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EDITOR'S WORD

EU member states could and should ban imports of diesel and other products refined from Russian crude in third countries, EU officials said, but such a move is unlikely to form part of any EU-wide sanctions. The bloc's rules only ban imports of products refined in Russia.

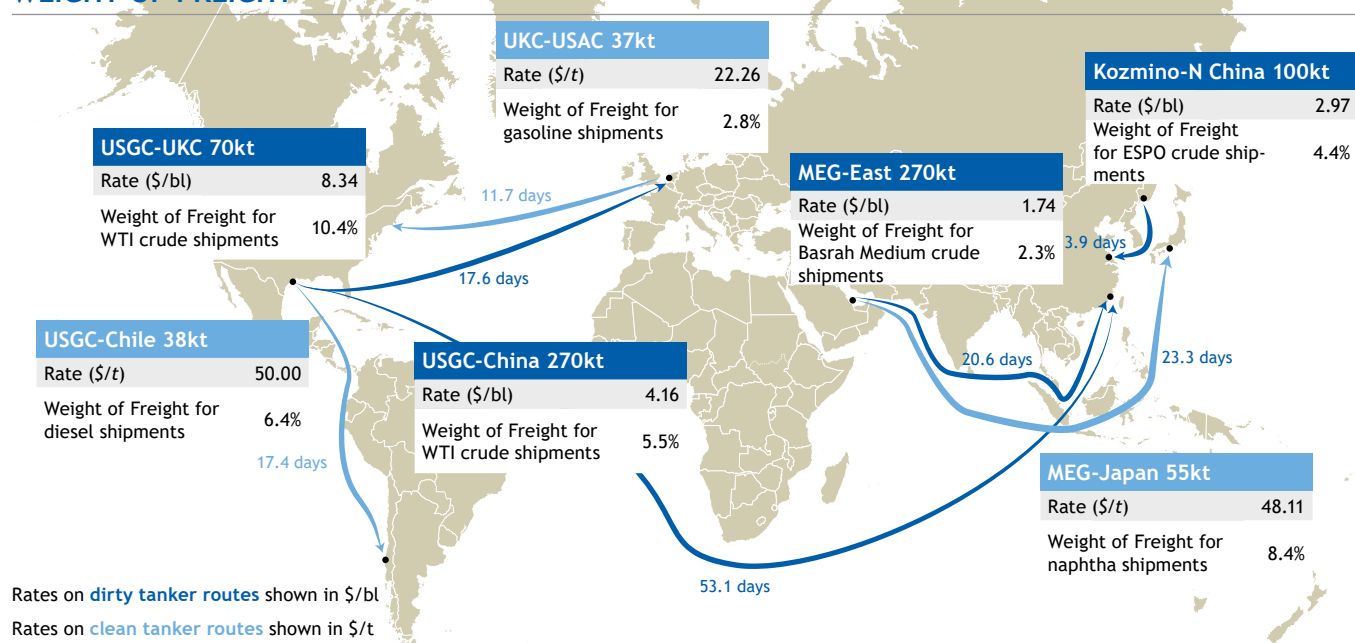
HEADLINES

- Opec sec gen invites Ecuador to rejoin producer group
- IEA hikes global oil demand growth on China rebound
- India removes windfall tax on domestic crude production

KEY PRICES

Tanker rates					
Route	Size '000t	Rate	±	\$/t	TCE (non-scrubber) \$/day
Very large crude carriers (VLCCs)					
Mideast Gulf-East	270	47.00	+3.50	12.38	25,934
West Africa-China	260	53.00	+2.00	21.29	32,702
USGC-China	270	8,750,000	nc	32.41	37,516
Suezmax					
Mideast Gulf-China	130	-	-	31.80	50,078
West Africa-India	130	4,975,000	+650,000	38.27	-
Aframax					
Kozmino-N China	100	2,200,000	nc	22.00	128,151
Primorsk-UKC	100	182.50	+2.50	15.40	-
USGC-UKC	70	280.00	nc	65.04	78,468
Long range (LR) tankers					
Mideast Gulf-Japan	75	150.00	nc	41.24	34,729
Mideast Gulf-S Korea	55	180.00	nc	45.92	-
USGC-N Brazil	60	-	-	22.63	-
Medium range (MR) tankers					
UKC-USAC	37	125.00	nc	22.26	9,339
USGC-Pozos	38	525,000	nc	13.82	8,148
USGC-Chile	38	1,900,000	-25,000	50.00	9,658
South Korea-Singapore	35	900,000	-10,000	25.71	32,502

