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# Argus Latin Energy Markets

Weekly market news, analysis and prices

Incorporating Argus Latin Markets and Argus Latin America Energy

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## OVERVIEW

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Spot crude assessments for Latin American sours mostly edged lower on the back of bearish market indications, while sweet grades inched higher.

### Refined products Page 4

US refined products exports to Latin America out of the US Gulf coast held fairly stable week on week, seeing only a roughly 4pc decline in overall export loadings.

### LPG Page 6

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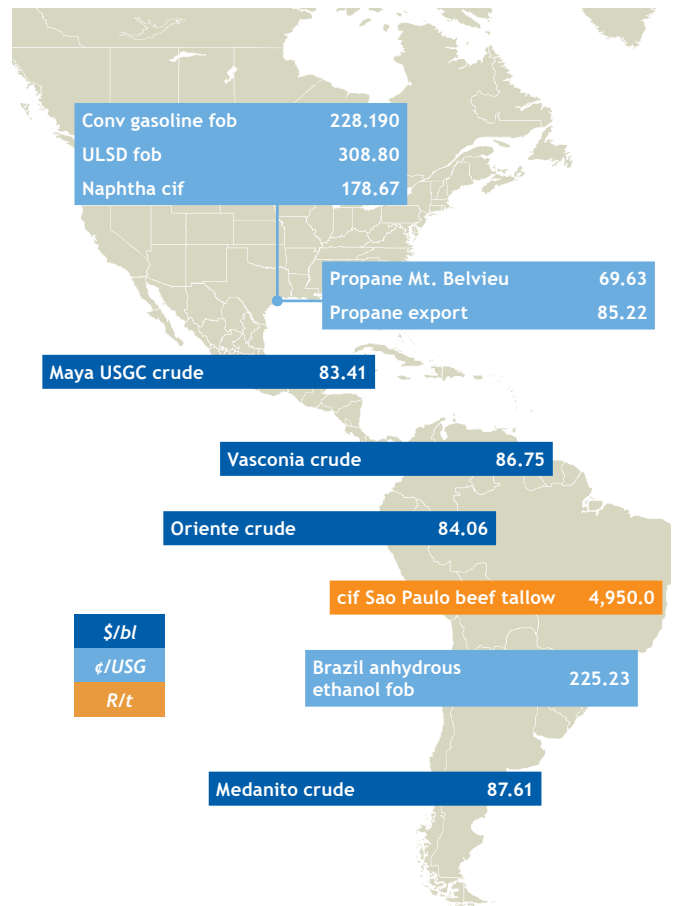
### Biofuels Page 7

Spot ethanol prices strengthened following a bullish weekly report from the US Energy Information Administration (EIA).

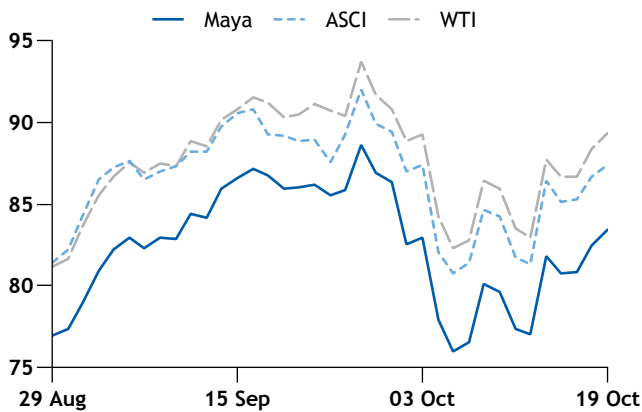
### Energy transition Page 9

Private-sector investors are keeping an eye on how recent and upcoming elections in Latin America unfold amid uncertainty in policies aimed at supporting more clean energy.

## KEY PRICES



### Maya USGC vs ASCI and WTI \$/bl



Benchmarks	19 Oct	Change
<b>Americas</b>		
Nymex WTI M1	88.640	+0.100
Nymex WTI M2	87.490	+0.080
<b>Europe</b>		
Ice Brent M1	93.34	+2.96
Ice Brent M2	91.87	+2.70
<b>Middle East</b>		
Dubai	92.480	+0.370

## CRUDE

## Assessments take mixed directions

Spot crude assessments for Latin American soured mostly edged lower on the back of bearish market indications, while sweet grades inched higher.

Argentina's light sweet Medanito crude rose by 30¢/bl on the back of US west coast demand. Medanito moved to a discount of \$3.65-\$3.15/bl, bringing the midpoint up to \$3.40/bl against January Ice Brent after price indications surfaced for November cargoes.

Heavy sweet Escalante for November loading was assessed at a discount of \$3.90-\$2.90/bl to the international marker.

Colombia's heavy sour Castilla Blend for December loading was assessed 10¢/bl lower at a discount of \$7.25-\$6.75/bl against February Ice Brent.

December-loading Colombian medium sour Vasconia rose by 30¢/bl against February Ice Brent to a discount of \$3.30-\$2.90/bl, after a cargo was sold near the assessed range. Its destination was unknown.

Market participants heard about a tender offering the medium sour grade but no further details emerged.

November-loading Ecuadorean medium sour Oriente was assessed 5¢/bl lower at a discount of \$3.50-\$2.50/bl to January Nymex WTI. Heavy sour Napo was assessed at a discount of \$7-\$6.60/bl to the US light sweet crude marker.

Ecuador's state-owned Petroecuador will close two tenders next week to sell 1.08mn bl of Oriente crude and 2.16mn bl of heavy sour Napo crude for loading expected to begin in mid-November.

In the Napo crude tender, Petroecuador is offering six 360,000 bl cargoes that can be lifted on a Panamax or Aframax tanker from the OCP terminal. The load window for the cargoes ranges from 19 November-1 December.

The three 360,000 bl cargoes of Oriente crude can be loaded from the Balao terminal onto a Panamax or Aframax vessel. The expected load window for the cargoes ranges from 23-30 November.

Interested participants must submit bids by 25 October on an fob basis relative to the Nymex WTI basis.

And offers were due this week for Indian state-controlled refiner IOC's tender seeking crude supplies for its December requirements. Among the eligible Latin American crudes were Brazilian grades Tupi, Sapinhoa, Sururu, Iracema, Atapu and Mero, Mexico's Olmeca and Guyana's Unity Gold and Liza.

