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Novo disruption boosts Urals India value

With many tanker operators shunning Novorossiysk, Urals supplies remain well below normal, writes Ellanee Kruk

Russian crude exports from the Black Sea port of Novorossiysk remain severely curtailed and supplies from Baltic ports are still failing to offset the shortfall. This has helped push up delivered-India Urals values, although the grade is facing rising competition from Mideast Gulf crude supplies.

Only around five Russian crude cargoes — a total of 570,000t — have loaded at Novorossiysk's Sheskharis oil terminal since exports restarted after a 6-17 August suspension because of drone attacks, market participants say. Many tanker operators now appear reluctant to let their vessels call at Novorossiysk because of security risks.

On 1-6 August, seven Russian crude cargoes were exported from Sheskharis — 623,000t of Urals and 140,000t of Siberian Light. No breakdown by grade is available for loadings in the second half of last month.

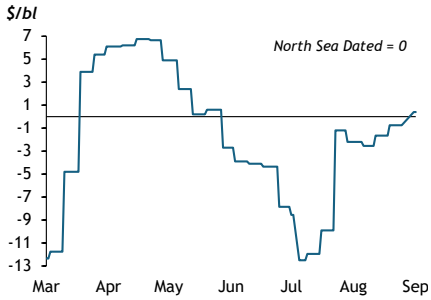
All the Russian cargoes shipped since exports from Novorossiysk resumed were loaded on 17-29 August and there have been no supplies so far in September. Exports over this period also included three cargoes of Kazakh medium sour Kebco, which is identical in quality to Urals.

Total August loadings of Russian crude at Novorossiysk, probably mainly Urals, were around 310,000 b/d (1.33mn t), compared with 721,000 b/d (3.1mn t) in July. Urals exports from the Baltic ports of Primorsk and Ust-Luga were down by around 40,000 b/d on the month at 1.74mn b/d in August, suggesting that overall supplies of the grade were significantly lower than in July.

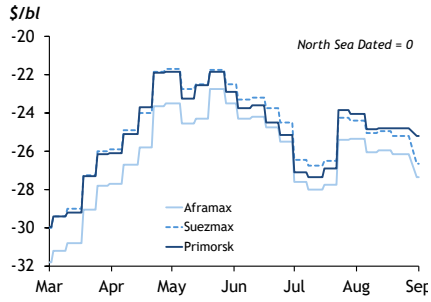
Supply disruption and sharply higher freight rates to India lifted Urals by $1.15/bl to a 40¢/bl delivered dap west coast India premium to benchmark North Sea Dated on 27 August. This is first time since late May that delivered-India Urals has traded at a premium and it is poised to rise further, by up to $1/bl, traders say.

Significantly higher tanker costs for Russian Black Sea crude have undermined Urals fob values on 27 August, with discounts widening by $1.45/bl against North Sea Dated to $26.65/bl fob Novorossiysk for 140,000t Suezmax shipments and by $1.20/bl to $27.35/bl fob Novorossiysk for 80,000t Aframax cargoes. Growth in Baltic freight rates has been less sharp and the discount widened by a less marked 40¢/bl to $25.20/bl fob Primorsk (*see graph*).

Urals dap west coast india



Urals fob discounts



Attractive alternatives

Higher delivered-India prices for Urals have coincided with rising crude availability from Mideast Gulf producers. Abu Dhabi, Iraq, Qatar and Saudi Arabia are offering crude on a ship-to-ship (STS) transfer basis in the Gulf of Oman — with the seller taking on the risk of shipping cargoes through the strait of Hormuz. These offers have undermined Indian refiners' interest in Urals, which could encourage sellers to offer at lower prices, traders say.

But Asia-Pacific customers expect state-controlled Saudi Aramco to hike prices for its October-loading term crude exports by at least $3/bl on the month, which could support prices for spot alternatives in the region. This may again make delivered Urals values look more competitive, even at premiums to the benchmark. Aramco typically circulates its official selling prices around the fifth day of the month preceding loading.

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NEWS

Putin denies nationalisation plans

Private-sector refiners have no reason to fear expropriation, Putin says. But his decree suggests concerns are justified

President Vladimir Putin has denied that his decree allowing temporary state control over "critical infrastructure" aims to nationalise refineries and other assets that are not properly protected from Ukrainian drone attacks.

"I never even considered anything like that — no nationalisation. The motive is very simple… the enemy began striking our civilian targets, including oil refineries. Did it cause damage? It did. And why? Primarily because they weren't protected," Putin said in Bishkek, Kyrgyzstan, on 1 September.

Owners of Russian critical infrastructure were under the impression that protecting their property from attacks was the responsibility of law enforcement agencies, including the military, Putin said. "But when we talked, they realised they had to get involved too."

Political analyst Kirill Rogov suggested last week that the threat of expropriation was probably intended to force to private-sector owners to cover the cost of protecting their own assets.

Many Russian refiners have struggled to repair damage caused by drone attacks because US and EU sanctions on Russia block the supply of parts and equipment. Putin claimed refineries are now better protected than before, although drone attacks intensified last month. And only 10pc of Russian processing capacity still needs repairs, he said.

The decree on temporary state control, signed on 24 August, affects a wide range of Russian industrial facilities, including refineries, gas processing and steel plants, ports and logistical infrastructure. Moscow can impose temporary state management after serious or repeated security breaches, ineffective deployment of anti-drone measures, or a failure to restore operations "in a timely manner."

Recent drone targets include Novatek's 9mn t/yr (200,000 b/d) Ust-Luga condensate fractionation plant, Surgutneftegaz's 350,000 b/d Kirishi refinery and the 360,000 b/d Yaroslavl refinery, co-owned by Rosneft and Gazpromneft.

Refinery security reinforced

Russia has strengthened security measures at refineries in recent months in response to "intensified" drone attacks, deputy prime minister Alexander Novak said on 2 September. Oil companies are co-operating with the ministry of defence to boost refinery security, Novak said on the sidelines of the Eastern Economic Forum in Vladivostok, cited by state-owned news agency Tass.

"These are significant costs for refineries and energy facilities. But it is worth it, because downtime in the event of a shutdown means huge losses for enterprises," he said. Recent targets of Ukrainian drone strikes include Surgutneftegaz's 350,000 b/d Kirishi refinery and the 360,000 b/d Yaroslavl plant, co-owned by Rosneft and Gazpromneft.

About 10pc of Russian refineries are undergoing repairs, Novak said, stressing that Russia is relying on domestic technologies and equipment to carry out work. But he added that maintenance programmes scheduled for this summer have been postponed to ensure maximum output.

On 3 September, Novak said Russia's motor fuel supply situation has improved this week, because of additional shipments from refineries. He described the situation with diesel fuel and jet-kerosine as stable. But Novak acknowledged that some regional supply "deficits" remain for gasoline, particularly in the Siberian and Ural federal districts, because of "logistics".

Russia intends to balance supply and demand by increasing refinery output and imports, particularly of gasoline. This includes imports from both CIS states and further afield he said, without giving any further details.

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NEWS

Ukraine hits Ust-Luga, Kirishi, Yaroslavl

Ukrainian forces have attacked three large Russian energy sector targets over the past week, including Novatek's export terminal and 9mn t/yr (200,000 b/d) condensate fractionation plant at the Baltic port of Ust-Luga on 1 September.

"Key elements of the [condensate fractionation] plant and technological equipment were hit — a large-scale fire broke out," Ukraine's defence ministry intelligence service said. Leningrad region governor Aleksandr Drozdenko confirmed that the port of Ust-Luga had been damaged by a drone attack on 1 September and that fires broke out, which have since been extinguished.

Novatek's Ust-Luga condensate plant produces naphtha, jet fuel, gasoil and fuel oil — 4.35mn t, 1.06mn t, 805,000t and 569,000t, respectively, in 2023, the last full year for which data is available.

Ust-Luga has been attacked multiple times in the past year. The most disruptive series of strikes were in late March, when at least five separate Ukrainian drone attacks hit the port, forcing a temporary suspension of export operations. Overall loadings of crude and products at Ust-Luga dropped by 18pc on the quarter to 11.75mn t in April-June — the lowest quarterly figure since third-quarter 2020, data from trade analytics platform Kpler show.

The port is Russia's largest oil products outlet loading around 18.6mn t of Russian fuel oil in 2025 and around 13.3mn t of clean products, mainly naphtha, gasoline and jet-kerosine. It is also Russia's fourth-largest crude outlet, handling 27.5mn t (544,000 b/d) last year — Urals accounted for 24.8mn t and the remainder was Kazakh medium sour Kebco.

A drone attack on Surgutneftegaz's 350,000 b/d Kirishi refinery on 30 August caused a fire, Ukraine's military general staff said. Kirishi may be off line, market participants say, although this is not confirmed. The refinery was previously hit on 6 July and 5 May and may have been shut down for much of the period since the first attack. Kirishi normally produces around 16,100 t/d of low-sulphur 10ppm diesel and 6,400 t/d of gasoline.

Ukraine's general staff also reported a drone strike that caused a fire at the 360,000 b/d Yaroslavl refinery overnight on 27-28 August. Russia has not confirmed the attack, but state-owned news agency Tass reported that drone debris fell on industrial infrastructure in Yaroslavl on 28 August.

The Yaroslavl refinery, co-owned by Rosneft and Gazpromneft, produces around 6,500 t/d of gasoline and 7,900 t/d of diesel. This is the eighth attack on the plant this year, following the most recent strike on 6 August.

Ukraine has stepped up drone attacks on Russian refineries over the past fortnight, hitting six facilities in the week to 27 August. These included Lukoil's 340,000 b/d Nizhny Novgorod and 290,000 b/d Perm refineries, and Rosneft's 190,000 b/d Novokuibyshev. Forteinvest's 120,000 b/d Afipsky plant and the 100,000 b/d Novoshakhtinsk refinery were also attacked last week, along with Gazprom's Astrakhan gas processing plant.