WEIGHT OF FREIGHT



Rates on **dirty tanker routes** shown in \$/bl

Rates on **clean tanker routes** shown in \$/t

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

DIRTY TANKERS - EUROPE, MIDDLE EAST AND AFRICA

EMEA VLCC rates continue to rally

VLCC rates continued rising in the Mideast Gulf and west Africa on Tuesday. Suezmax and Aframax rates rose in Europe on the day, but were flat in the Mideast Gulf.

EMEA VLCC rates tick up again

Chartering activity slowed in the Mideast Gulf on Tuesday, but rates continued to tick up as an active Atlantic market drove owners' sentiment.

The 270,000t Mideast Gulf to east Asia rate rose WS3.5 to WS47, and Vietnam's NSRP put the Princess Vanya on subjects from Mina Al Ahmadi to Vietnam at WS45 loading from 1-2 June. Typically, voyages to destinations other than China are at different levels to the Mideast Gulf to east Asia because of different voyage lengths.

The 270,000t Mideast Gulf to west coast India rate rose WS2.5 to WS57.5. Indian state-run refiner BPCL was seeking a vessel to load 260,000t at Ras Tanura from 1 June and discharge at Kochi and Mumbai on India's west coast.

The 260,000t west Africa to east Asia rate rose WS2 to WS53. Trading firm Coral Energy put the Dijilah on subjects from Girassol, Angola to east Asia at that level and \$55,000/d demurrage loading from 4-5 June. TotalEnergies' shipping arm CSSSA put the Maran Aries on subjects from west Africa to the UK Continent at WS60 loading from 11-13 June.

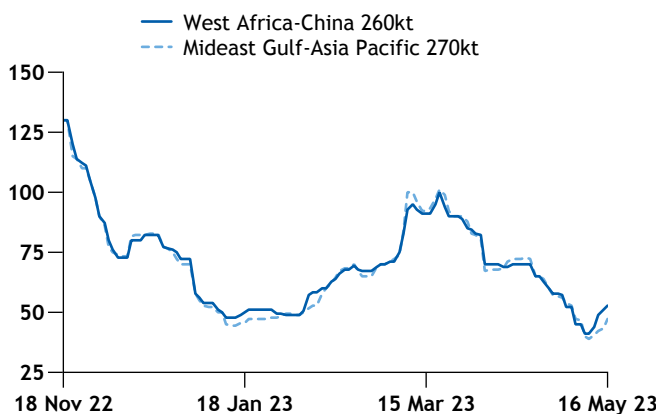
Mideast Gulf Suezmax, Aframax rates flat

Suezmax and Aframax rates for the east of Suez routes held on relatively unchanged fundamentals.

Freight rates for Suezmax shipments from the Mideast Gulf to east Asia and to the west coast of India held at WS115 and WS117.5, respectively. Offer levels from shipowners remained relatively firm following active chartering activities towards the west of Suez. Trader Newton remained in the market for its 130,000t shipment via ship-to-ship transfer from Khor Al Zubair, Iraq to east Asia, loading from 20 May.