The Latin American grades were listed for expected delivery between 27 December-5 January to the west coast port of Vadinar or to the Paradip port on the east coast of

South America		\$/bl		
	Timing/ base	9-13 Oct	16-19 Oct	Change
<b>Colombia</b>				
Vasconia	Prompt	82.30-82.70	86.55-85.60	+2.43
	na Ice	-3.24/-2.84	-3.30/-2.85	
Castilla	Prompt	78.57-79.07	82.60-81.75	+2.31
	na Ice	-6.97/-6.47	-7.25/-6.70	
<b>Argentina</b>				
Escalante	Prompt	82.31-83.31	87.11-86.59	+2.84
	na Ice	-4.00/-3.00	-3.90/-2.93	
Medanito	Prompt	82.36-82.86	87.36-86.25	+2.91
	na Ice	-3.95/-3.45	-3.65/-3.26	
<b>Ecuador</b>				
Oriente	Prompt	79.16-80.04	83.56-82.89	+2.31
	na Ice	-7.15/-6.27	-7.45/-6.62	
Napo	Prompt	75.59-75.99	80.06-78.79	+2.32
	na Ice	-10.72/-10.32	-10.95/-10.72	

Crude markets		\$/bl		
	Timing	9-13 Oct	16-19 Oct	Change
<b>US</b>				
WTI Houston	Nov Nymex	86.27	88.30	+2.03
Mars	Nov Nymex	83.82	86.12	+2.30
WCS Houston	CMA	77.60	79.80	+2.20
ANS USWC	Nymex	89.61	92.35	+2.74
<b>Delivered China</b>				
Tupi des Shandong	Brent	92.16	93.30	+1.14

India. Offers were due by 19 October on a delivered or fob basis.

Mexican state-owned Pemex, through its trading arm PMI, issued its November adjustment factors (K) to its crude price formula with the largest increase from the October K-factors assigned to Isthmus and Olmeca cargoes bound for Europe and the Middle East.

The K-factor for Isthmus rose by \$1.60/bl to a \$6.20/bl discount, while Olmeca's rose by \$1/bl to a \$3.60/bl discount. Maya and Zapoteco were unchanged from October's discount of \$7.85/bl and \$7.80/bl, respectively.

At the US Gulf and west coasts, Maya and Zapoteco's K-factors fell by \$0.30-1.10/bl. The K-factor for Isthmus and Olmeca increased by 20¢/bl each for the US Gulf coast, but fell by 15¢/bl each for the US west coast.

The November K-factor for all the grades for Asia-Pacific deliveries rose by \$0.20-0.95/bl.

Zapoteco arrivals in India were assigned a 15¢/bl decrease in the K-factor, while all the other grades rose by \$0.10-0.65/bl.

Meanwhile at the US west coast – one of the largest

**CRUDE**

demand centers for Latin American sweet and sour crudes – refinery runs decreased by 1.3pc to 2.1mn b/d in the week ended 13 October, according to the US Energy Information Administration (EIA). Utilization rates in the region dropped by 1.5 percentage points to 84.4pc.

Refinery runs may continue to decline as turnaround activity was expected to begin in at least two California refineries in mid-September and run through November. Phillips 66 began maintenance at its 139,000 b/d Los Angeles refinery on 21 September, while a turnaround for PBF’s 160,000 b/d Torrance refinery was expected to begin in the fourth quarter.

**Venezuela**

The US will temporarily lift sanctions targeting Venezuela’s oil and gas sector after Venezuela’s government and an opposition coalition agreed to work together to ensure free and fair presidential elections next year.

The US action will allow state-owned PdV to resume oil exports to the US and other destinations and removes prohibitions on new investment in Venezuela’s oil and gas sector, for a six-month period until 18 April 2024.

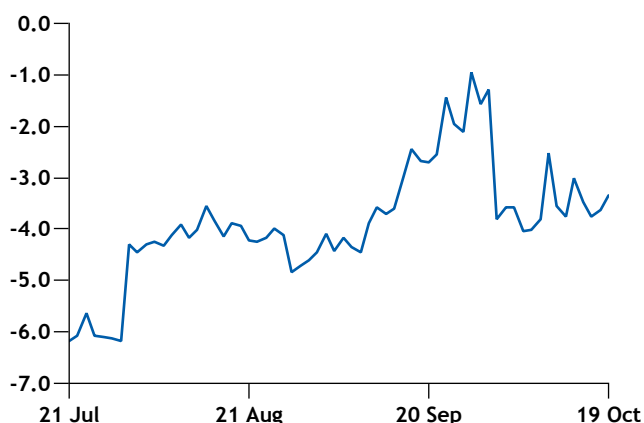
The reprieve from US sanctions does not apply to any joint venture between PdV and Russian oil and gas companies, or any investments by Russia in Venezuela.

The sanctions waiver will only be renewed if Venezuela meets its commitments under the electoral roadmap and releases unlawfully detained individuals, the US Treasury said.

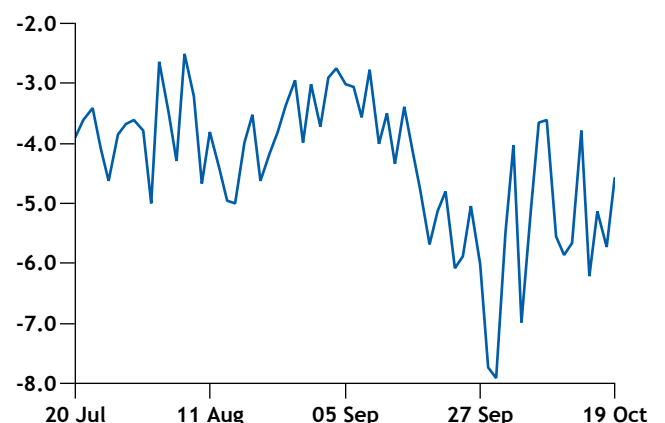
Venezuelan crude has arrived at ports across the US Gulf coast, where refiners also take other Latin American medium-to-heavy sour crudes from Colombia and Mexico.

Mexico				\$/bl		
	Timing	Base	Diff	Price		
<b>Maya</b>						
Excluding USWC	Oct	Nov Nymex	-0.07	83.41		
USWC	Oct	Nov Nymex	-0.07	83.56		
Europe	Oct	Dec Dated Brent	+0.80	84.53		
India	Oct	Dec Dated Brent	+0.80	83.58		
Asia-Pacific	Oct	Dec Dubai	-0.16	84.93		
<b>Isthmus</b>						
Excluding USWC	Oct	Nov Nymex	-0.07	87.96		
USWC	Oct	Nov Nymex	-0.07	86.36		
Europe	Oct	Dec Dated Brent	+0.80	84.58		
India	Oct	Dec Dated Brent	+0.80	84.38		
Asia-Pacific	Oct	Dec Dubai	-0.16	85.63		
<b>Olmeca</b>						
Excluding USWC	Oct	Nov Nymex	-0.07	88.01		
USWC	Oct	Nov Nymex	-0.07	86.91		
Europe	Oct	Dec Dated Brent	+0.80	87.78		
India	Oct	Dec Dated Brent	+0.80	86.38		
Asia-Pacific	Oct	Dec Nymex	-0.16	87.98		
<b>Zapoteco</b>						
Excluding USWC	Oct	Nov Nymex	-0.07	86.56		
USWC	Oct	Nov Nymex	-0.07	88.26		
Europe	Oct	Dec Nymex	+0.80	84.58		
India	Oct	Dec Nymex	+0.80	85.93		
Asia-Pacific	Oct	Dec Nymex	-0.16	87.33		
<b>Mexico K-factors</b>				\$/bl		
	Timing	USGC	USWC	Europe	India	Asia
Maya	Oct	-7.60	-7.45	-7.85	-8.80	-6.40
Isthmus	Oct	-3.05	-4.65	-7.80	-8.00	-5.70
Olmeca	Oct	-3.00	-4.10	-4.60	-6.00	-3.35
Zapoteco	Oct	-4.45	-2.75	-7.80	-6.45	-4.00

**Maya vs Vasconia**



**Vasconia diff to Ice Brent**



## REFINED PRODUCTS

### Export volumes hold

US refined products exports to Latin America out of the US Gulf coast held fairly stable week on week, seeing only a roughly 4pc decline in overall export loadings.