Dirty dozen

Ukraine's defence ministry claims its armed forces hit 12 large Russian refineries in August, "with a total capacity of about 100mn t/yr of oil products", two gas processing and petrochemicals plants and "three large oil terminals and depots". It highlights long-range attacks on Perm and Forteinvest's 135,000 b/d Orsk refinery, "around 1,500 km from the border of Ukraine", and a drone strike on Sibur's Zapsibneftekhim petrochemicals plant "about 1,900km away".

The continuing attacks are maintaining pressure on Russia's domestic motor fuels market and exacerbating gasoline shortages.

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NEWS

Russia extends diesel export ban

Restrictions on exports remain in place, although Russia does not face diesel shortages

Moscow has extended its ban on Russian diesel and gasoil exports until 30 September. The measure is meant to ensure stable domestic supply.

The restrictions were announced on 8 July and were initially scheduled to run until the end of that month, but were prolonged until the end of August. Russian gasoline exports are banned until the end of this year.

Deputy prime minister Alexander Novak, who oversees energy issues, emphasised the importance of pre-emptive measures to prevent supply imbalances at a meeting on 31 August about the situation on the domestic motor fuels market.

On 22 August, Novak said domestic gasoline availability would rise as refineries complete maintenance. And he insisted Russia did not face diesel shortages — because of the ban on exports, product is redirected to the Russian market.

The government is paying particular attention to ensuring motor fuel supplies to Russia's agricultural sector, state-owned news agency Tass says. Seasonal agricultural demand for products is being met in full, it says.

Gazprom's 254,000 b/d Salavat refinery in Bashkortostan is increasing diesel supplies to agricultural producers after completing repairs last week, traders say. But gasoline production may drop to 75,000t in September, from around 122,000 t/month, because of planned maintenance. Salavat has been targeted by Ukrainian drones twice in 2026, most recently on 13 August.

Surgutneftegaz's 350,000 b/d Kirishi refinery, an important supplier of gasoline and diesel to the domestic market, might be off line after a 30 August drone attack, market participants say. No Kirishi motor fuels were offered through auctions on St Petersburg's Spimex exchange on 31 August. The Kirishi refinery was previously hit by drones on 6 July and 5 May, and it may have been shut down for much of the period since the first attack.

NEWS

A-92 gasoline hits record high on Spimex

Persistent supply disruption has driven gasoline prices up and diesel is close to a record high despite the export ban

The wholesale price for A-92 gasoline on Russia's Spimex exchange hit a record high of Rbs75,477/t ($871/t) on 1 September, state-owned news agency Tass says.

It fell slightly the following day, but A-92 and diesel prices remain close to all-time highs, reflecting limited offers on the exchange. Wholesale A-92, A-95 gasoline and summer diesel prices are 16pc, 9pc and 13pc higher, respectively, than at the end of March, when demand for motor fuels started rising.

Some trading companies have stopped buying on Spimex because of delays to shipments from refineries and are looking instead for prompt-delivery products. Demand for Belarusian gasoline is high because it can be delivered quickly by rail. Gasoline imports from Belarus more than tripled this summer compared with the 17,200t supplied in June-August 2025. Diesel imports also surged, traders say. The main buyers of Belarusian product are oil firms' distribution subsidiaries.

Separately, some traders have highlighted increased diesel deliveries along certain domestic pipeline routes in Russia, which may reflect the government's decision to extend the ban on exports by producers until 30 September.

Market regulators may tighten oversight of domestic supply chains to address the significant price disparities between the large-scale wholesale, small-scale wholesale and retail markets, traders say. Recent government meetings have focused on new measures to stabilise markets. Deputy prime minister Alexander Novak has ordered federal anti-monopoly service FAS, the energy ministry and oil companies to establish regional "indicative prices", which will be used to monitor pricing across all stages of the supply chain, Tass says.

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NEWS

Vostok Oil to start soon, Putin says

Rosneft is filling the pipeline but has given no official start date for loadings to begin

Crude exports from Rosneft's flagship Vostok Oil project in Russia's Arctic region will start "soon", according to President Vladimir Putin. Vostok Oil is the only large new upstream development in Russia.

The "main oil pipeline will be launched to the new Sever bay [export] terminal, the first oil will also be loaded, and it will be shipped to customers along our Arctic shipping routes", Putin said at the Far Eastern Economic Forum in Vladivostok on 3 September.

Rosneft plans to launch the Vostok Oil project this year, but has never given a firm start-up date for crude shipments. It aims to commission the Sever bay terminal in September, chief executive Igor Sechin said on 19 June.

The company started filling the new 790km crude pipeline at the end of July, according to Rosneft's operational update for the first half of this year. It was close to completing pipeline construction in June.

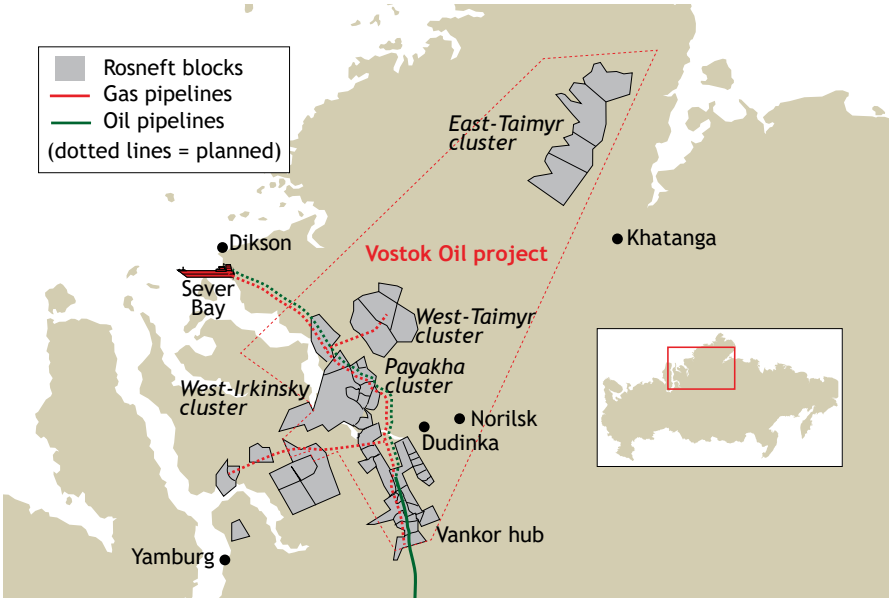
The route links Vostok Oil's two production hubs, Vankor and Payakha, to the Sever bay terminal on the Kara Sea, from where crude can be shipped to Asia-Pacific along the Northern Sea Route through Russian Arctic waters. Port infrastructure for cargo ships is finished at Sever bay, construction of the first oil loading berth is almost complete and work on the second berth is in progress.

The company is aiming eventually for phase-1 crude loadings of 600,000 b/d. It originally planned to launch exports in 2024. But at the end of that year, Sechin said that start-up was being pushed back until 2026, when "dynamics on the global market will be more positive".

Upstream, exploration and development of the Payakha hub's Payakha and Ichemminskoye fields is continuing. Rosneft recently registered a crude flow of 130 t/d (950 b/d) at a Payakha test well. It is unclear whether Payakha hub crude will be available when exports start.

But Rosneft plans to redirect crude from the established Vankor hub to Sever bay. The producing 3.8bn bl Vankor, 408mn bl Suzun and 1.8bn bl Tagul fields now supply crude to the Transneft system along the 500,000 b/d Vankor-Purpe pipeline. The Vankor hub's 533mn bl Lodochnoye field is under-development.

The Vostok Oil project



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NEWS

Rosneft profit down in 1H

The decline in profit, despite higher oil prices and production, may reflect severe disruption in the refining business

Rosneft's IFRS profit declined by more than 18pc on the year in January-June, which it blames on an unspecified asset impairment and foreign exchange losses. The drop may also be linked to damage sustained by Rosneft's refineries during Ukrainian drone attacks.

Profit fell to Rbs200bn ($2.59bn), while revenue was largely flat at Rbs4.28 trillion in the first half of this year. But earnings before interest, tax, depreciation and amortisation (ebitda) increased by 23pc on the year. Rosneft gave no explanation for static revenue, despite higher oil prices since March and increased oil and gas production. But ebitda growth was supported by efficient cost control, it said.

Moscow-based brokerage Aton highlights unspecified "other expenses" of Rbs164bn, which pressured Rosneft profit. These may be related to unplanned maintenance costs at refineries, after multiple drone attacks this year.

Rosneft's refinery throughputs were 35.5mn t (1.43mn b/d) in January-July — an 8.2pc year-on-year reduction — because of unplanned maintenance and "remaining logistical constraints", the company said. Rosneft is Russia's largest refiner, with more than 2.56mn b/d of capacity.

Chief executive Igor Sechin indirectly acknowledged the negative effect of drone strikes on the refining segment. "The company is meeting the needs of the domestic market, taking into account the constraints associated with maintaining refining capacity," he said. In June, Sechin warned of "significant operational risks" and the possibility of asset write-downs linked to attacks on facilities, including refineries — a rare public acknowledgement from a senior Russian industry figure of the negative effects of Ukraine's campaign of drone strikes.

Rosneft capital expenditure increased by 12pc on the year to Rbs858bn in January-June, as it stepped up investment in flagship upstream project Vostok Oil, which is expected to begin crude exports this year. Free cash flow increased by 12pc to Rbs194bn in the first half of 2026.

