

VLSFO hedging tools disconnect

Bunker spot deals collection and prices



Executive summary

- Argus bunker retail price assessments are based on actual reported deals
- Delivered retail bunker prices increasingly disconnect from cargo prices
- Oil price volatility exposes buyers and sellers to basis risk
- Subscribers to Argus Marine Fuels can now download non-confidential daily bunker deals for key ports

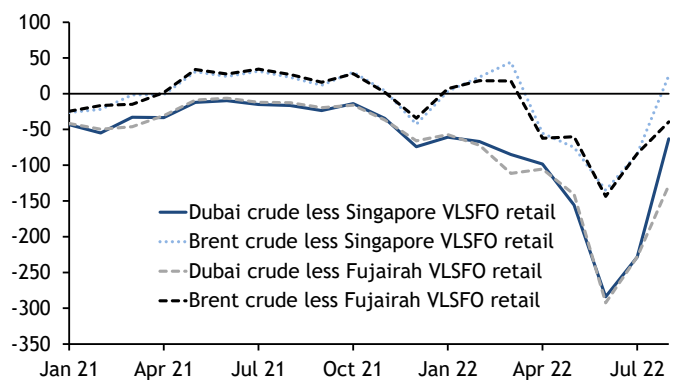
VLSFO hedging tools disconnect

Marine fuel suppliers and shipowners often use very-low sulphur fuel oil (VLSFO) wholesale (barge and cargo) prices and crude (Brent and Dubai) prices to hedge their VLSFO for bunkering sales and purchases. The significance of VLSFO wholesale and crude as hedging tools fell this year. *Argus'* outright VLSFO bunker assessments are informed by a robust number of daily deals and are an effective tool to use in contract indexations.

Price disconnect

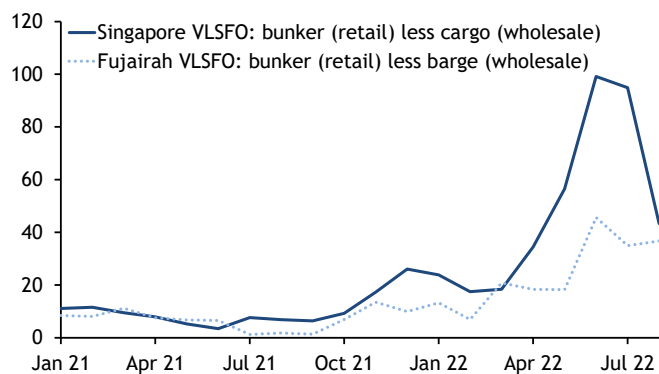
This year's oil price volatility created a price disconnect, exposing marine fuel buyers and sellers to basis risk. Singapore and Fujairah are the world's biggest bunker markets, with plenty of liquidity for buyers and sellers to use outright VLSFO bunker prices.

Crude oil less VLSFO retail (bunker)



Argus as a price reporting agency collects numerous VLSFO spot bunker deals in Singapore and Fujairah. This ensures robust price assessments.

VLSFO retail (bunker) less cargo (wholesale)

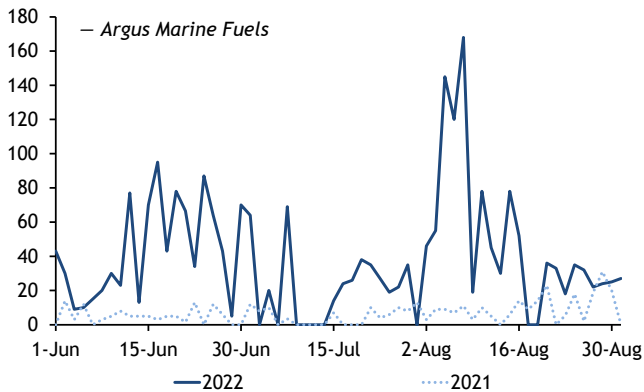


The oil market volatility has also dramatically widened VLSFO intra-day price ranges from about \$5-20/t in 2021 to over

	Argus-collected VLSFO bunker spot deals			
	Avg number of deals per business day		Total deals	
	Singapore	Fujairah	Singapore	Fujairah
Aug 22	6	8	135	179
Jul 22	5	8	92	143
Jun 22	4	9	93	188