Export volumes were down for both gasoline and diesel according to oil analytics firm Vortexa, falling by 5pc and 1pc, respectively. Gasoline export loadings were approximately down by 30,000 b/d to 620,000 b/d between 13-19 October, while diesel exports came off by just 5,000 b/d to 405,000 b/d.

US gasoline and diesel inventories were down last week as domestic demand rose, according to US Energy Information Administration (EIA) data.

National gasoline stocks in the week ended 13 October were down by 1.1pc to 223mn bl, according to EIA data, but up by 6.6pc from the same time last year. In the Gulf coast, stocks were largely flat week on week.

US finished gasoline product supplied – a proxy for demand – rose by 4.2pc to a six-week high of 8.9mn b/d. Gasoline demand was up by 3.1pc compared with a year earlier.

Regional production of finished motor gasoline declined by 124,000 b/d, or 5.70pc, to 2.05mn b/d.

US diesel inventories declined to a 15-week low of 113.8mn bl, down by 2.7pc from the prior week and 7.2pc higher than a year earlier.

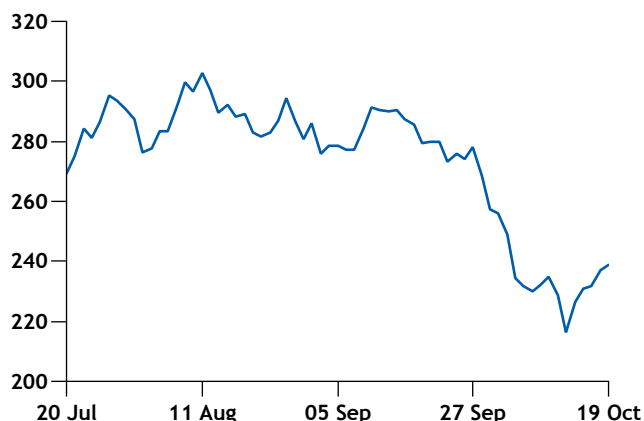
Demand for US diesel increased by 20pc from the prior week to 4.4mn b/d. Demand was 8.5pc higher than a year earlier.

US refiners processed about 15.7mn b/d of crude last week, up by 73,000 b/d from the prior week. US refinery utilization rates were flat on the week at 86pc.

Turnarounds affecting up to 2mn b/d of North American refining capacity are planned for the remainder of this year.

### USGC 87M

¢/USG

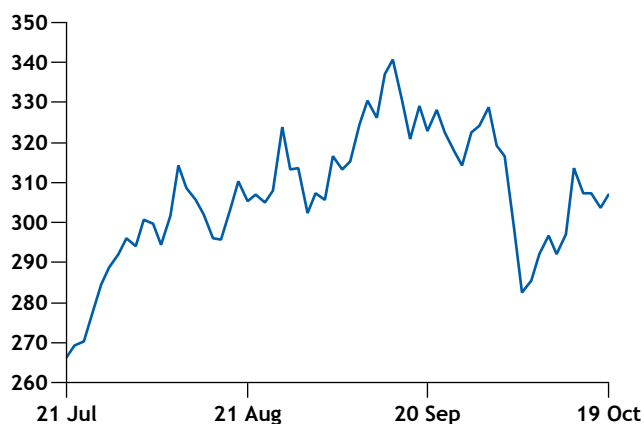


Delivered	Timing/ base	9-13 Oct	16-19 Oct	Change on week
<b>Mexico ¢/USG</b>				
Gasoline 87 conv USGC-east coast		222.799	225.023	+2.224
Jet fuel USGC-east coast		291.994	295.179	+3.185
Diesel ULSD 62 fob USGC-east coast		293.664	300.860	+7.196
<b>Colombia \$/m<sup>3</sup></b>				
Diesel ULSD 62 fob USGC-Barranquilla		812.62	835.49	+22.87
Diesel ULSD 62 fob USGC-Cartagena		812.51	835.46	+22.95
Diesel ULSD 62 fob USGC-Pozos		814.97	837.65	+22.68
Gasoline 87 conv USGC-Barranquilla		622.75	630.75	+8.00
Gasoline 87 conv USGC-Cartagena		622.67	630.73	+8.06
Gasoline 87 conv USGC-Pozos		624.72	632.55	+7.83
Jet fuel USGC-Barranquilla		776.72	785.10	+8.38
<b>Peru \$/m<sup>3</sup></b>				
Diesel ULSD 62 fob USGC-Callao		815.80	830.08	+14.28
Gasoline 87 conv USGC-Callao		658.94	659.36	+0.42
Jet fuel USGC-Callao		806.88	809.32	+2.44
<b>Argentina \$/t</b>				
Diesel ULSD 62 fob USGC-Buenos Aires		940.71	960.02	+19.31
Gasoline 87 conv USGC-Buenos Aires		857.94	861.60	+3.66
<b>Uruguay \$/t</b>				
Diesel ULSD 62 fob USGC-Montevideo		937.47	957.48	+20.01
Gasoline 87 conv USGC-Montevideo		854.42	858.81	+4.39
<b>Brazil</b>				
<b>Diesel \$/t</b>				
ULSD 62 fob USGC-Itaqui		918.45	940.29	+21.84
ULSD 62 fob USGC-Paranagua		937.53	958.72	+21.19
ULSD 62 fob USGC-Santos		934.76	954.49	+19.73
ULSD 62 fob USGC-Suape		925.05	946.18	+21.13
<b>Jet \$/m<sup>3</sup></b>				
USGC-Itaqui		795.74	802.66	+6.92
USGC-Rio de Janeiro		808.36	813.92	+5.56
USGC-Santos		809.29	814.75	+5.46
USGC-Suape		801.88	807.77	+5.89

## REFINED PRODUCTS

## USGC ULSD

¢/USG



The EIA said in a separate report last week that turnarounds across the US are expected to reduce refinery throughputs by 150,000 b/d in the fourth quarter compared to 2022.

US Gulf coast naphtha length was less pronounced in October with ongoing crude distillation unit (CDU) turnarounds facing off with unplanned reformer outages such as the one ongoing in Marathon's Galveston Bay, Texas City refinery.