Operational upside

Rosneft oil production was up on the year at 3.69mn b/d — it gave no comparison figure, but this was 2.5pc higher, based on output reported for January-June 2025. Growth was supported by rising offshore production, the end of maintenance at some producing assets and the relaxation of Opec+ cuts, it said. Rosneft gas output rose by 8pc on the year to 42.28bn m^3 in the first half of 2026, driven by rising output from greenfield Rospan and Kharampur projects in Yamal-Nenets.

The Rosneft-controlled far east Sakhalin 1 project is producing 20pc more crude this year than the target of former operator ExxonMobil, Sechin said in June — ExxonMobil withdrew from Russia in 2022. No outright production figures were given. Rosneft has intensified drilling at all three of Sakhalin 1's producing fields, it says.

Sakhalin 1 crude is delivered by pipeline to Russia's far east mainland port of De-Kastri, where it comprises most of the light sweet Sokol export stream. Sokol loadings of 203,000 b/d (4.99mn t) in January-June were 16pc higher on the year, data from trade analytics platforms Vortexa and Kpler show.

Rosneft provided no financial results for second-quarter 2026, but Sberbank has derived quarterly figures from the January-June results. Profit was low at Rbs85bn in April-June, 43pc below the bank's forecast. Production was flat and refinery throughputs were down by 12pc on the quarter, Sberbank says.

The bank forecasts Rosneft's interim dividend for the first six months of 2026 at Rbs9.4/share, based on reported profits, implying a 3pc dividend yield — the lowest in the Russian oil and gas sector.

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NEWS

Lukoil profits rebound in 1H

The profit surge came despite lower upstream and refinery output, the latter undermined by repeated drone attacks

Lukoil's IFRS profit jumped by more than 50pc on the year to Rbs431bn ($5.6bn) in the first half of 2026. Revenue rose by 8pc to Rbs2.06 trillion, while earnings before interest, tax, depreciation and amortisation (ebitda) were more than a third higher at Rbs815.3bn in January-June.

Sberbank attributes the unexpectedly strong results to higher effective sales prices, which offset Lukoil's lower upstream production and refinery output, against a backdrop of intensified drone attacks on the company's refineries. The bank had forecast ebitda at Rbs620bn in the first half of this year. Private-sector Lukoil is Russia's second-largest oil producer and refiner.

Lukoil capital expenditure of Rbs239bn was 40pc lower than in January-June 2025, when its overseas assets were still consolidated.

The company wrote off its foreign business at the end of last year, and effectively put the assets up for sale, after it was targeted by US blocking sanctions from November. It registered a Rbs1.06bn loss for 2025 because of the write-off. Lukoil revealed a preliminary agreement to sell most of its foreign assets to US private-equity fund Carlyle in January, but no deal has materialised.

Explaining how a favourable pricing environment supported Lukoil's results, Sberbank suggests how some of the deep discounts for Russian crude exports this year may be retained by the company, for example, through an affiliated trader. The bank estimates $5-6/bl of an average $25/bl Urals discount to Brent crude went to the trading company.

And domestic refined products prices may have been significantly higher than those registered on St Petersburg's Spimex exchange, because of the motor fuels supply crisis that has gripped Russia for the past three months, Sberbank says.

Lukoil's three largest refineries, 365,000 b/d Nizhny Novgorod, 290,000 Volgograd and 290,000 b/d Perm, have been repeatedly targeted by drone strikes. And those attacks have intensified in August, which could be reflected in financial results for the second half of this year. Nizhny Novgorod and Perm were last week hit for the fourth and third times this year, respectively.

NEWS

Refinery repairs hitting oil output

Continuing Ukrainian drone attacks on Russian refineries are undermining crude and condensate production, deputy prime minister Alexander Novak acknowledged on 3 September.

"We are seeing a partial decline in [oil] output, compared with projected figures, partly because of underutilisation of [Russian] refineries during unscheduled repairs," Novak said during the Eastern Economic Forum in Vladivostok, cited by state-owned news agency Tass. He described the crude production decline as "temporary" and said output will increase as refineries come back on line.

The previous day, Novak said Russian oil companies are "taking all necessary measures to ensure crude production is at a maximum". And he insisted crude exports will remain stable, with infrastructure being utilised at capacity — although this does not appear to acknowledge reduced crude and refined product loadings at the Black Sea port of Novorossiysk. Novak made similar comments during the St Petersburg International Economic Forum in June.

Russian crude and condensate production of 9.95mn b/d in July was down from 10.15mn b/d a year earlier. Russia plans to produce 515mn t (10.3mn b/d) of crude and condensate this year, Novak said in April. Output fell by 1pc to 512mn t (10.24mn b/d) last year, Novak said in January.

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NEWS

Gazprom profit drops in 1H

A positive second quarter may precede a stronger financial performance in the second half of this year

Gazprom's IFRS profit fell by 12pc on the year to Rbs864bn ($11bn) in the first half of 2026. The company attributes the decline to a strengthening of the rouble.

Revenue of Rbs5.3 trillion was up by more than 6pc, supported by higher domestic and export sales of gas. But growth was checked by a 12pc year-on-year gain for the rouble against the dollar, which undermined rouble revenue from exports, deputy chief executive for finances Famil Sadygov says.

Gas sector revenue was 6.6pc higher on the year at Rbs3.2 trillion in January-June, while oil segment revenue rose by 6.2pc to Rbs2.05 trillion. Oil subsidiary Gazpromneft's profit surged by 90pc, although revenue was only 6pc higher.

But Gazprom's second-quarter profit jumped by 50pc against January-March and by 61pc on the year to Rbs518.6bn, driven by higher oil and gas prices from March because of the US war with Iran. Sberbank highlights oil sales, particularly higher product export prices, as the main driver of second-quarter profit growth.

Gas sales revenue edged up by only 4pc on the quarter in April-June, the bank says. It attributes this mainly to Gazprom's remaining exports to Europe. Sberbank estimates "revenues from gas exports to China declined by 15-16pc on the year, because the price formula is linked to oil prices with a nine-month lag".

Gazprom free cash flow more than doubled to Rbs634bn in the first half of 2026, reflecting a 30pc year-on-year drop in capital expenditure (capex) to Rbs832bn. Sberbank is concerned that second-quarter free cash flow turned negative, at -Rbs338bn, because of higher interest payments and a quarter-on-quarter capex increase. But "if high gas prices, now above $700/'000m^3, persist until the end of this year, free cash flow should return to positive", the bank says.

Gazprom lost most of its European buyers in 2022-23 and the drop in export revenue resulted in a $7bn loss in 2023 — its first loss in 25 years. Profits have recovered, but Gazprom has not resumed dividend payouts, which it halted in 2022.

NEWS

Gazpromneft's profits surge in 1H

Gazpromneft profit jumped by 90pc on the year to Rbs286.1bn ($3.7bn) in January-June. Revenue rose by 6pc to Rbs1.88 trillion and earnings before interest, tax, depreciation and amortisation (ebitda) jumped by 43pc to Rbs727.5bn.

Second-quarter profit nearly tripled on the year to Rbs190bn, driven by a 15pc increase in revenue, reflecting effective management of a diversified asset portfolio and improved market conditions, Gazpromneft says.

Brokerage Aton attributes the gains to stronger market conditions — the US-Iran war boosted oil prices and demand for Russian crude. And the continuing conflict and a weaker rouble should support performance in July-December, Aton says. The rouble fell to a five-month low against the dollar last week.

Sberbank describes Gazpromneft's results as "mixed". Ebitda and profit exceeded expectations, but free cash flow remained negative because of high capital expenditure. Gazpromneft has been investing heavily in the start-up of the 2.1bn bl Chonsk project in eastern Siberia — commercial output began in May.

Gazpromneft's oil and gas production rose by 1pc on the year to 65.64mn t (2.65mn b/d) of oil equivalent in January-June. No breakdown for crude is given.

"The quarter would have been stronger if not for a 7pc year-on-year decline in refining runs caused by temporary shutdowns," Sberbank says. Gazpromneft reported throughputs of 20.33mn t (820,000 b/d) in January-June. The 240,000 b/d Moscow refinery was hit by drone attacks in May and June. The 340,000 b/d Yaroslavl plant, co-owned with Rosneft, has been targeted nine times this year.

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EXPORTS AND TRADE

China's ESPO Blend imports hit record high

State-run refiners have snapped up supply, leaving limited availability for independents and Indian buyers, writes Reena Nathan

Chinese imports of seaborne light sweet ESPO Blend hit a record high in August. Relaxed controls over refined product exports from China and higher refining margins encouraged buying. ESPO Blend arrivals in China edged up by 0.8pc against July to 1.02mn b/d last month, the highest since February, preliminary data from trade analytics platforms Kpler and Vortexa show.

Chinese state-run and private-sector refiners stepped up buying of August-delivery ESPO Blend in June-July in preparation for higher runs. Beijing eased restrictions on clean product exports from 7 July — the measures were imposed in early March after the start of the US-Israel war with Iran.

Higher demand from Shandong-based independents may also have reflected stronger competition for Iranian crude after the US issued a waiver to sanctions on Iranian exports from 22 June-21 August. Chinese independent refiners rely on relatively cheap Iranian crude to meet baseload requirements and often turn to ESPO Blend as a supplement.

Indian refiners reined in their buying of August-arrival ESPO Blend, partly in the hope of securing cheap Iranian crude, but also because of increased availability from the Mideast Gulf during short-lived US-Iran peace talks. India's ESPO Blend imports slumped by 84pc to 36,000 b/d last month, the lowest since February.

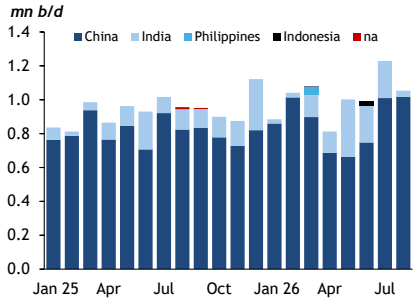
Indian interest in ESPO Blend may soon rise because of renewed disruption to Mideast Gulf exports and reduced Urals availability — loadings at Russia's Black Sea port of Novorossiysk have been interrupted since mid-August. But it is unclear if Indian buyers will be able to secure additional ESPO Blend while Chinese demand remains strong.

