back in September, according to aviation regulator the Civil Aviation Administration of China (CAAC). August's rally helped boost civil aviation jet fuel demand by 340,000 b/d on the year in January-September to 750,000 b/d, putting the country on track to reach 730,000 b/d for the whole of 2023.

Jet fuel demand so far this year is roughly 94pc of 2019 demand, surpassing a July forecast by state-owned energy firm CNPC's think-tank, CPPEI, that demand would recover to 650,000 b/d this year, or 82pc of 2019's levels.

But civil aviation demand may have peaked in August. Domestic traffic, which is leading demand growth, pared back by almost 1bn tonne-kilometres on the month to 7.6bn tonne-kilometres in September. The country operated 16,790 flights a day — international and domestic combined — during the mid-autumn and national day holidays from 29 September-6 October, CAAC data show, which is 110pc higher than the same period last year but only 2.6pc above 2019 and short of the 17,000 flights a day it forecast for the holiday period. The mid-autumn and national day holidays are China's last major holidays of the year.

Travel enthusiasm likely increased after Chinese tourist hotspot Thailand granted visa exemptions to visitors from China in late September. International flights, which by their nature consume more fuel than domestic journeys, recovered to only 60pc of 2019 levels in January-September, CAAC data show. Globally, air traffic has recovered to 96pc of pre-pandemic rates, according to the International Air Transport Association. But international travel out of China may take time to recover fully because of weak consumer confidence — the yuan is currently weak against the dollar, although it is strong in comparison to some other currencies, such as Thailand's baht. The volume of travellers and spending on international flights from China next year are still "big unknowns", flight data provider OAG says, and Chinese jet fuel demand may remain dependent on domestic travel in 2024.

Air miles

State-controlled refiners have benefited from the strong rebound in jet fuel demand this year. PetroChina's Huabei

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refinery resumed jet fuel supplies to Beijing Daxing airport in April, after a three-year hiatus. Its Ningxia refinery started supplying the Yinchuan Hedong International Airport in Ningxia province in July after completing a 45.5km, 15,000 b/d jet fuel pipeline this year. National jet fuel yields have recovered to 7pc of refinery output so far this year, up from 5pc a year earlier but short of the 9pc seen in 2019.

About a third of China's jet fuel exports headed to Hong Kong this year, although an open arbitrage to Europe in the third quarter encouraged Chinese refiners to export jet fuel to the region. State-run Sinopec's 200,000 b/d Zhanjiang refinery exported jet fuel to Europe in July and PetroChina's 400,000 b/d Jieyang refinery shipped its first jet fuel cargo to the Netherlands in August, having already exported to Singapore and Hong Kong this year.

But the arbitrage to send jet fuel cargoes from China to Europe is less workable in November, according to market participants. China may export an estimated 380,000 b/d of jet fuel next month, compared with 470,000 b/d in October, *Argus* estimates show, with seaborne shipments likely to account for two-thirds of the share. Jet fuel supplied to domestic bonded tanks for use as fuel on international flights counts as an export under Chinese customs classifications.

Emissions reported at Shell Norco refinery

Shell's 227,900 b/d Norco, Louisiana, refinery had excess emissions and heavy smoke beginning on 23 October.

Heavy smoke and chemical odors possibly related to a leak on a unit were reported via an emergency services call log on the National Response Center database maintained by the US Coast Guard (USCG).

It remains unclear which units were affected and how much of an impact the release would have on refinery operations.

A spokesperson for Shell declined to comment.

Dutch refinery output up in August vs July

Dutch refinery production edged higher in August compared with the previous month, coinciding with a rise in domestic demand, but output was 5pc lower than the same period last year.

The latest figures from government data provider Statistics Netherlands show a month-on-month increase in output of all products except gasoline and low-sulphur fuel oil, which fell by a respective 7pc and 20pc from July, and diesel, which was flat. Output of gasoline, diesel and low-sulphur fuel oil was lower than in August last year, partially offset by higher production of other products.