Domestic naphtha barge demand had been sporadic, with a volatile gasoline complex egging N+A naphtha prices higher early in October, stemming an export flow that emerged in late September. During that period, multiple cargoes of heavy (HVN) and light virgin naphtha (HVN) were exported from the US Gulf coast to destinations in Europe and Latin America.

There were five cargoes labeled as naphtha seen loading out of the Gulf coast between 11-16 October, according to Vortexa. These were seen heading to Belgium and Colombia.

## Ecuadorian tightness

Fuel oil for bunkering remained tight in Ecuador as most of the fuel oil production was diverted to electricity generation due to a drought that has weighed on hydropower output.

One supplier expected supplies next month. The tight Ecuadorian availabilities drove up bunker demand in competing ports in Chile and Peru.

Two tankers with residual fuel oil were headed to Panama. Tanker *Selecao* loaded about 70,500t in Salina Cruz, Mexico, and is arriving on 22 October. Tanker *Ice Victory* loaded about 66,800t in Texas City, Texas, and is arriving on 21 October.

## Export markets

	Timing/ base	9-13 Oct	16-19 Oct	Change on week
<b>US</b>				
<b>Motor fuels ¢/USG</b>				
Gasoline 87 conv Colonial M pipe fob		227.76	231.60	+3.84
Gasoline 87 conv USGC fob		229.51	233.35	+3.84
Gasoline 87 conv USGC waterborne ex-RVO fob		218.35	221.36	+3.01
Gasoline 87 conv Colonial M pipe export cargo USGC fob		224.49	231.16	+6.67
Gasoline 93 conv USGC waterborne fob		258.54	262.35	+3.81
Gasoline export cargo strip		224.94	226.75	+1.81
Diesel ULSD Colonial 62 pipe fob cycle		298.35	307.96	+9.61
Diesel ULSD 62 fob USGC waterborne		300.10	309.71	+9.61
Diesel ULSD 62 fob USGC waterborne ex-RVO		288.93	297.73	+8.80
Diesel ULSD 45 cetane export cargo USGC fob		296.38	302.93	+6.55
Diesel EN 590 export cargo USGC fob		296.98	303.93	+6.95
Diesel S10 export cargo USGC fob		296.73	303.68	+6.95
<b>Jet ¢/USG</b>				
Colonial 54 pipe fob cycle		285.34	289.39	+4.05
USGC waterborne fob		287.09	291.14	+4.05
54 export cargo USGC fob		287.04	289.15	+2.11
<b>Blending ¢/USG</b>				
Naphtha full-range USGC waterborne del		168.84	171.53	+2.69
Naphtha 70 min paraffin USGC		158.75	159.06	+0.31
Naphtha USGC 40 N+A		173.44	176.53	+3.09
MTBE fob USGC		306.13	305.75	-0.38
<b>Fuel oil \$/bbl</b>				
0.5%S 380cst barge USGC fob		88.99	91.83	+2.84
0.5%S 380cst barge NYH dob		90.76	93.24	+2.48
3.5%S 380cst RMG barge USGC fob		75.13	78.12	+2.99
<b>Bunker \$/t</b>				
0.5%S 380cst Panama ex-wharf		618.00	636.13	+18.13
0.5%S 380cst Buenos Aires dob		676.50	688.63	+12.13
0.5%S Santos Petrobras posted dob		673.20	700.25	+27.05
0.5%S 380cst El Callao dob		753.70	761.25	+7.55
0.5%S Guayaquil dob		803.50	796.25	-7.25
0.5%S 180cst Quintero / Valparaiso dob		751.50	746.75	-4.75
3.5%S 380cst Quintero / Valparaiso dob		706.50	706.25	-0.25
<b>Europe \$/t</b>				
French diesel 10ppm north-west Europe		870.70	902.00	+31.30
MTBE Rotterdam fob		1,384.95	1,382.16	-2.79
<b>Asia-Pacific \$/t</b>				
HSFO 380cst		459.10	478.19	+19.09
380cst bunker Singapore		472.80	490.00	+17.20

LPG

Mexico postings fall

Vessel tracking showed approximately 149,000t of LPG shipped out of the US to destinations in Latin America and the Caribbean in the week ended 19 October.

A very large gas carrier (VLGC) of propane arrived in Monteverde, Ecuador, on 14 October. Two VLGCs loaded from Houston bound for Brazil and Honduras. Another 3,700t cargo loaded from Houston for delivery to Honduras, along with a 6,000t cargo shipped to the US Virgin Islands. Cargoes of less than 7,000t each loaded from Louisiana for delivery to Colombia and Costa Rica. A 12,000t and a 6,000t LPG cargo loaded from Houston for delivery to the east coast of Mexico, along with a 9,000t shipment of ethane. A 12,000t cargo of PGP loaded from Houston for delivery to Altamira, Mexico.

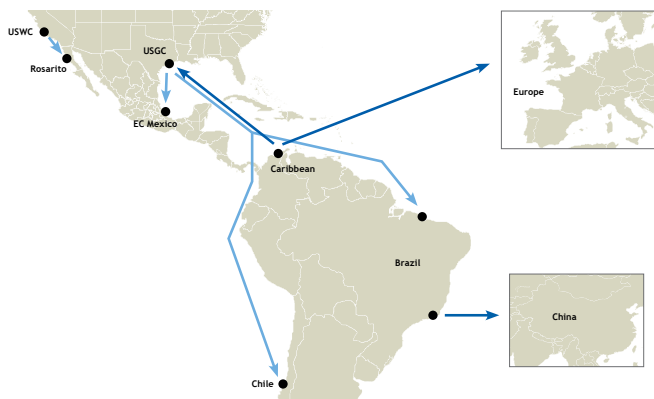
Pemex's posted prices to distributors fell by more than Ps0.1/kg the week of 16-22 October. Posted prices at the Cactus system fell by Ps0.29/kg to Ps10.53389/kg. Prices at Juarez fell by Ps0.17/kg to Ps10.62505/kg. Postings at Pajaritos fell by Ps0.29/kg to Ps10.67786/kg, and prices at Topolobampo fell by Ps0.12/kg to Ps13.99186/kg.

The declines followed weakness at Mont Belvieu, Texas. Mont Belvieu, Texas, prompt-month LST propane fell from 70.4375¢/USG on 13 October to 69.875¢/USG on 19 October.

The US Energy Information Administration (EIA) reported a 806,000 bl build in US propane inventories in the week ended 13 October, leaving US stocks at 102.3mn bl, a seven-year high. Estimated propane exports fell to 1.1mn b/d that same week.

The November AFEI/LST propane arbitrage widened to \$288/t on paper on 19 October, widening notional netbacks with weaker spot VLGC freight at \$180/t on a Houston-Chiba basis.