Chinese buying accelerated early in the trading cycles for September and October-loading ESPO Blend, almost entirely clearing these programmes within a week of being announced and leaving little spot availability.

State-run refiners have stepped up ESPO Blend buying in recent months. They had suspended buying from Russia in October after the US announced sanctions on leading exporters Rosneft and Lukoil. But they returned to the market when the US granted temporary waivers to sanctions on Russian exports from March.

Many state-run refiners are boosting runs to maximise clean product exports and are increasingly reliant on crude stocks to support throughputs, but it is unclear if stocks will last until the end of this year. Market participants are awaiting the start of the November ESPO Blend trading cycle, to see if stronger competition emerges between Indian and Chinese buyers.

ESPO Blend arrivals



Private-sector under pressure

Higher state-run refiner demand has left less ESPO Blend available for Shandong independents — the main buyers of the grade early this year, before the former returned to the market. And the US blockade of Iranian ports has curbed Iranian crude supplies to Shandong.

Limited availability could force some Chinese private-sector refiners to cut runs towards the end of the third quarter or later this year, market participants say. Shandong independents appear to be on course to deplete their crude stocks by October, after hiking refinery throughputs in August to capitalise on strong demand for products.

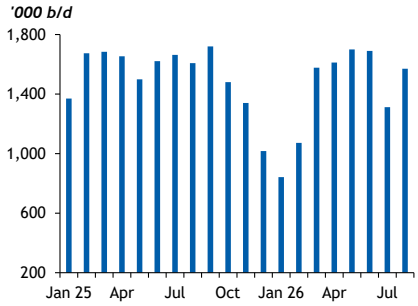
ESPO Blend loadings at Russia's far east Kozmino terminal were just over 1mn b/d in August, compared with just under 1mn b/d in July, preliminary Kpler and Vortexa data show. Loadings for China were around 911,000 b/d last month, while shipments to India dropped to 74,000 b/d, the lowest since January. The destination for about 23,000 b/d of ESPO Blend loaded in August is unclear.

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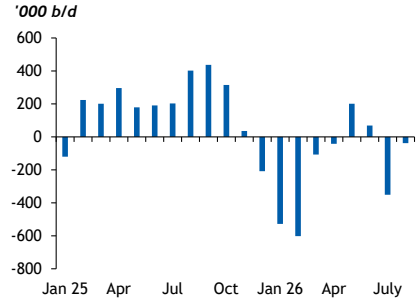
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EXPORTS AND TRADE

CPC Blend exports



Year-on-year changes



CPC Blend exports recover after drone attacks

Light sour CPC Blend loadings increased sharply in August, recovering more quickly than expected after severe disruption to July exports. Loadings were suspended on 20-30 July after drone attacks on tankers at the Caspian Pipeline Consortium (CPC) terminal on Russia's Black Sea coast.

Exports were a fifth higher at 1.57mn b/d in August, up from a five-month low in July, data from port reports and trade analytics platforms Vortexa and Kpler show. The rebound in loadings came despite an attack on a tanker at the CPC terminal on 18 August. But the total was still around 120,000 b/d lower than in June.

CPC Blend exports, Kazakh and Russian cargoes, were initially planned at around 1.68mn b/d last month. Supplies may have been undermined by continuing drone scares, although earlier in the month traders expected that up to 400,000 b/d of scheduled Kazakh CPC Blend exports would be delayed or cancelled.

Shipments to the core Black Sea and Mediterranean market jumped by 41pc against July to 1.1mn b/d. Loadings for Italy were up by nearly two-thirds at 531,000 b/d, the highest since April. Nearly all CPC Blend went to Trieste, starting point of the 900,000 b/d Transalpine pipeline, which supplies refineries in Germany, Austria and the Czech Republic.

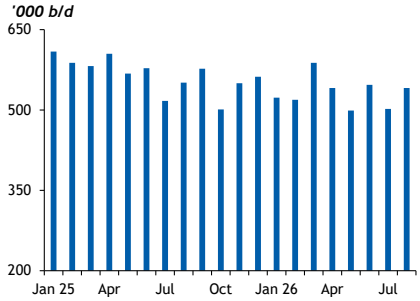
Exports to Turkey more than doubled to 100,000 b/d, comprising three Kazakh CPC Blend cargoes. And shipments to northwest Europe were up by 11pc at 296,000 b/d, driven by higher supplies to Le Havre in France.

But eastbound exports to Asia-Pacific dropped by 46pc to 144,000 b/d — two Kazakh shipments to China and four Russian cargoes for India.

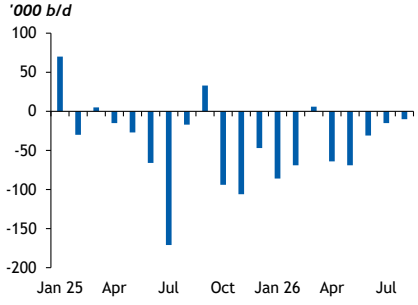
CPC Blend averaged a $2.77/bl cif Augusta discount to benchmark North Sea Dated crude in July, when most August-loading cargoes traded, around 90¢/bl narrower than the average June discount.

EXPORTS AND TRADE

BTC Blend exports



Year-on-year changes



BTC Blend crude exports rise

Light sweet BTC Blend loadings increased by nearly 8pc last month, despite upstream maintenance at Azerbaijan's Azeri-Chirag-Gunashli (ACG) project.

August BTC Blend exports from the Turkish Mediterranean port of Ceyhan were around 541,000 b/d, data from port reports and trade analytics platforms Vortexa and Kpler show. Loadings were more than a fifth higher than scheduled. The preliminary 445,000 b/d August programme was the lowest since 2021.

Project operator BP carried out maintenance at the offshore ACG project on 19-26 August. The work was completed five days ahead of schedule. ACG is the main source of supply through the 1.2mn b/d BTC pipeline.

Exports to the key Mediterranean and Black Sea market rose by 1pc to 453,000 b/d in August. Loadings for Italy were 9pc higher at 316,000 b/d and a shipment went to Tunisia after a one-month gap. But BTC Blend supplies to Israel dropped by a quarter and there were no exports to Croatia or Spain's Mediterranean coast in August — each destination received around 22,000 b/d in July. Supply to northwest Europe was steady at 22,000 b/d last month, all for Ireland.

Loadings for Asia-Pacific almost doubled on the month to 66,000 b/d in August. BTC Blend cargoes went to India and Vietnam — the first supplies since May and November 2024, respectively. Buyers in both countries may have turned to BTC Blend to replace disrupted crude supplies from the Mideast Gulf.

BTC Blend's average premium to benchmark North Sea Dated rose by about $2/bl to $5.28/bl cif Augusta in July, when most August cargoes traded. Values were supported by disruption to light sour CPC Blend exports from late July.

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EXPORTS AND TRADE

CPC Blend exports				'000 b/d
Destination	**Aug**	**Jul**	**±%**	**2026**
Mediterranean/Black Sea:	1,095	779	40.6	936
Italy	531	322	64.9	500
France	131	87	50.6	127
Greece	101	100	1.0	106
Turkey	100	46	117.4	90
Israel	91	66	37.9	75
Spain	46	100	-54.0	98
Romania	44	33	33.3	25
Bulgaria	33	25	32.0	27
Croatia	33	0	na	16
Northwest Europe:	296	267	10.9	265
Netherlands	198	234	-15.4	196
France	65	0	na	39
Poland	33	0	na	25
Spain	0	33	-100.0	28
Asia-Pacific:	144	266	-45.9	222
India	78	132	-40.9	126
China	66	67	na	44
South Korea	0	33	-100.0	56
Singapore	0	0	na	11
Pakistan	0	0	na	11
Thailand	0	33	-100.0	6
Total	**1,571**	**1,312**	**19.7**	**1,422**

BTC Blend exports				'000 b/d
Destination	**Aug**	**Jul**	**±%**	**2026**
Mediterranean/Black Sea:	453	447	1.3	468
Italy	316	290	9.0	265
Israel	66	89	-25.8	102
Greece	33	0	na	15
Romania	22	24	-8.3	28
Tunisia	15	0	na	15
Croatia	0	22	-100.0	20
Bulgaria	0	0	0.0	9
Spain	0	22	-100.0	6
Northwest Europe:	22	22	0.0	23
Ireland	22	22	0.0	8
Netherlands	0	0	0.0	3
Asia-Pacific:	66	34	94.1	41
Vietnam	34	0	na	4
India	32	0	na	20
Indonesia	0	34	-100.0	4
Total	**541**	**502**	**7.8**	**532**

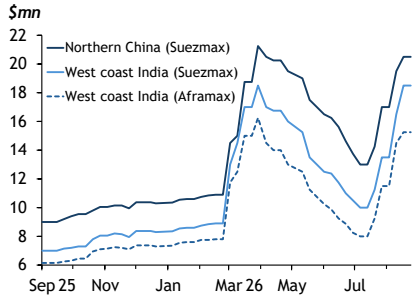
— port reports, Kpler, Vortexa

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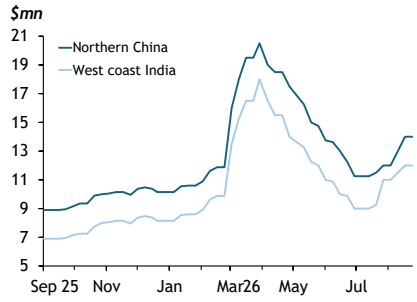
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EXPORTS AND TRADE

Lumpsum Black Sea crude rates



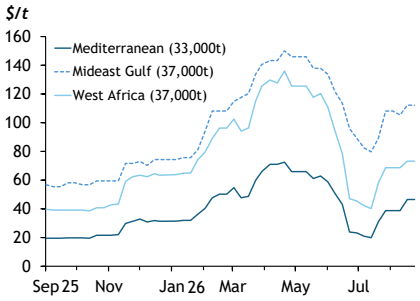
Lumpsum Baltic crude rates



Lumpsum Kozmino crude rates



Black Sea clean rates



Eastbound Black Sea tanker rates surge in August

Crude freight rates from Russian Black, Baltic and Barents sea ports increased in August. But far east tanker costs continued to fall last month and rates on all routes stabilised in the week to 28 August.