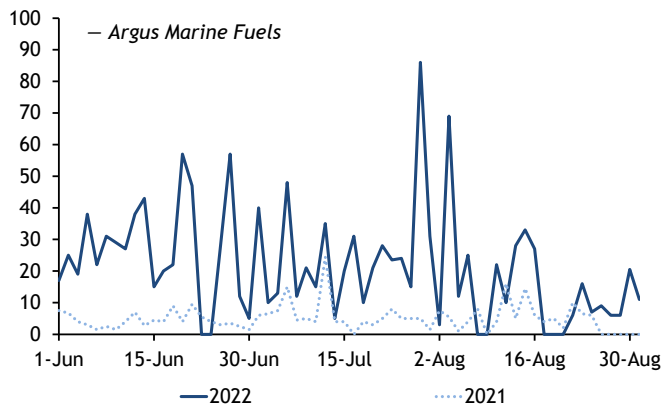
Argus White Paper: VLSFO hedging tools disconnect

Fujairah VLSFO: high less low intra-day price range \$/t \$20/t in 2022.



Argus Marine Fuels report subscribers can now download the non-confidential, international marine fuel deals and firm quotes that Argus gathers. Argus' list of spot deals gives buyers and sellers understanding where they stand price-wise compared with their competitors. Argus provides a list of daily bunker deals, detailing the port, type of fuel, size of the deal, price, delivery method and delivery dates. It does not include counterparties' names. Readers can access the Excel list at the close of business New York time.

Singapore VLSFO: high less low intra-day price range \$/t



Argus Marine Fuels

The Argus Marine Fuels service provides daily marine fuel price, market analysis and spot deals, covering the world's most important bunker locations. It includes a global portfolio of more than 120 bunker prices, accurately capturing price movement and taking into consideration different specifications. It also publishes wholesale fuel oil prices, which are comprised of barges and cargos.

As a subscriber you will able to access and download our:

- Global alternative marine fuel vessel database
- Global scrubber database
- Non-confidential daily bunker deals for key ports

Sample: Argus – collected, spot, non-confidential, daily marine fuel deals

Date closed	Port	Type of Fuel - VLSFO, MGO, HSFO, ULSD, etc.	Size, mt	Price, \$/mt	Delivery date(s)	sold / firm quote*	MTD (mt delivered), mtw (mt ex-wharf), ex-pipe, truck
25-Aug-22	Cuxhaven	MGO	90	1,255	25-Aug	sold	MTD
25-Aug-22	Gothenburg Roads	MGO	200	1,220	29-Aug	sold	MTD
25-Aug-22	Holtenau	VLSFO	120	874	27-Aug	sold	MTD
25-Aug-22	Hull	MGO	85	1265		sold	MTD
25-Aug-22	Ijmuiden	MGO	150	1198	30-Aug	sold	MTD
25-Aug-22	Kalajoki	MGO	20	1195	25-Aug	sold	MTD
25-Aug-22	Suez	MGO	400	1425	30-Aug	sold	MTD
25-Aug-22	Swinoujscie	MGO	47	1328	26-Aug	sold	MTD
25-Aug-22	Santos, Brazil	VLSFO	200	807	4-Sep	sold	MTD
25-Aug-22	Balboa, Panama	HSFO	550-650	554	1-Sep	sold	mtw
25-Aug-22	Balboa, Panama	MGO	90-130	1305	1-Sep	sold	mtw
25-Aug-22	Zona Comun	VLSFO	300-400	820	3-Sep	sold	MTD
25-Aug-22	Panama	VLSFO	400	810		quote	mtw
25-Aug-22	Panama	MGO	100	1,305		quote	mtw
25-Aug-22	Buenos Aires	VLSFO	300	820		sold	MTD
25-Aug-22	New York	VLSFO	700	788		quote	mtw
25-Aug-22	New York	MGO	200	1290		quote	mtw
25-Aug-22	Zona Comun	VLSFO	300	818		sold	MTD
25-Aug-22	Montreal	MGO	250	1315		quote	MTD
25-Aug-22	La Union, El Salvador	MGO	285	1182		quote	MTD
25-Aug-22	Balboa, Panama	MGO	160	1311		quote	mtw
25-Aug-22	Cartagena, Colombia	MGO	150	850		sold	MTD
25-Aug-22	Buenos Aires	VLSFO	350	825		sold	MTD

For questions about Argus' marine fuel prices and spot deals collection or to find out more about the report, e-mail us at Singapore@argusmedia.com or contact us at +65 6496 9966