Freight snapshot (full view in Argus Tanker Freight)



LPG/NGL markets				¢/USG
	Timing/ base	9-13 Oct	16-19 Oct	Change on week
<b>US</b>				
Propane non-LST Mt Belvieu (VWA)	Oct	68.90	70.29	+1.39
Propane fob US Gulf coast cargo		82.63	84.77	+2.14
Butane non-LST Mont Belvieu (VWA)	Oct	78.05	79.69	+1.64
Butane fob US Gulf coast cargo		91.44	93.77	+2.33
Natural gasoline Mont Belvieu (VWA)	Oct	155.13	156.30	+1.17
Ethane non-LST Mt Belvieu (VWA)	Oct	28.11	27.54	-0.57
Propane non-LST Mt Belvieu (midpoint)	Oct	68.79	70.00	+1.21
Butane non-LST Mont Belvieu (midpoint)	Oct	78.28	79.98	+1.70
Ethane non-LST Mt Belvieu (midpoint)	Oct	28.10	27.47	-0.63
Natural gasoline non-LST Mt Belvieu (midpoint)	Oct	155.10	156.13	+1.03
<b>Brazil</b>				
Propane Santos del		114.94	112.32	-2.62
Propane-butane mix 90:10 Santos del		116.14	113.47	-2.67
Propane-butane mix 70:30 Santos del		118.65	115.88	-2.77
Propane-butane mix 50:50 Santos del		121.29	118.42	-2.87
Propane Suape del		114.31	111.59	-2.72
Propane-butane mix 90:10 Suape del		115.50	112.73	-2.77
Propane-butane mix 70:30 Suape del		117.99	115.12	-2.87
Propane-butane mix 50:50 Suape del		120.61	117.63	-2.98
<b>Mexico</b>				
Propane USGC del east coast Mexico		82.64	84.79	+2.15

Dirty tanker routes	Size '000t	Rate \$/t
Caribbean-USGC	70	26.64
Caribbean-Europe	150	20.67
Brazil-China	260	27.65

Clean tanker routes	Size '000t	Rate \$/t
USGC-EC Mexico	38	13.23
USGC-N Brazil	38	38.19
USGC-Chile	38	57.90
USWC-Rosarito	38	19.74

The full range of tanker freight rates, including Jones Act assessments is available in Argus Tanker Freight.

## BIOFUELS

### Ethanol values climb

Spot ethanol prices strengthened following a bullish weekly report from the US Energy Information Administration (EIA).

Domestic ethanol inventories declined by 414,000 bl to 21.1mn bl, marking the lowest level since December 2021. US ethanol production climbed by 31,000 b/d to 1.04mn b/d.

Front-month CBOT futures also increased by 15¢/bushel on 16 October to 497.5¢/bushel on 19 October due to strength in the wheat and soy markets that were buoyed by dry weather conditions in South America, as well as rising geopolitical tensions.

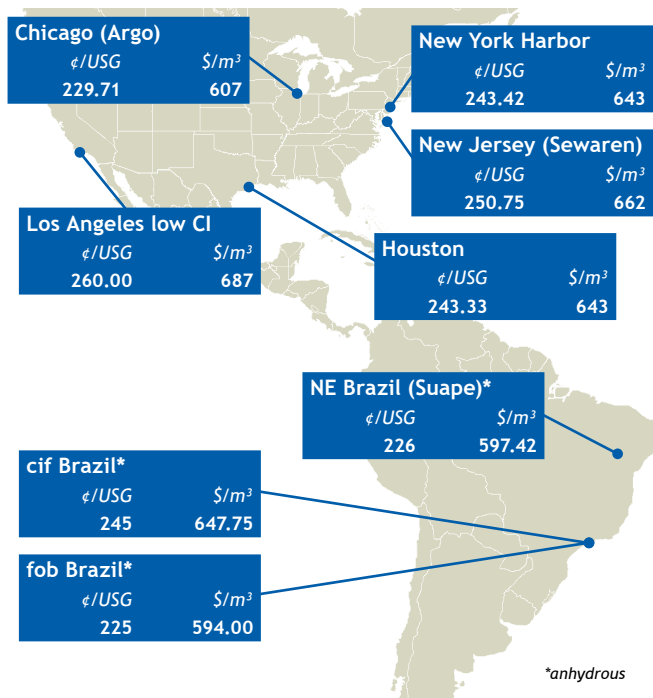
Chicago Rule 11 railcars climbed higher by 6.75¢/USG to 223.5¢/USG, while prompt in-tank transfers at Kinder Morgan's Argo terminal grew by 8.6¢/USG to 236.5¢/USG.

Front-month barges at New York Harbor swelled by 14.2¢/USG to 252.75¢/USG.

Brazilian ethanol values lacked a coherent trend this week as active demand encouraged domestic sellers to increase their offers, while import quotes reflected a steep backwardation in the US.

In Sao Paulo, trading activity remained liquid in the hydrous spot market, with buoyant demand at the retail end triggering fresh purchases from distributors. As a result, the Argus hydrous price assessment rose by R51/m<sup>3</sup> to R2,723/m<sup>3</sup> ex-mill inc-tax, based on the period's volume-weighted average (VWA).

### Americas ethanol prices



Biofuels	9-13 Oct	16-19 Oct	Change on week
<b>Argentina</b>			
Biodiesel SME fob upriver \$/t	1,103.08	1,104.20	+1.12
Biofuels soybean oil vs CBOT waterborne fob San Lorenzo ¢/lb	-13.42	-13.39	+0.03
<b>Brazil</b>			
Biodiesel Araucaria prompt weighted average BRL/m <sup>3</sup>	4,190.00	4,301.75	+111.75
Biofuels beef tallow truck del Sao Paulo 12% ICMS BRL/t	4,950.00	5,200.00	+250.00
Ethanol fob anhydrous \$/t	591.63	594.00	+2.37
Ethanol fob anhydrous BRL/m <sup>3</sup>	3,013.87	3,000.61	-13.26
Ethanol cif anhydrous \$/m <sup>3</sup>	696.25	647.75	-48.50
Ethanol cif anhydrous BRL/m <sup>3</sup>	3,546.95	3,272.54	-274.41
Soybean oil fob Paranagua \$/t	906.50	895.50	-11.00

Domestic anhydrous export quotes increased by \$1/m<sup>3</sup> to \$582-608/m<sup>3</sup> on a fob Santos basis, as Brazil's real recovered some ground against the dollar.

Prices for imported anhydrous from the US Gulf Coast retreated by \$18/m<sup>3</sup> to \$645-657/m<sup>3</sup> cif Brazil as the front month in Chicago switched to much lower November contracts, ahead of a seasonal lull in US ethanol demand and consequently lower values.

The Argus Renewable Volume Obligation (RVO) rose from 11.97¢/USG on 16 October to 12.23¢/USG on 19 October, while peaking at 12.42¢/USG on 18 October.

Ethanol D6 RIN credits from 2023 rose by 2¢/RIN to 91¢/RIN. 2024 vintage credits closed at 89¢/RIN on 19 October.

2023 biomass-based diesel D4 credits strengthened from 89.25¢/RIN to 91.125¢/RIN. D4 credits with 2024 vintage closed at 90.5¢/RIN.