VLCC rates

WS



Dirty tanker rates - Europe, Middle East, Africa

Route	Size '000t	Rate	±	\$/t
Middle East				
Mideast Gulf-UKC/Med	280	36.50	+1.00	12.06
Mideast Gulf-USGC	280	34.00	+1.50	14.46
Mideast Gulf-USWC	280	38.50	+1.00	17.73
Mideast Gulf-East	270	47.00	+3.50	12.38
Mideast Gulf-Singapore	270	48.00	+3.50	8.34
Mideast Gulf-west coast India	270	57.50	+2.50	5.11
Mideast Gulf-Med	140	72.50	+2.50	15.04
Mideast Gulf-China	130	-	-	31.80
Mideast Gulf-east Asia	130	115.00	nc	-
Mideast Gulf-Singapore	130	-	-	19.86
Mideast Gulf-west coast India	130	117.50	nc	9.92
Mideast Gulf-east Asia, fuel oil	80	175.00	nc	29.56
Mideast Gulf-west coast India	80	180.00	nc	16.07
Red Sea-China	80	185.00	nc	53.06
Northern Europe				
North Sea-northeast Asia*	270	7,875,000	+725,000	29.17
Baltic-Med	100	172.50	+2.50	36.28
Baltic-UKC	100	162.50	+2.50	17.97
Cross UKC	80	152.50	+2.50	11.16
UKC-Med	80	140.00	+7.50	23.84
UKC-US Atlantic coast	80	110.00	+2.50	19.61
UKC-USGC fuel oil	55	190.00	nc	44.82
Baltic-Med fuel oil	30	-	-	-
Baltic-UKC fuel oil	30	-	-	-
Black Sea and Mediterranean				
Novorossiysk-Med	140	-	-	-
Black Sea-east Asia*	135	6,750,000	+50,000	50.00
Black Sea-Med	135	130.00	nc	14.60
Black Sea-Singapore*	135	6,150,000	+50,000	45.56
Black Sea-west coast India*	135	5,750,000	+50,000	42.59
Cross Med	135	125.00	nc	9.24
Med/Black Sea-east Asia*	135	6,250,000	+75,000	46.30
Med-east Asia*	135	5,750,000	+100,000	42.59
Med-Singapore*	135	5,150,000	+100,000	38.15
Med-USGC	135	80.00	nc	20.00
Black Sea-Med	80	207.50	nc	23.30
Black Sea-UKC	80	202.50	nc	37.95
Cross Med	80	182.50	+2.50	15.40
Med-UKC	80	152.50	+2.50	22.11
Med-USGC	80	120.00	+2.50	30.77
Med-USGC fuel oil	55	190.00	nc	50.27
Black Sea -Med fuel oil	30	-	-	-
Cross Med fuel oil	30	230.00	nc	18.24
West Africa				
West Africa-China	260	53.00	+2.00	21.29
West Africa-east coast India*	260	4,800,000	+300,000	18.46
West Africa-Singapore	260	54.00	+2.00	17.15
West Africa-USGC	260	60.00	+2.00	14.82
West Africa-west coast India*	260	4,500,000	+300,000	17.31
West Africa-east coast India*	130	5,050,000	+650,000	38.85
West Africa-India*	130	4,975,000	+650,000	38.27
West Africa-UKC/Med	130	120.00	nc	23.24
West Africa-USGC	130	115.00	nc	28.41
West Africa-west coast India*	130	4,900,000	+650,000	37.69
Delays				
Turkish Straits NB		2.0	nc	-
Turkish Straits SB		2.0	nc	-

* \$ lumpsum

DIRTY TANKERS - EUROPE, MIDDLE EAST AND AFRICA

Freight rates for Aframax shipments from the Mideast Gulf to east Asia and to the west coast of India held at W175 and WS180, respectively. But rates could rise in the short-term on the back of a spike in Mediterranean rates, a shipbroker said. The 80,000t cross-Mediterranean rate rose by WS17.5 to WS180 on 15 May, owing to limited supplies. India-state controlled refiner MRPL booked the 2004-built Adafera at WS174 for its 80,000t shipment from Basrah, Iraq to New Mangalore, loading from 1 June. But the fixture was concluded at a discount to prevailing market rates because the vessel was almost 20 years old. On cargoes, trading firm Levantine remained in the market for its 80,000t shipment from Marsa Bashayer, Sudan to east Asia, loading from 30 May.

Argus TCE spread for Aframax in the Mediterranean region reversed to a premium against the Mideast Gulf to \$4,899/d on 15 May, from minus \$3,232/d on 12 May. This could encourage shipowners to ballast their vessels towards the Mediterranean, and thin supplies in the Mideast Gulf.

Med Aframax rates rise higher

Mediterranean Aframax rates continued rising on Tuesday on the back of tighter vessel available and higher demand.

The 80,000t cross-Mediterranean rate rose WS2.5 to WS182.5. Three vessels were put on subjects at that level. Refiner Petroineos put the Drepanos on subjects from Algeria to the Mediterranean at loading from 24-25 May; trader Oilmar put the Olib on subjects to load at Ceyhan from 27-28 May; and trader Petraco put the Catalan Sea on subjects loading at Ras Lanuf, Libya from 27 May.