Black Sea costs surged back to a record high hit in April as shipowners reassessed operating risk. The number of shipowners willing to enter the Black Sea slumped after a series of attacks on tankers in July and August, traders say.

Monthly average lumpsum rates from the port of Novorossiysk to India's west coast were more than 50pc higher than in July, and the highest since the start of April, because of heightened Black Sea security concerns. Costs for 80,000t Aframax cargoes increased by 57pc to $14.13mn in August and rates for 140,000t Suezmax shipments were up by 52pc at $16.75mn. Lumpsum Suezmax costs on the Novorossiysk-north China route were 36pc higher at $19.38mn last month.

Additional war-risk premiums reached 5-10pc of a vessel's hull and machinery value by the end of August, up from 1-3pc a month earlier, for a seven-day Black Sea port call. Some shipowners required partial or full prepayments before agreeing charters. But the upward trend halted last week, reflecting reduced demand — exporters are increasingly reluctant to load at Russian Black Sea terminals.

Lumpsum Baltic Aframax rates to the west coast of India and to north China were up by 23pc at a monthly average $11.63mn and by 16pc at $13.25mn, respectively. Costs were supported by higher Baltic Urals exports and increased Chinese demand, which limited tanker availability.

Higher Baltic tanker costs supported Suezmax freight rates from the Arctic port of Murmansk. The average lumpsum rate to India's west coast was up by almost a quarter on the month at $14.56mn in August, while the cost to north China increased by 21pc to $16.56mn.

Continuing disruption to vessel movements through the strait of Hormuz and renewed security risk on the Red Sea, from attacks by Yemen's Houthi rebels, supported wider regional freight rates and costs for Russian crude moving east to Asia-Pacific. And Russian crude traded well above G7 and EU price caps in August, further restricting tanker availability and supporting tanker costs.

But monthly average Aframax rates from Russia's far east port of Kozmino fell by around 3pc against July to the lowest since the end of February. Lumpsum costs to northern and southern China declined by 3.3pc to $2.18mn and by 2.8pc to $2.63mn in August, respectively. Rates from Kozmino are largely insulated from factors driving Baltic and Black Sea freight costs higher.

Black Sea clean costs keep rising

Russian Baltic and Black Sea clean tanker rates diverged sharply in August, but costs were steady, on all routes, in the week to 28 August. Monthly average Black Sea clean freight rates to Atlantic basin destinations jumped last month, driven by security concerns and problems with tanker availability.

Black Sea costs to the east Mediterranean for 33,000t clean cargoes were 59pc higher at $42.62/t in August, while rates for 37,000t shipments to west Africa were up by 45pc at an average $73.92/t. Black Sea-Mideast Gulf clean tanker costs increased by 22pc on the month to $109.46/t for 37,000t cargoes.

Monthly average Baltic clean freight rates fell for a second consecutive month in August. Tanker costs for 37,000t cargoes moving to the Atlantic basin dipped by just under 2pc, to $33.91/t to the Mediterranean, $49.64/t to Brazil and $44.43/t to west Africa. Russian Baltic-Atlantic basin rates dropped by 47pc in July. Average clean rates to the Mideast Gulf and Singapore were down by 8pc and 2pc, respectively, at $90.20/t and $107.43/t in August.

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EXPORTS AND TRADE

Seaborne ESPO Blend exports '000 b/d			
Destination	**Jan-Jul**	**Jan-Jul 25**	**±%**
China	812.5	811.5	0.1
India	160.7	115.7	38.9
Other	10.7	0.0	na
Total	**983.8**	**927.2**	**6.1**

Seaborne ESPO Blend exports '000t			
Destination	**Jan-Jul**	**Jan-Jul 25**	**±%**
China	23,273	23,245	0.1
Northeast ports	**22,886**	**21,040**	**8.8**
Shandong:	21,764	14,693	48.1
Longkou	9,144	3,452	164.9
Dongjiakou	6,221	3,111	100.0
Rizhao	2,670	1,398	91.0
Dongying	2,228	4,629	-51.9
Yantai	1,002	1,403	-28.5
Qingdao	399	700	-43.0
Laizhou	100	0	na
Liaoning:	1,122	4,042	-72.2
Bayuquan	1,018	1,315	-22.6
Jinzhou	104	400	-74.1
Dalian	0	2,326	-100.0
Jinghai	0	292	-100.0
Lianyungang	0	600	-100.0
Tianjin	0	1,414	-100.0
Eastern ports	**387**	**602**	**-35.7**
Ningbo	200	401	-50.1
Zhoushan	187	100	86.4
Shanghai	0	101	-100.0
Southeast	**0**	**1,603**	**-100.0**
Qinzhou	0	200	-100.0
Huizhou	0	1,403	-100.0
India	4,602	3,313	38.9
Paradip	1,201	924	30.0
Chennai	1,009	301	235.8
Sikka	791	1,391	-43.1
Kochi	502	297	68.9
Mumbai	291	0	na
Visakhapatnam	205	200	2.4
Vadinar	202	100	101.8
Mundra	200	100	100.4
Mangalore	200	0	na
Philippines: Bataan	201	0	na
Indonesia: Balikpapan	104	0	na

— Vortexa, Kpler, market participants

ESPO Blend exports rise in January-July

Loadings of light sweet ESPO Blend at Russia's far east port of Kozmino increased on the year in January-July, continuing a trend under way since 2021.

Exports rose by 6pc to 984,000 b/d (28.2mn t) in the first seven months of this year, data from market participants and trade analytics platforms Vortexa and Kpler show. The increase partly reflects reduced shipments of less profitable, and less reliable, Siberian Light from the Black Sea port of Novorossiysk — loadings declined by 14pc on the year to 131,000 b/d (3.8mn t) in January-July.

China was the top destination for seaborne ESPO Blend, but its share of overall exports slipped to 83pc from 88pc in January-July 2025, while India's share rose to 16pc from 12pc. The remainder went to the Philippines and Indonesia.

ESPO Blend supplies to China were little changed at 813,000 b/d (23.27mn t). Demand was steady early this year and disruption to Mideast Gulf crude exports from March, because of the US-Israel war with Iran, provided further support. But Chinese buying dropped in the second quarter as higher crude prices squeezed refining margins. Interest began recovering in July, after Chinese refiners were allowed to resume product exports. Renewed demand has also been driven by continuing constraints on Middle East supply and the need to rebuild stocks.

Nearly all exports went to ports in northeast China and mostly to Shandong province, the hub of the country's independent refining sector.

ESPO Blend exports to India jumped by 39pc on the year to 161,000 b/d (4.6mn t) in January-July. Demand was subdued early this year, because of US sanctions on Rosneft and Lukoil since November. But Indian refiners stepped up buying of Russian crude from March after the US issued temporary waivers to sanctions to alleviate the supply shortfall caused by the Middle East war. Reduced Chinese demand in April-May also spurred Indian interest in ESPO Blend.

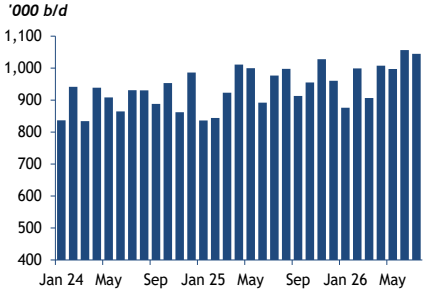
The east coast port of Paradip was the main Indian destination for ESPO Blend and supplies were 30pc higher on the year. Shipments to Chennai on the east coast more than tripled and ESPO Blend was exported to Mumbai and Mangalore, which did not receive the grade a year earlier. But supply to northwest Sikka fell.

About 200,000t of ESPO Blend was delivered to Bataan in the Philippines in March and a further 100,000t to Balikpapan in Indonesia.

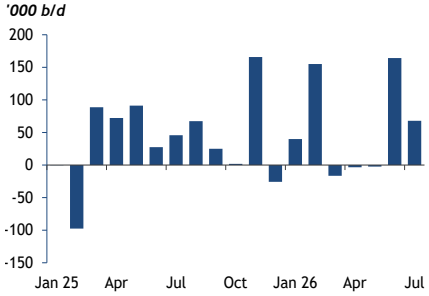
ESPO Blend's fob Kozmino discount to Mideast Gulf benchmark Dubai crude swaps narrowed significantly in the first four months of 2026 — to $1/bl from $14/bl — supported by the war in the Middle East. But the discount widened from mid-May, as Chinese demand fell.

ESPO Blend's delivered-China differential to Ice Brent futures followed a similar dynamic, strengthening to a record-high $11/bl des Shandong premium in early April from a $7.40/bl discount at the start of 2026, before slipping back into negative territory from mid-June.