Current-year advanced biofuel D5 RIN credits closed the week at a 1¢/RIN discount to D4 credits at 90.125¢/RIN.

Values for cellulosic biofuel D3 credits with 2023 vintage rose by 6¢/RIN as they moved from 339¢/RIN on 16 October to 345¢/RIN on 19 October. D3 RINs from 2024 closed at 293.5¢/RIN.

In Argentina, discounts for soybean oil lots narrowed throughout this week, reflecting robust demand. For November timing, values settled at a 13.25¢/lb discount to CBOT -13.25¢/lb, up by 0.65¢/lb, with around 2,000t exchanging hands at this level.

A public holiday at the beginning of the week decreased liquidity in the market and seller interest was absent for the deferred months.

Underlying benchmark values plummeted 2.24¢/lb between 17-19 October to 53,11¢/lb for December contracts, tracking mainly crude palm oil quotes.

## NEWS

### Venezuela sanctions waiver could lift oil output

Washington's decision this week to lift sanctions targeting Venezuela's oil and gas sector for six months should help boost the country's oil production, but the short-term upside will be limited.

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### Chinese refiners in no rush for Venezuelan crude

The US decision to temporarily lift sanctions on Venezuelan oil looks likely to spark rising competition and higher prices for the country's exports. But ample substitutes and weaker downstream demand are discouraging Chinese independent refineries from any rush to secure supplies.

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### Chevron eyes Venezuela drilling campaign in 2024

Chevron plans to start a drilling campaign in Venezuela in March at Petroindependencia, one of its four joint ventures with state-owned PdV, in the wake of lifted US sanctions.

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### Brazil removes pre-salt block ahead of auction

Brazil's oil regulator ANP has cut the number of exploration blocks in the lucrative pre-salt fields to be auctioned in December to five from six announced in August.

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### Petroecuador extends Amistad gas field tender

Petroecuador has extended for the third time the deadline to present offers for a tender to increase the output of the Amistad offshore natural gas field.

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### Firms interested in Guyana's crude auction

ExxonMobil, US independent Hess and Chinese state-owned CNOOC – which are in a consortium producing crude in Guyana – are among 25 bidders to market the country's share from the deepwater Stabroek block.

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### Petrobras raises diesel, lowers gasoline prices

Brazil's state-controlled Petrobras lifted wholesale diesel prices by 6.5pc and decreased gasoline prices by 4pc, effective 21 October.

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### Brazil's gasoline premium to ethanol increases

The average gap between the price of gasoline and anhydrous ethanol at the Paulinia terminal, in Brazil's Sao Paulo state, reached a 12-month high for September and October, the result of a biofuel glut in the center-south region.

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### Mexico's gasoline prices could rise in Nov-Dec

Mexico's retail gasoline prices are expected to increase in the last two months of the year, mirroring trends in the US market with limited supplies as a result of planned turn-arounds.

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### Mexico's jet fuel demand up in August

Demand for jet fuel at Mexico's airports rose by 3pc in August from a year earlier on increased summer travel and new domestic routes.

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### Mexico's LPG price caps tick up for 2nd week

Mexico's average LPG retail price cap rose for a second consecutive week, tracking a hike in delivered US fob propane prices following a drop in US propane inventories.

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### Brazil pushes ethanol as bunker fuel alternative

Brazil is championing ethanol as a low-carbon maritime fuel as shipowners seek viable solutions to reduce greenhouse gas emissions (GHG) from their operations.

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### Stellantis eyes ethanol-hybrid cars in Brazil

European automaker Stellantis aims to start producing its first flex-hybrid vehicles powered by ethanol and electricity in Brazil by 2024, as it battles to control the electric vehicle (EV) market in the southern hemisphere's largest economy.

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### Mexico's energy permit speed key for nearshoring

Mexico's energy regulatory commission (CRE) must accelerate permitting processes if the country wants to attract nearshoring investment, Mexican energy business council Comener said.

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## ENERGY TRANSITION

## Investors hold their breath amid elections

Private-sector investors are keeping an eye on how recent and upcoming elections in Latin America unfold amid uncertainty in policies aimed at supporting more clean energy.

In Argentina's upcoming presidential election on 22 October, energy policies factor high.

The three major candidates, who appear to be in a tight race based on eight final polls, offer vastly different visions for the country, but energy is a cornerstone of their plans to revamp the country's struggling economy.

The economy is forecast to contract by 2.5pc this year and inflation annualized through September was 138pc. The peso has lost 44pc of its value since August.

Plans run from selling public companies to vastly increasing their scope. At the center are the 308 trillion cf of gas and 16bn bl of oil in the unconventional Vaca Muerta play, the world's second-largest amount of lithium resources, and important reserves of copper and other critical minerals necessary for the energy transition.

The front-runner in most polls is congressman Javier Milei, who averages 33.2pc in the final polls. On the far right, Milei pledges to sell the 51pc stake in the state-run oil company, YPF, privatize the state-owned power company, Enarsa, and leave renewable energy, hydrogen and LNG projects to the private sector.

In second place in most polls is Sergio Massa, the current finance minister who also runs energy policy. Massa, averaging 29pc in the polls, is banking on energy to make the runoff. Under his watch, the state inaugurated its first major gas pipeline in years, with the \$2bn project ramping up monetization of Vaca Muerta's reserves.

The third-place candidate, former security minister Patricia Bullrich, is promising to involve the private sector in energy to boost the economy, but noncommittal on the future of YPF and Enarsa. Bullrich averaged 25.5pc in the final eight polls.

Argentina's non-conventional (NCRE) renewable capacity stands at 5.4GW.

## Blast of fresh air

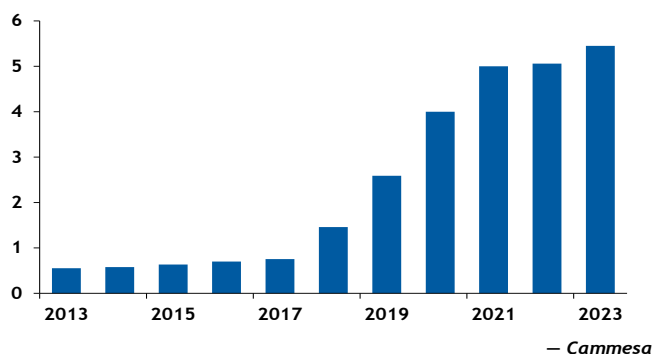
Ecuador's elected president, Daniel Noboa, seems to have provided a blast of fresh air to investor, who hope his legislature can help accelerate spending in renewable energy.

Noboa won the 15 October presidential elections with 52pc of the votes.

Around 84pc of the electricity produced in Ecuador came from hydropower in 2022, while just 2pc came from non-

## Argentina's NCRE capacity

GW



conventional renewable plants with the rest produced by fossil fuel plants.