Oil product consumption in the Netherlands was up by 6pc on the month and by 3pc on the year in August, despite a drop in diesel demand over both periods. The Netherlands imported and exported less oil product in total in August, both on the month and on the year, driven by a drop in gasoline inflows and outflows.

The Netherlands ended August with slightly higher product stocks in total than at the end of July but marginally lower than at the same time last year.

By Hussein Al-Khalisy

CHS Laurel refinery reports malfunction

Cooperative refiner and agribusiness company CHS reported a compressor malfunction at its 62,500 b/d Laurel, Montana, refinery on 26 October.

A compressor at the refinery tripped at 9pm ET, according to an emergency services call log from the National Response Center database managed by the US Coast Guard, resulted in excess hydrogen sulfide emissions.

The caller stated the affected unit would need to be restarted to reduce emissions to the appropriate level.

Colombia's oil royalty swap plan gains traction

Hydrocarbon companies operating in Colombia plans to speed up solar, road, school and other infrastructure projects that qualify for a government program that lets the firms deduct the spending from oil royalty payments.

Oil, gas and mining companies operating in Colombia have spent about Ps1.9 trillion Colombian pesos ($475mn) in more than 240 infrastructure projects in 14 departments as part of the works-for-taxes program since it was created in 2017. Under the plan, companies with an annual income over Ps1trillion can pay 50pc of their tax obligations through the funding of approved infrastructure and services in certain rural areas hurt by armed conflict, according to the government's National Planning Department (DNP).

The infrastructure projects mostly focus on construction of solar plants, roads, sewage systems, schools and providing technology equipment for student, according to the government's Territory Renewal Agency (ART) which approves the projects.

Companies in the program can spend up to Ps800bn ($200mn) combined, up from the Ps480bn quota for 2022 because of the level of uptake by companies, the finance ministry said.

Ecopetrol, the largest taxpayer in the country, plans to build photovoltaic solar generation for users in rural areas in La Guajira and Putumayo provinces. In addition, it plans to build, upgrade and refurbish 51.5km of roads in the hydrocarbons-producing departments of Arauca, Tolima, Boyaca, Valle del Cauca and Sucre, while it will build schools in Tolima, Arauca, Sucre and Antioquia. Ecopetrol built 39 infrastructure projects in 2018-mid 2023, worth Ps725 billion. In May, ART approved an additional 27 Ecopetrol projects

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worth Ps167bn.

Canadian oil company Parex plans to invest about Ps400 billion in the plan by 2025, Daniel Ferreiro, Parex president and country manager, said during an energy conference in Cartagena last week. Parex has projects underway worth Ps260 billion, mainly building schools, improving sewage systems and providing potable water, mainly in the eastern province of Arauca and in Cesar. Parex produces a net 55,000 b/d of oil equivalent.

Independent E&P Latin American company Geopark has invested more than $3mn in infrastructure works in several municipalities of the southern province of Putumayo to provide furniture and equipment for a child development center of the Colombian family welfare institute.

By Diana Delgado

Phillips 66 Wilmington refinery reported flaring

Phillips 66 reported flaring at the Wilmington, California side of its 139,000 b/d Los Angeles refinery on 27 October.

Flaring began at 5pm ET, according to a filing submitted by Phillips 66 with state regulators, resulting in excess sulphur oxide emissions.

The incident was reported to the Los Angeles City Fire Department, and no evacuations or injuries were reported.

Affected units were not disclosed.

Platform fire hurts Pemex emissions reduction

Mexico's state-owned Pemex cut its third quarter greenhouse gas (GHG) emissions by 18pc to 15.2mn t of CO2 equivalent (CO2e) from a year earlier, but emissions remained higher by 4.8pc from the previous quarter following an offshore platform fire in July.

While Pemex had made progress on reducing emissions in previous quarters, July's fire on the Nohoch offshore platform and delays to gas infrastructure in the Tupilco Profundo field — one of Pemex's highest producing gas fields — caused the uptick in emissions, Pemex said.

Pemex has made renewed efforts to reduce its GHG emissions amid investor pressure over the last two years in the face of the operator's poor record on unchecked gas flaring.