ESPO Blend exports



Year-on-year changes



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EXPORTS AND TRADE

Russian seaborne exports			'000 b/d
Grade	**Jul**	**Jun**	**±%**
Urals	2,256	2,480	-9.0
ESPO Blend	1,045	162	39.1
Siberian Light	225	1,056	-1.1
Novy Port Light/Arco	207	140	4.1
Sokol	201	150	-45.2
CPC Blend	145	185	8.9
Varandey Blend	82	219	-5.4
Sakhalin Blend	49	76	-34.6
Total	**4,211**	**4,467**	**-5.7**

— Vortexa, Kpler

Chinese share of Russian crude jumps in July

China's share of total Russian seaborne crude exports rose sharply last month, while India's share declined. Total Russian crude loadings were down by nearly 6pc on the month at 4.2mn b/d (17.9mn t) in July.

More than 40pc of Russian exports headed to China last month, up from 32pc in June, revised data from market participants and trade analytics platforms Vortexa and Kpler show. Seaborne supply to China was 17pc higher at 7.2mn t and nearly 70pc of shipments went to northeast Shandong province. Figures may be revised because final destinations for 1.54mn t of crude exported to China in July and 294,000t shipped in June are unknown.

India remained the top destination for Russian crude loaded in July, although exports were down by 16pc at 8.86mn t. India's share of total seaborne crude supply declined to 50pc from 55pc. The northwest port of Vadinar was the main outlet for supplies and Russian crude shipments were up by almost 3pc. But supply to northwest Sikka and to Paradip on India's east coast dropped in July.

Urals remained key grade supplied to India, accounting for 97pc of the total, although Urals shipments fell by 14pc to 6.97mn t. And India remained the top destination for exports of Russian-origin CPC Blend last month.

Turkey's share of total Russian seaborne crude exports increased to 5pc in July from less than 4pc in June. Loadings for Turkey were 24pc higher on the month at 865,000t. Most of the supply to Turkey was Urals, but some Russian CPC Blend was also shipped in July.

Shipments to the Sea of Marmara port of Tutunciftlik, for leading Turkish refiner Tupras' 227,000 b/d Izmit refinery, increased last month. But loadings for Azeri state-owned Socar's 240,000 b/d Star refinery at Aliaga fell. The destination for 50,000t of Russian crude shipped to Turkey in July remains unknown.

Seaborne Russian crude exports to other destinations dropped by two-thirds on the month to 403,000t in July. The share of overall exports to smaller markets fell to 2pc from 6pc in June. Shipments to nearly all smaller destinations were sharply lower on the month or halted altogether. Pakistan was the exception, receiving 130,000t of Russian CPC Blend last month. It also received CPC Blend in the first half of this year.

Final destinations for 528,000t of seaborne Russian crude exported in July and 400,000t loaded in June remain unknown.

Russian seaborne exports									'000 b/d
Country/Grade	**Jul**	**Jun**	**±%**	**Country/Grade**	**Jul**	**Jun**	**±%**	**Country/Grade**	**Jul**	**Jun**	**±%**
India	8,860	10,155	-15.6	Sakhalin Blend	185	273	-34.6	Syria	0	200	-100.0
Urals	6,970	7,845	-14.0	Siberian Light	162	0	na	Novy Port Light/Arco	0	200	-100.0
Siberian Light	746	568	27.1	Varandey Blend	100	0	na	Brunei	0	200	-100.0
ESPO Blend	412	711	-43.9	Turkey	865	675	24.0	Varandey Blend	0	100	-100.0
CPC Blend	392	531	-28.6	Urals	815	675	16.8	Novy Port Light/Arco	0	100	-100.0
Varandey Blend	240	500	-53.5	CPC Blend	50	0	na	Indonesia	0	104	-100.0
Novy Port Light/Arco	100	0	na	Egypt	238	560	-58.9	ESPO Blend	0	104	-100.0
China	7,199	5,946	17.2	Urals	238	560	-58.9	na	528	400	27.7
ESPO Blend	3,964	3,467	10.6	Pakistan	130	0	na	Urals	200	300	-35.5
Urals	1,490	953	51.3	CPC Blend	130	0	na	Sokol	188	0	na
Sokol	658	752	-15.3	Georgia	35	88	-61.8	Novy Port Light/Arco	140	100	35.5
Novy Port Light/Arco	640	500	23.9	Siberian Light	35	88	-61.8	*changes based on daily averages*			

— Vortexa, Kpler

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EXPORTS AND TRADE

Russian seaborne exports			*'000 b/d*
Destinations	**Jul**	**Jun**	**±%**
Total	**17,854**	**18,328**	**-5.7**
'000 b/d	*4,211*	*4,467*	-5.7
India:	8,860	10,155	-15.6
Vadinar	2,713	2,557	2.7
Sikka	2,280	2,606	-15.4
Paradip	1,382	1,711	-21.8
Chennai	626	584	3.8
Kochi	515	898	-44.5
Mundra	444	838	-48.7
Mangalore	290	592	-52.6
Mumbai	243	239	-1.9
Visakhapatnam	129	130	-3.6
na	239	0	na
China:	**7,199**	**5,946**	**17.2**
Shandong province:	5,016	4,755	2.1
Rizhao	1,661	1,358	18.4
Dongjiakou	1,391	789	70.7
Longkou	695	1,375	-51.1
Dongying	633	694	-11.8
Yantai	536	439	18.0
Qingdao	100	100	-3.2
Bayuquan	341	422	-21.8
Zhoushan	200	90	115.3
Jinzhou	104	0	na
Lianyungang	0	200	-100.0
Dalian	0	94	-100.0
Gulei	0	91	-100.0
na	1,538	294	406.3
Turkey:	**865**	**675**	**24.0**
Tutunciftlik	575	425	30.9
Aliaga	240	250	-7.1
na	50	0	na
Egypt: Mersa	238	560	-58.9
Pakistan: Hub	130	0	na
Georgia: Kulevi	35	88	-61.8
Syria: Baniyas	0	200	-100.0
Brunei: Muara	0	200	-100.0
Indonesia: Balikpapan	0	104	-100.0
na	528	400	27.7

changes based on daily averages

— Vortexa, Kpler

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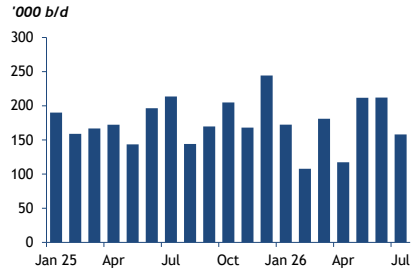
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EXPORTS AND TRADE

Kebco loadings			'000 b/d
Port/Destination	**Jul**	**Jun**	**±%**
Novorossiysk	88.4	139.8	-36.8
Ust-Luga	69.8	72.3	-3.5
Total	**158.1**	**212.2**	**-25.5**

— Vortexa, Kpler, market participants

Kebco exports



Kebco exports drop in July

Loadings of Kazakh medium sour Kebco crude at Russian ports dropped by more than a quarter in July from a six-month high in June. The sharp decline probably reflects heightened security risks on the Black Sea.

Overall Kebco exports from the Baltic port of Ust-Luga and Novorossiysk on the Black Sea were down by nearly 26pc at 158,000 b/d (680,000t) last month, data from trade analytic platforms Vortexa and Kpler show. Kebco, identical in quality to Urals, is supplied to both ports through the Transneft pipeline system.

Kazakhstan rebranded its share of Urals exports in 2022, to differentiate supplies from Russian crude subject to international sanctions.

Novorossiysk loadings were 37pc lower on the month at 88,000 b/d (380,000t) in July. Many shipowners are withholding vessels from calls at Russian Black Sea ports because of drone attacks on tankers, including at the Caspian Pipeline Consortium terminal near Novorossiysk. Kebco shipments from Ust-Luga were steady fell by 3.5pc against June at around 70,000 b/d (300,000t).

Italy remained the top destination for Kebco last month, with shipments 44pc higher at 300,000t. Crude went to the 241,000 b/d Milazzo refinery on Sicily and 300,000 b/d Sarroch on Sardinia. There were no July shipments to the Adriatic port of Trieste, the entry point to the 900,000 b/d Transalpine Pipeline, which supplies refineries in Austria, Germany and the Czech Republic.

Kebco loadings for Romania jumped by 46pc against June to 240,000t, all for the 105,000 b/d Midia refinery, operated by Kazakh state-controlled Kazmunaigaz. Exports to Bulgaria, for Lukoil's 115,000 b/d Burgas refinery, were roughly steady on the month at 140,000t in July.

But there were no supplies to Turkey last month, after around 140,000t was shipped to Aliaga in June. No Kebco headed to Ashkelon in Israel in July, compared with about 140,000t the previous month. And no shipments went to Rotterdam in the Netherlands, which received 100,000t of Kebco in June.

Most Kebco enters the Transneft system through the 340,000 b/d Atyrau-Samara pipeline from western Kazakhstan, for onward delivery to Novorossiysk and Ust-Luga. Flows through the Atyrau-Samara pipeline rose by 9pc on the month to 646,000t (150,000 b/d) in July, market participants say. Small amounts of heavier Kazakh crude are delivered by tanker across the Caspian Sea to Russia's Caspian port of Makhachkala, for onward pipeline shipment to Novorossiysk.

Kebco weakened against benchmark North Sea Dated in July because of rising availability of competing grades, including from the Mideast Gulf. The premium dropped by $3.67/bl to an average $3.05/bl cif Augusta. Kebco recovered some of this ground in late-July and early August, before sliding again, tracking losses for similar-quality Norwegian Johan Sverdrup — Europe's largest medium sour crude stream. Kebco averaged a $3.86/bl premium last month.