Despite its large share of clean electricity, the country aims to diversify its matrix not only to reduce emissions but also to avoid higher fossil fuel-fired electricity reliance in times of drought.

In addition, power-intensive industries are looking to switch to cleaner electricity.

The sugar cane industry has installed 110MW of biomass-fired capacity since 2019, according to data from the ministry of energy. All five sugar mills in the country consume electricity produced by biomass plants that burn sugar cane bagasse, president of the national federation of sugar producers Laura Zurita said. Three of them sell 70pc of the electricity produced to the national grid.

Producers of materials needed for the energy transition also feel bullish with the election of the new president.

The president of Ecuador's mining chamber Carolina Orozco said that three Canadian companies – Curimining, Dundee and Atico – were ready to invest \$1.1bn in three copper projects for a while, but they had not done that because of policy instability and the judicial obstacles.

Copper is essential to all energy transition plans as expanding electrification requires wires.

Ecuador also exports balsa wood, which is used in wind turbine blades. Ecuadorean wood exports reached about \$650mn in 2022, about 30pc of which were of balsa, said Christian Riofrio, chief executive of the domestic wood industries association AIMA. Producers are hoping the new presidency could help boost exports and solidify Ecuador's position as the world's main balsa wood supplier.

By Alberto Araujo

## ENERGY TRANSITION

## Paraguay adopts carbon credit bill

Paraguay has approved carbon credit legislation that outlines the framework for the creation of the market, includes incentives for the transfer of credits and requirements for eligible projects.

The introduction to the carbon credit law, which was approved by congress in September and published in the official gazette on 13 October, states that it is “a formal accounting mechanism for carbon credits ... for public and private projects to mitigate greenhouse gas emissions.”

The bylaws for the legislation’s implementation are required within 180 days of its publication.

The environment ministry will manage the newly created registry of carbon credits and regulate and manage carbon credits. It will also provide to the government an annual report on the progress made to comply with its nationally determined contribution (NDC) under the Paris climate agreement.

Paraguay has pledged to reduce emissions by 10pc by 2030 under a business-as-usual scenario. A more ambitious goal, which the new carbon credit law could facilitate, is a 20pc reduction by 2030.

Projects eligible to generate carbon credits include those in the forestry, waste, energy, transport and other sectors that the ministry will consider eligible on a case-by-case basis.

Among the requirements stipulated in the law, article 10 states that a minimum of 3pc and maximum of 10pc of carbon credits offered by a project must be retained by the country to guarantee that it meets its NDC target and to facilitate knowledge and technology transfer. The ministry will determine the amount.

Transfer of carbon credits are exempt from the 15pc value-added tax. The legislation specifies a fee of approximately \$7,000 to join the carbon credit registry. This is waived if the project is on indigenous lands. The law also states that a minimum of 50pc of the workforce on a project using carbon credits must be Paraguayan.

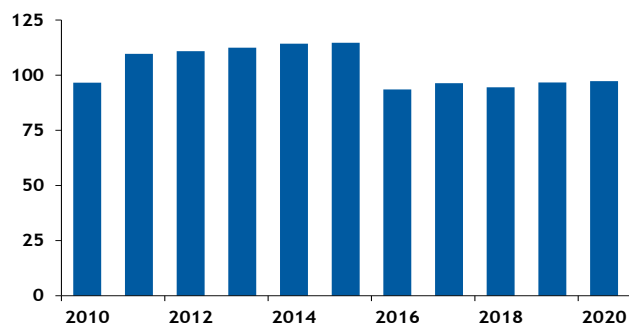
The government is hoping to take advantage of the country’s natural resources for carbon credits.

“We can have a double impact, conserve and sustainably manage our resources and generate income,” said Rolando de Barros, environment and sustainable development ministry, when announcing publication of the law.

Paraguay’s total greenhouse gas (GHG) emissions were

## Paraguay’s GHG emissions

mn t CO<sub>2e</sub>



– ClimateWatch

97.29mn t CO<sub>2e</sub> in 2020, representing a 0.2pc share of global GHG emissions. Land-use change and forestry and agriculture accounted for 81pc of Paraguay’s emissions. Land-use change is primarily because of agri-business, with Paraguay now the world’s sixth-largest soybean producer.

The country has 16mn hectares of forests and one of the world’s cleanest power grids. All of Paraguay’s electricity comes from hydroelectric plants.

## Renewable H2 on the horizon

The country has a few projects in the pipeline, including large-scale forestry/paper and green hydrogen projects.

The government is currently working on a national green hydrogen strategy with help from the InterAmerican Development Bank.

Among the projects is Paracel, a \$4bn investment that would be the largest in Paraguay’s history. It includes forestation for pulp production, as well as a 220MW power plant – the first private power plant in Paraguay – and road and riverine transportation.

The plan is to plant 162mn trees over 185,000 hectares (ha). It had nearly 35,600 ha planted as of September.

UK-based Atome is working on a 420MW green hydrogen project to produce 360,000 t/yr of green ammonia.

Paraguay joins a growing list of countries [in the region with different carbon policies](#).

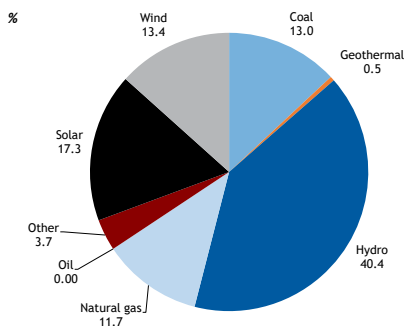
Argentina, Chile and Colombia have carbon taxes. Most recently, Brazil’s senate [cleared legislation](#) aimed at creating a regulated carbon market.

