

## Argus provides price visibility to the entire diesel supply chain in Brazil



Brazil is one of the world's largest consumers of diesel and although imports have risen steadily, price transparency has been limited as most of these volumes have typically been imported by Petrobras. The end of a diesel subsidy program and the state-controlled oil firm's announcement it would keep domestic prices in line with the international market have paved the way for third parties to also start importing the fuel in Brazil.

Argus, with its commitment to provide transparency and market intelligence to the global commodities and energy industry, has developed a string of price assessments for diesel in Brazil. Higher spot market involvement by third parties and rising diesel import activity in response to expected arbitrage opportunities have increased the need for market intelligence. As with all Argus prices, transactions by producers, distributors and trading firms form the core of these assessments.

Different market participants need different types of information, depending on where they are positioned along the supply chain. Argus provides price visibility from the main origin of diesel cargoes overseas (US Gulf Coast) to the value of imported product along Brazil's coast and the price of customs-cleared molecules traded in the country's main domestic hubs. Argus also offers clean fuel freight rates for the US Gulf Coast – Brazil North and South routes, along with import parity prices for diesel delivered in the country.

### Main diesel price references

**Argus ULSD 62 Colonial, fob USGC waterborne, and fob waterborne ex-RVO** – the main references for ultra low-sulphur diesel cargoes exported out of the US Gulf Coast.

- **Argus ULSD 62 Colonial:** the price of ULSD traded in the Houston area, the most liquid domestic market, for shipping along the Colonial pipeline from the Gulf coast to the New York Harbor area.

- **Argus ULSD 62 fob USGC waterborn:** the price of ULSD traded in the Houston area plus the cost of moving it to a vessel.
- **Argus ULSD 62 fob USGC waterborne ex-RVO:** the price of waterborne ULSD minus the price of the Renewable Volume Obligation (RVO), which only applies to domestic volumes.

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**Argus freight clean USGC – Brazil South and Brazil North** – maritime transport costs between the US Gulf Coast region and Brazilian ports based on charters and other shipping market activity.

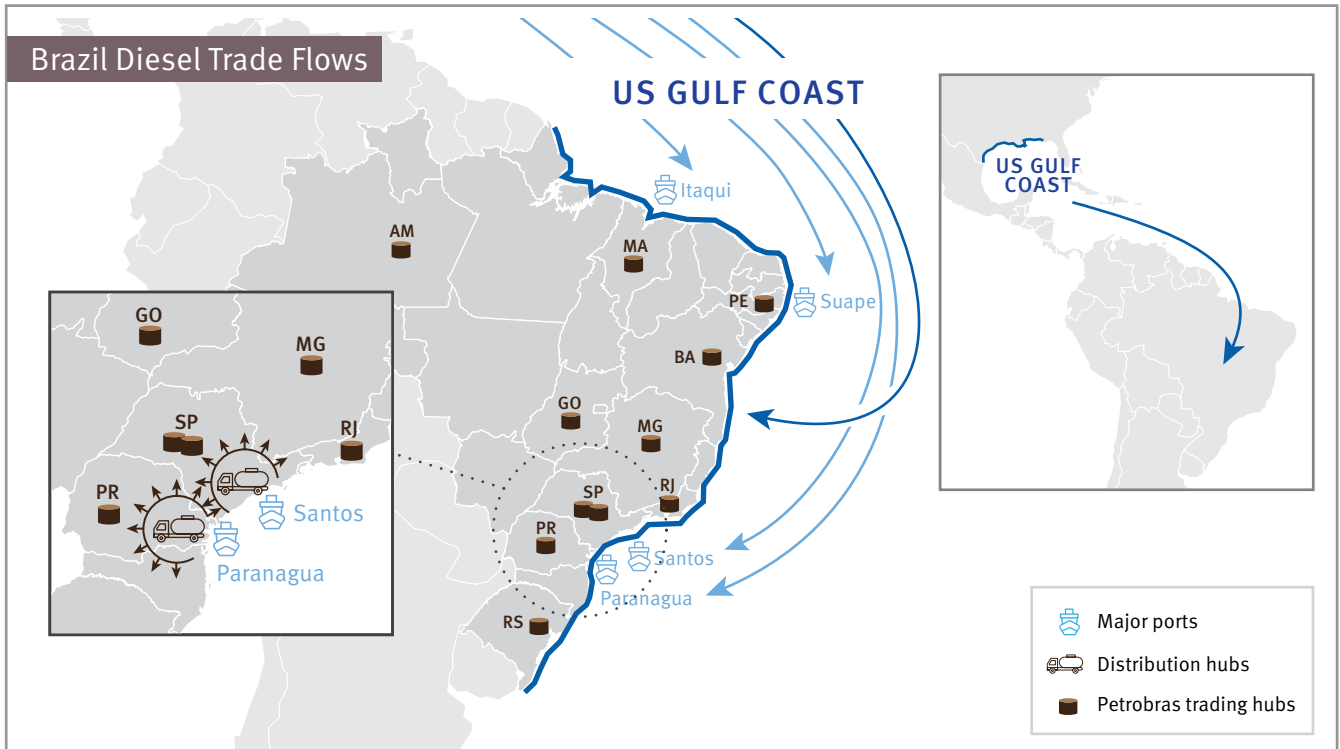
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**Argus diesel DAP Brazil** – the spot market price for 10 ppm diesel cargoes delivered to Brazil's ports based on trade and other market activity, available first from Argus.