Kebco loadings							'000t
Port/Destination	**Jul**	**Jun**	**±%**	**Port/Destination**	**Jul**	**Jun**	**±%**
Ust-Luga	300	301	-3.5	Novorossiysk	380	582	-36.8
Italy:	300	201	44.4	Romania: Midia	240	159	45.5
Milazzo	200	70	176.5	Bulgaria: Burgas	140	139	-2.6
Sarroch	100	0	na	Turkey: Aliaga	0	143	-100.0
Trieste	0	131	-100.0	Israel: Ashkelon	0	140	-100.0
Netherlands: Rotterdam	0	100	-100.0	**Total**	**680**	**883**	**-25.5**

changes based on daily averages *— Vortexa, Kpler, market participants*

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IN BRIEF

Russia may lower baseline crude price: Novak

Moscow is considering a cut to the federal budget's baseline Urals price to $50/bl, deputy prime minister Alexander Novak said on 3 September. State revenue from crude sales above the baseline are channelled into Russia's National Wealth Fund (NWF), which is used to cover the budget deficit. The baseline was set at $59/bl this year, with a gradual reduction to $55/bl planned by 2030. But the government is now considering a bigger cut "to ensure a more stable budget… and the filling of the NWF", Novak said on the sidelines of the Eastern Economic Forum in Vladivostok, cited by state-owned news agency Tass. Novak explained that lowering the baseline price also reduces the risk to Russia from price volatility on global oil markets. In February, finance minister Anton Siluanov said the government was considering adjusting the baseline crude price, citing a shortfall in oil and gas revenues. Budget revenue from the oil and gas sector dropped by nearly 17pc on the year to Rbs4.6 trillion ($53bn) in the first seven months of 2026. Russia's budget deficit had reached just under Rbs6 trillion at the end of June, exceeding the finance ministry's full-year target of Rbs3.8 trillion.

US extends licence for Serbia's Nis

Serbian oil company Nis has secured a new month-long extension to its US sanctions waiver until the end of September. The US Treasury Department's sanctions enforcement arm, the Office of Foreign Assets Control (OFAC), extended Nis' special operations permit until 30 September from 28 August — the seventh extension. OFAC has also extended until 30 September its deadline for Hungarian oil firm Mol to conclude talks with Gazprom to buy its 56.15pc holding in Nis — subsidiaries Gazpromneft and Intelligence have stakes of 44.9pc and 11.3pc, respectively. Mol reached a preliminary agreement with Gazprom in January. Nis is subject to US sanctions because of blocking measures imposed on Gazpromneft in February 2025. The licence extension will enable Nis to increase September output at Serbia's sole refinery, 96,000 b/d Pancevo. It is expected to produce 190,000t of diesel, 50,000t of gasoline and 17,000t jet fuel in September, Serbian energy minister Dubravka Dedovic Handanovic said on 31 August, without giving base figures for August.

UKRAINIAN, BALTIC OIL PRICES

Gasoline			*€/litre*
	28 Aug		± 21 Aug
	Low	High	
Estonia	1.77	1.83	0.02
Latvia	1.72	1.72	0.03
Lithuania	1.68	1.69	0.03

Gasoil diesel			*€/litre*
	28 Aug		± 21 Aug
	Low	High	
Estonia	1.81	1.84	-0.09
Latvia	1.75	1.81	-0.08
Lithuania	1.87	1.87	-0.10

Crude and condensate prices				*hryvnia/t*
Basis	2 Sep		26 Aug	
	Low	High	Low	High
fot complex natural gas and crude oil treatment plants	38,000	49,020	30,800	38,500

Small-scale wholesale product prices*

Region	A-95 gasoline				Diesel			
	hryvnia/litre		$/litre†		hryvnia/litre		$/litre†	
	2 Sep	±26 Aug	2 Sep	±26 Aug	2 Sep	±26 Aug	2 Sep	±26 Aug
Western Ukraine	75.85	3.87	1.71	0.10	90.75	7.05	2.05	0.18
Southern Ukraine	77.08	2.60	1.73	0.06	89.05	5.35	2.01	0.13
Central Ukraine	78.63	5.53	1.77	0.13	91.63	5.88	2.06	0.14

**fca Ukraine border, fot seller's tank farm, ddp buyer's destination point †National Bank of Ukraine exchange rate*

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PRODUCTS MARKETS

Russian loadings rise

• Seaborne exports of key products from Russia increased by a fifth in the week to 2 September, preliminary data from trade analytics platform Vortexa show. Only fuel oil bucked the rising trend.

• Loadings of diesel and gasoil at Russian ports were more than 70pc higher, but still relatively low, at 240,000t. Moscow has extended the ban on Russian diesel exports until the end of this month. Low-sulphur diesel supply from the Baltic port of Primorsk doubled to 100,000t, and 80,000t was shipped from Novorossiysk on the Black Sea, up from zero the previous week. Turkey reclaimed its position as the top destination for Russian diesel, taking half of exports. The remaining half went to Morocco. Taiwan was the main diesel market a week earlier.

• Tanker shipments of fuel oil from Russia declined by 14pc to 660,000t in the week to 2 September. Just under a third of the total is on tankers signalling for Saudi Arabia. India was the top destination for Russian fuel oil the previous week, with shipments of 210,000t, Vortexa data show.

• Seaborne Russian naphtha exports increased by nearly a third on the week to 220,000t. Singapore replaced China as the main destination, accounting for half of loadings this week — most of this naphtha will go to commercial storage before re-export to Asia-Pacific markets, market participants say.

• Loadings of vacuum gasoil (VGO) at Russian ports surged to 210,000t, from just 30,000t a week earlier. A third of VGO exports were shipped to the UAE. All supply went to China the previous week.

Product prices			2 Sep
	$/t		±26 Aug
NW Europe (cif)			
Heating oil	1,385.00	- 1,386.00	+190.25
Diesel	1,470.25	- 1,471.25	+178.00
Fuel oil 3.5% sulphur	558.00	- 562.00	+34.25
Gasoline non-oxy 95R unleaded	1,323.00	- 1,323.50	+171.00
Naphtha 65 para	804.50	- 805.50	+57.25
Jet	1,468.25	- 1,469.25	+197.50
VGO 1.6% sulphur	825.00	- 828.25	+29.00
West Mediterranean (cif)			
Heating oil	1,435.50	- 1,436.50	+190.50
Fuel oil 3.5% sulphur	553.25	- 557.25	+33.75
Gasoline 95R unleaded	1,309.50	- 1,310.00	+112.75
Naphtha 65 para	792.25	- 793.25	+57.25
Rotterdam barges (fob)			
Heating oil	1,373.25	- 1,373.75	+177.50
Fuel oil 3.5% sulphur	532.50	- 536.50	+35.25
VGO 1.6% sulphur	804.50	- 807.75	+29.00
Futures			
Ice gasoil	Sep	1,432.25	+192.75

Freight Rates		2 Sep
	WS	$/t
Black Sea-Mediterranean		
Clean 30,000*t*	195.0	28.51
Dirty 30,000*t*	na	na
Baltic-UKC		
Clean 30,000*t*	185.0	20.05
Dirty 30,000*t*	na	na

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PRODUCTS MARKETS

Russian fuel oil and VGO			$/t
	Low	High	±
Fuel Oil			
fob Baltic	307	347	30
fob Black Sea	230	270	35
VGO			
fob Baltic	na	na	na
fob Black Sea	407	435	47

Russian light products			$/t
	Low	High	±
Gasoline			
fob Baltic	na	na	na
Naphtha			
fob Baltic	575	615	67
fob Black Sea	469	519	47

Russian middle distillates			$/t
	Low	High	±
Diesel			
fob Baltic	na	na	na
fob Black Sea	na	na	na
Gasoil			
fob Black Sea	1182	1222	186

Russian products and price caps			$/bl
	Low	High	±
Premium products (price cap $/100bl)			
Gasoline			
fob Baltic	na	na	na
Diesel			
fob Baltic	na	na	na
fob Black Sea	na	na	na
Gasoil			
fob Black Sea	159	164	25
VGO			
fob Baltic	na	na	na
fob Black Sea	60	64	7
Discounted products (price cap $/45bl)			
Naphtha			
fob Baltic	65	69	8
fob Black Sea	53	58	5
Fuel oil			
fob Baltic	49	55	5
fob Black Sea	36	43	6

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CRUDE MARKETS — EUROPE

CPC Blend, delivered Urals edge up

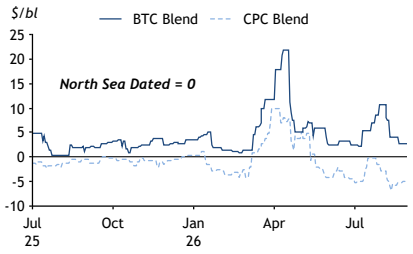
• CPC Blend made gains against benchmark North Sea Dated, while BTC Blend held steady. Urals values diverged further — delivered-India cargoes returning to a premium, as fob Baltic and Black Sea discounts deepened. North Sea Dated increased by $9.45/bl to $97.94/bl in the week to 2 September.

• Light sour CPC Blend's discount narrowed by 30¢/bl to $4.80/bl cif Augusta as rising exports helped to ease buyer concerns about supply stability. Loadings at the Caspian Pipeline Consortium (CPC) terminal on Russia's Black Sea coast were severely disrupted in July. But August exports were a fifth higher on the month at 1.57mn b/d. CPC Blend loadings rebounded from a five-month low in July, but were still around 120,000 b/d lower than in June.

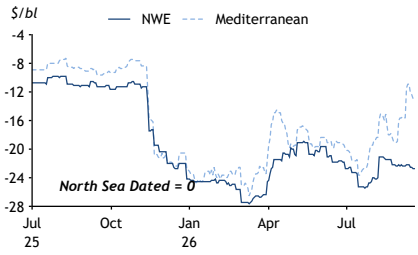
• Light sweet BTC Blend's premium held steady at $3/bl cif Augusta as trade slowed. Higher-than-expected CPC Blend exports last month have left the Mediterranean region oversupplied with light crude. BTC Blend loadings increased by nearly 8pc to 541,000 b/d in August.