By Lucien Chauvin

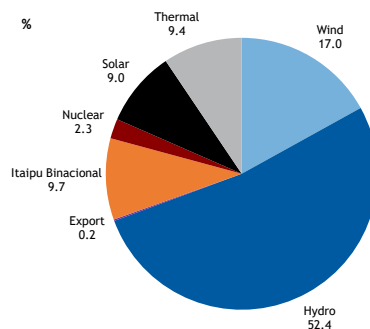
ENERGY TRANSITION

POWER GENERATION MIX

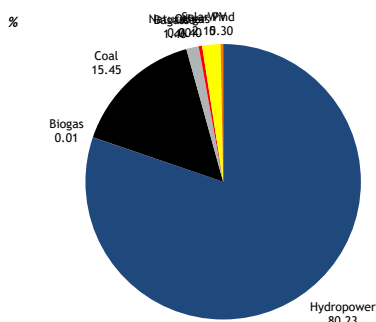
Chile, Sep 23



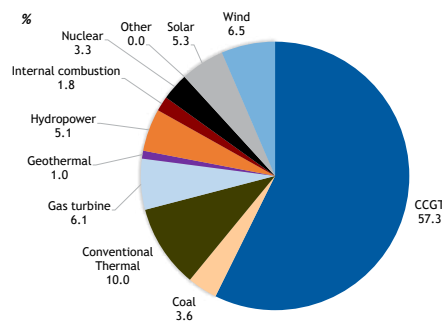
Brazil, Sep 23



Colombia, Sep 23



Mexico, Jul 23



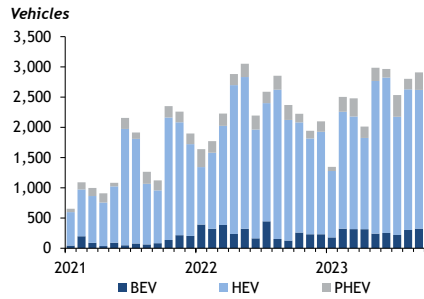
PROJECT WATCH: GREEN HYDROGEN

Green hydrogen projects							
Country	Company	Project name	Technology	Capacity MW	Production t/yr	Commissioning date	Status
Brazil	Energx Energy	Port of Pecem Base One	Electrolysis		600,000	2025	Feasibility study
Brazil	Fortescue Future Industries	Porto do Acu Fortescue Ammonia Project	Electrolysis	300	250,000		Feasibility study
Brazil	White Martins/Linde		Electrolysis		156	2022	Operational
Brazil	EDP	Pilot	Electrolysis	3	200	2022	Operational
Brazil	Unigel	Phase 1	Electrolysis	60	10,000	2023	Construction
Brazil	Casa dos Ventos/Comerc Eficiencia	Hydrogen and amonia project	Electrolysis	2,400	1,000	2026	Construction
Chile	Enel Power Green	Cerro Pabellón Microgrid 450 kWh Hydrogen ESS	Electrolysis	1		2017	Operational
Chile	Engie/Walmart	Walmart Quilicura forklifts	PEM	0.60	56	2023	Operational
Chile	HIF	Haru Oni (Pilot)	PEM	1.20		2022	Operational
Chile	Walmart	Gruas Horquilla FC	Electrolysis	0.60		2023	Construction
Chile	Centro Nacional de Pilotraje	Minera San Pedro	Electrolysis			2023	Construction
Colombia	Ecopetrol	Cartagena	PEM	60	9,000	2026	Feasibility study
Colombia	Ecopetrol	Barrancabermeja	PEM	60	9,000	2026	Feasibility study
Paraguay	Atome	Yguazu/Itaiou	Alkaline/ Pem	300	49,000		Planned
Paraguay	Atome	Villeta	Alkaline	120	19,600		Planned

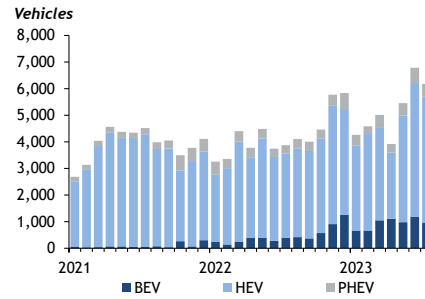
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**ELECTRIC VEHICLE SALES**

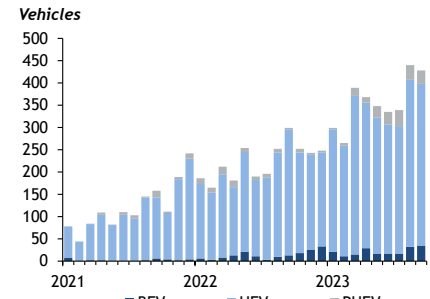
**Colombia**



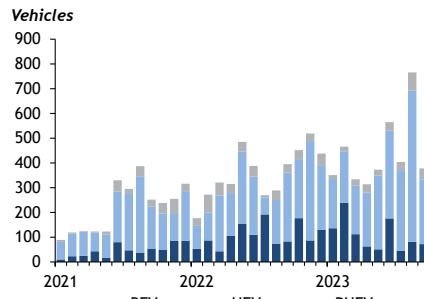
**Mexico**



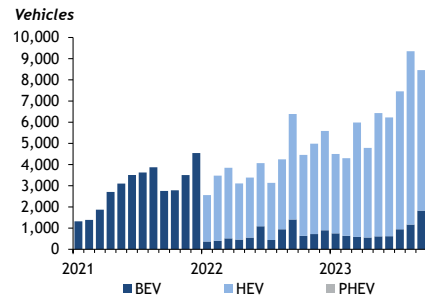
**Peru**



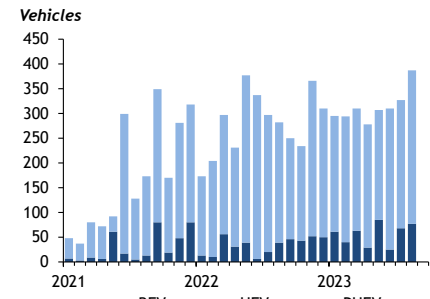
**Chile**



**Brazil**



**Ecuador**



**ENERGY TRANSITION NEWS**

**Brazil to play pivotal energy transition role: IEA**

Brazil is ready to play a crucial role in shaping global energy transitions, especially in the realms of natural gas and clean energy, the International Energy Agency's (IEA) chief energy economist Tim Gould said.

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**Brazil's Embraer tests 100pc SAF in business jets**

Brazilian aircraft manufacturer Embraer successfully tested 100pc sustainable aviation fuel (SAF) in its Phenom 300E and Praetor 600 executive jets, it said, taking the company closer to developing low-emissions aircraft.

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**Brazil power-sector emissions plunge in 2022**

Brazil's greenhouse gas emissions from power generation fell by 65pc in 2022 after ample rains increased hydroelectric generation, allowing grid operator ONS to slash thermo-electric output.

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**Colombia halts electricity exports to Ecuador**

Colombia suspended electricity exports to Ecuador as of 14 October as the ongoing El Nino weather phenomenon means it must prioritize domestic demand, its energy ministry said.

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**Guyana reissues call for 165MW hydro project**

Guyana has reissued a call for proposals for the construction and operation of a 165MW hydro power plant that it says is central to plans for developing renewable power capacity.

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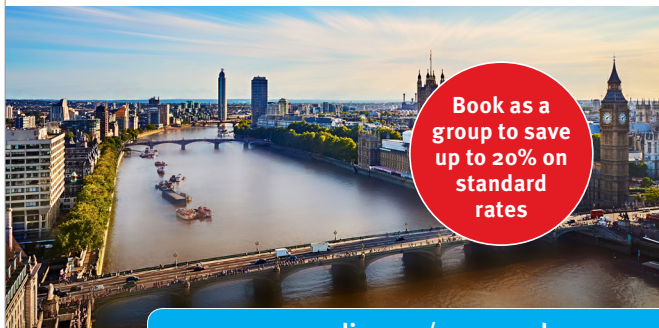
**VCM 'must align with Paris climate deal'**

The voluntary carbon market (VCM) should align with the Paris climate agreement as quickly as possible to ensure that certificates issued in the VCM continue to be accepted, according to an adviser to Germany's ministry of economic affairs and climate action.

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