**Argus diesel FCA Santos and FCA Paranagua** – spot market prices for Brazil's wholesale imported, custom-cleared diesel traded in Brazil's most active distribution hubs for domestic consumption. The prices, based on trade and other market activity, also available first from Argus.

**Argus diesel ULSD 62 fob USGC delivered Suape, Itaquí, Santos and Paranagua** – a series of independent import parity prices based on USGC fob ex-RVO costs, freight, demurrage, port waiting time, losses, insurance and maritime tax for each one of the country's most relevant ports.

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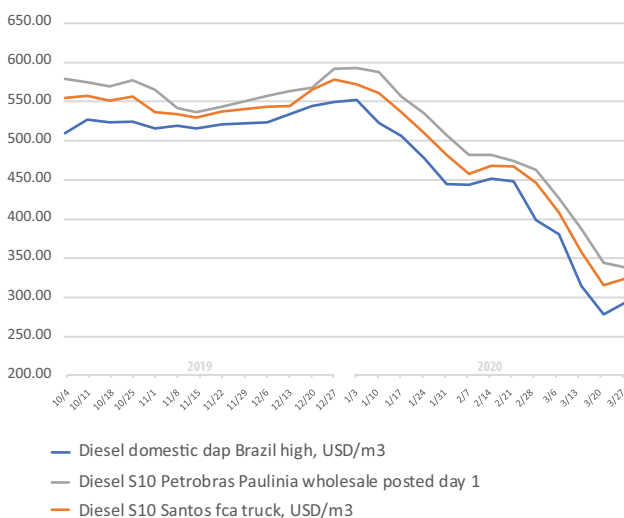
Argus also publishes Petrobras ex-refinery prices for all of the company’s trading hubs, along with market commentary, analysis, news and related government data.

The price of imported diesel delivered at Brazilian ports provides a crucial signal of arbitrage opportunities into this giant market. That, combined with the value at which these molecules are being sold at in the domestic market after being

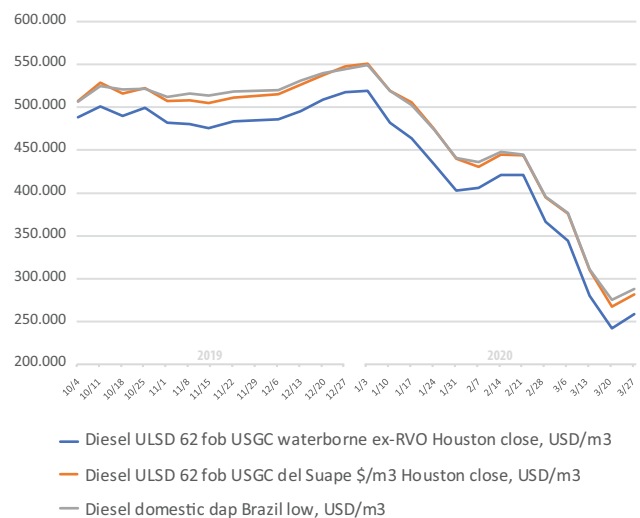
custom-cleared, offers even greater visibility into the country’s appetite for the fuel, helping exporters, importers and fuel distributors develop their trading strategies.

This information is available in our daily service **Argus Brazil Motor Fuels** and add to the wide coverage that Argus offers about the Brazilian motor fuels market.

**Brazil DAP diesel (high of the range) x FCA Santos x Petrobras Paulinia**



**ULSD 62 fob waterborne ex-RVO x Diesel ULSD 62 fob del Suape**



For more information on how to access these and other relevant prices of clean fuels in Brazil, please contact us at [brasil@argusmedia.com](mailto:brasil@argusmedia.com).