Pemex flared 393mn cf/d of gas during the third quarter, down by 20pc from the same quarter last year but up by 35pc from the previous quarter.

Gas flaring releases methane and CO2. Cutting methane emissions through a reduction in gas flaring is seen as one of the most effective ways to limit global warming and improve air quality in the near term.

The operator has "focused on increasing associated gas usage in exploration and production processes and the continuous operation of compression systems in gas processing centers," Pemex said.

Efforts to reduce gas flaring are part of the company's long-term sustainability plan that it expects to publish by year-end, Pemex director Octavio Romero said.

The operator identified emissions reductions projects across all operating areas during the third quarter and hopes to increase gas usage rates to 98pc by the end of next year, up from 92pc between July and September.

By Rebecca Conan

EU approves €2.4bn biomethane investment

The European Commission has approved a €2.4bn ($2.54bn) scheme for construction and operation of new or converted biomethane production plants in the Czech Republic, until 31 December 2025.

Support will mostly go to small and medium sized enterprises for either injection of biomethane into the natural gas grid or delivery to a filling station or dispensing unit, the EU said. The scheme will help the Czech Republic reduce dependence on Russian gas and cut emissions from transportation and heating.

To qualify for aid under the scheme, biomethane production must comply with the requirements set out in the EU Renewable Energy Directive.

The EU aims to support installations producing around 337mn m^3 of biomethane in total. The bloc wants to increase annual production and use of biomethane to 35bn m^3 by 2030.

The EU earlier this week said it will deploy €66m in direct investment grants to renewable methane and methanol producers in Finland before the end of 2025.

By Madeleine Jenkins

Mexico's refining system runs at 47pc in Sept

State-owned Pemex's six domestic refineries operated at a combined 47pc of capacity in September, the lowest utilization rate since May, as the Mexican government's strategy to reduce dependency on fuel imports continues to fall short.

Pemex's crude throughput declined by 2pc to 768,000 b/d in September compared with the previous year, and by 4pc for the previous month, according to energy ministry (Sener) data.

The month-over-month decrease was driven by a steep decline in crude processing at the 285,000 b/d Minatitlan refinery, which cut crude throughputs by 48pc to a 21.6pc utilization rate.

The facilities with the highest operating rates were the 330,000 b/d Salina Cruz and 315,000 b/d Tula refineries, where the government is building new coker units.

Mexico's national refining system has been operating below half of its 1.627mn b/d capacity since May, when several

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fires hit the Minatitlan, Madero and Salina Cruz refineries.

President Andres Manuel Lopez Obrador's government has pledged to make Mexico self-sufficient in road fuels, investing over $29bn in its refining capacity since 2019.

But results have not yet matched investments as Pemex's gasoline and diesel production remained under 390,000 b/d from January-September this year, representing roughly 35pc of the country's total demand.

Pemex's crude exports rose by 4pc to 1.12mn b/d in September compared with the prior month, according to Sener data, suggesting that the start of the new 340,000 b/d Olmeca refinery is facing additional delays.

It will be difficult for Lopez Obrador's self-sufficiency goal to be met before the end of his tenure next year, as the proposed federal budget for maintenance of Pemex refineries was drastically reduced by 59pc to Ps5.87bn ($324.7mn) in 2024, down from Ps14.48bn this year.

By Antonio Gozain

ANNOUNCEMENTS

Proposed early 10 Nov timestamp for Asia-Pacific freight

Argus proposes to advance the timestamp of its Asia-Pacific freight assessments in the Argus Tanker Freight and Argus Dry Freight reports to 12:30pm Singapore time on 10 November, the last publication day before a public holiday in Singapore, because of a potential lack of representative market activity.

Argus will accept comments on this proposed change until 2 November. To discuss comments on this proposal, please contact Andrew Khaw at Andrew.Khaw@argusmedia.com. Formal comments should be marked as such and may be submitted by email to freightteam@argusmedia.com and received by 2 November. Please note, formal comments will be published after the consultation period unless confidentiality is specifically requested.

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