• Delivered-India Urals strengthened by $1.15/bl to a 40¢/bl dap west coast India premium — returning to premium for the first time since late May. Urals loadings at the Black Sea port Novorossiysk remain severely curtailed since exports resumed on 17 August. Loadings were suspended from 6 August because of drone attacks at the port, which typically accounts for around a fifth of seaborne Urals exports. Russian crude exports from Novorossiysk, mainly Urals, dropped to 310,000 b/d last month from 721,000 b/d in July.

BTC Blend and CPC Blend vs Dated

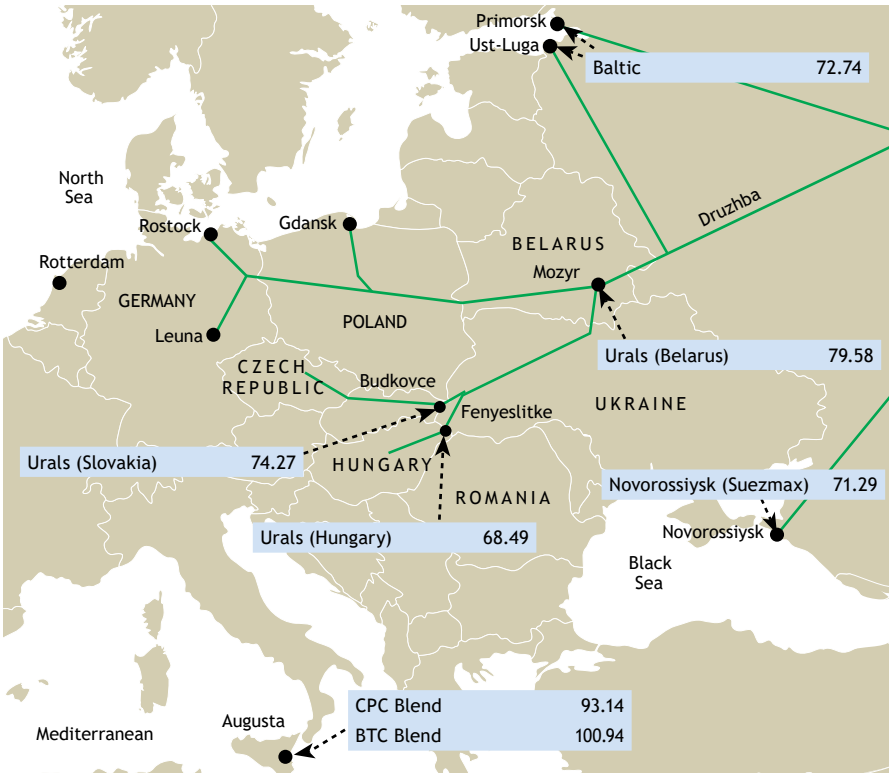


Ural differentials to North Sea Dated



Russian/Caspian oil prices ($/bl)

2 Sep



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CRUDE MARKETS — ASIA

Crude benchmarks		$/bl
	2 Sep	± 26 Aug
North Sea Dated	97.94	9.45
Dubai swaps, month 1	89.52	7.68
Dubai swaps, month 2	84.80	6.78
Ice Brent futures month 2	92.09	5.55

Chinese refiners seek November ESPO Blend

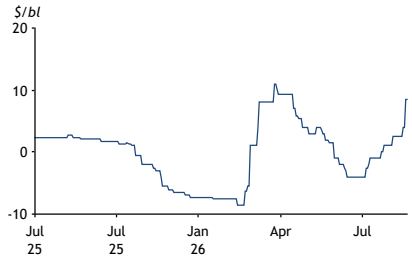
• Russian far east-loading ESPO Blend's delivered-China premium jumped relative to Ice Brent crude futures as the trading cycle rolled to November-arrival cargoes. October-loading ESPO Blend was unchanged against Mideast Gulf benchmark Dubai crude swaps in the week to 2 August.

• November-delivery ESPO Blend increased by $4.50/bl to a $8.50/bl des Shandong premium to Ice January Brent. ESPO Blend held steady at a $6/bl fob Kozmino discount to October Dubai swaps for October-loading cargoes.

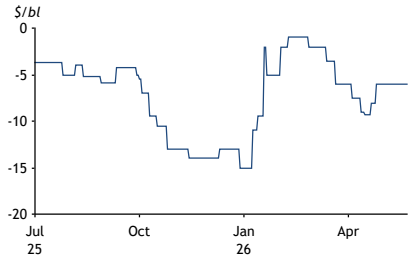
• Some Chinese refiners started looking for November-loading ESPO Blend this week, but sellers were reluctant to conclude deals — they expect higher spot values because of tight supply. Resales of October-delivery ESPO Blend may have traded at premiums higher than $10/bl to Ice December Brent, although deals could not be directly confirmed. Market participants expect continuing strong Chinese demand for November supplies — the September and October export programmes almost entirely cleared in the first week of trading cycles.

• Chinese imports of seaborne ESPO Blend hit a new record high of just under 1.02mn b/d August, data from trade analytics platforms Vortexa and Kpler show. Demand was probably driven by higher refining margins and relaxed controls on refined product exports. ESPO Blend deliveries to India dropped to the lowest since February at around 36,000 b/d last month, Kpler and Vortexa data show. Indian buyers were focused on securing more favourably priced Mideast Gulf crude, curbing their interest in ESPO Blend.

ESPO Blend des Shandong vs Ice Brent



ESPO Blend fob Kozmino vs Dubai



Asia oil prices ($/bl) 2 Sep



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CRUDE MARKETS — PRICES

Crude prices						2 Sep
Europe			*$/bl*		**±26 Aug**	**± N Sea Dated**
Urals Primorsk (fob)		72.71	-	72.77	+9.05	-25.20
Urals Ust-Luga (fob)		72.71	-	72.77	+9.05	-25.20
Urals Med Aframax Novorossiysk (fob)		70.56	-	70.62	+8.25	-27.35
Urals Med Suezmax Novorossiysk (fob)		71.26	-	71.32	+8.00	-26.65
Siberian Light Novorossiysk (fob)		70.26	-	70.32	+8.05	-27.65
Delivered						
Kebco Augusta (cif)		100.91	-	100.97	+9.45	+3.00
CPC Blend Augusta (cif)		93.11	-	93.17	+9.75	-4.80
BTC Blend Augusta (cif)		100.91	-	100.97	+9.45	+3.00
Azeri Light Augusta (cif)		100.71	-	100.77	+9.45	+2.80
Netbacks						
Urals Med Aframax Black Sea (cif netback)		72.54	-	72.60	+6.61	-25.37
CPC Blend (fob)		78.49	-	78.55	+10.11	-19.42
BTC netback Ceyhan (fob)		98.13	-	98.19	+9.87	+0.22
Azeri Light Supsa (fob netback)		96.64	-	96.70	+12.82	-1.27
Druzhba monthly prices					**± N Sea Dated***	
					Low	**High**
Slovakia		73.94	-	74.59	-9.45	-8.80
Hungary		62.39	-	74.59	-21.00	-8.80
Poland		na	-	na	na	na
Germany		na	-	na	na	na
**monthly average*						
					±26 Aug	**± N Sea Dated**
Belarus		79.55	-	79.61	+3.98	-18.36
Asia	**Basis**					**±Dubai swaps**
ESPO Blend (fob Kozmino)	Oct	83.47	-	83.57	+11.50	-6.00
						±Ice Brent
ESPO Blend (des Shandong)		95.86	-	97.86	+10.91	+8.50
Urals (dap Shandong)		93.86	-	94.86	+13.41	+6.00
delivered basis India						**± N Sea Dated**
Urals (dap west coast India)		98.31	-	98.37	+10.60	+0.40
cif Singapore						**± N Sea Dated**
BTC Blend		106.90	-	106.96	+8.90	+34.19
Urals (Black Sea)		85.20	-	85.26	+3.97	+12.49
Alashankou Blend (daf Alashankou)		-	88.48	-	+5.07	-5.33

Freight Rates	2 Sep	
Black Sea-Mediterranean	**WS**	***$/t***
Crude 135,000*t*	277.5	33.97
Crude 80,000*t*	245.0	29.99
Primorsk to UKC		
Crude 100,000*t*	165.0	18.66
Mediterranean/Black Sea-Far East		
Crude 135,000*t* (lump sum)	12,000,000	88.89
Kozmino-N China		
Crude 100,000*t*	na	na

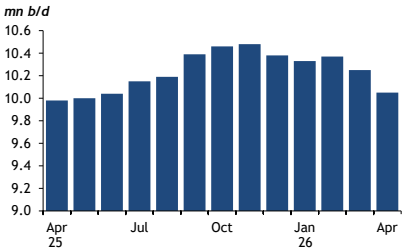
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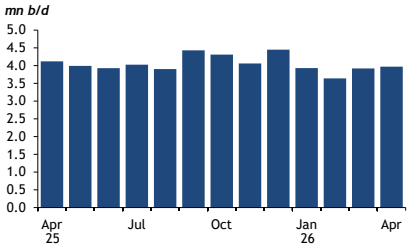
NETBACKS

Russian crude netbacks ($/bl)	Primorsk	Ust-Luga	Novorossiysk (Urals)	Novorossiysk (Sib Light)
				2 Sep
fob oil price	**72.74**	**72.74**	**70.59**	**70.29**
Port transshipment	0.36	0.42	0.47	0.46
Nizhnevartovsk				
Transportation costs	5.23	5.05	5.00	4.51
Netback to Nizhnevartovsk	67.15	67.27	65.12	65.32
Domestic market price, ex-VAT	59.84	59.84	59.84	59.84
Export margin	**7.31**	**7.43**	**5.28**	**5.48**

Russian oil production



Russian pipeline crude exports



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