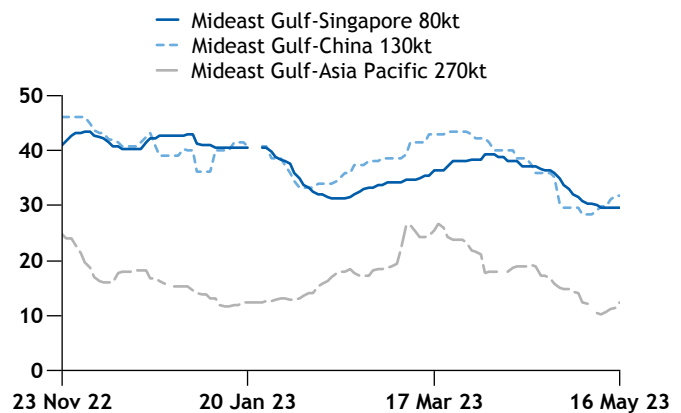
The European market was gaining some support from rising rates in the US Gulf on Tuesday. A market participant said that congestion at Italian ports because of maintenance work could also provide support.

The 80,000t cross-UK Continent rate also ticked up WS2.5 to WS152.5. Trader Vitol put the Nordtulip on subjects from east coast UK to the UK Continent at that level, while TotalEnergies' shipping arm CSSSA put the Grimstad on subjects from west coast Norway to the UK Continent loading from 28-30 May, but a rate had yet to be reported.

Norwegian crude exports **bounced back** in April after two months of falls, with the first shipment to Asia-Pacific since January. Exports increased to a three-month high of 1.76mn b/d in April, up by 12pc from March and 17pc higher than a year earlier, according to customs data. European buyers took 95pc of Norway's crude exports last month, 1pc went

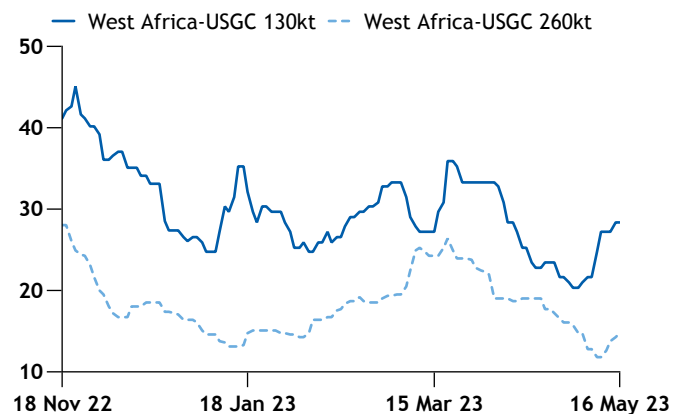
Mideast Gulf to Asia-Pacific dirty tanker rates

\$/t



West Africa-US dirty tanker rates

\$/t



to the US, comprising a cargo of light sweet Ekofisk, and 4pc departed for Asia-Pacific.

On Suezmaxes, the 135,000t Mediterranean rate rose \$100,000 to \$5.75mn and the 135,000t Black Sea to east Asia rate rose \$50,000 to \$6.75mn. Chinese state-run trader Unipet put the Delta Supreme on subjects from Marsa el Hariga, Libya to Ningbo, China at \$6mn for its 130,000t cargo loading from 30 May. Italy's Eni was still seeking a vessel to replace the Constantios which failed for its 135,000t shipment to China loading at the Black Sea CPC terminal from 26 May.

West African Suezmax rates were steady on Tuesday as market activity was muted. The 130,000t west Africa to UK Continent and Mediterranean and west Africa to US Gulf rates were flat at WS120 and WS115, respectively.

DIRTY TANKERS - AMERICAS

VLCC rates mostly flat, Suezmaxes rise

Freight rates for VLCCs in the Americas were mixed on Tuesday, with US-loading voyages flat and Brazil-loading voyages up, while Suezmax rates to Europe moved higher on tighter tonnage.

VLCC rates flat in US, up in Brazil

VLCC rates for voyages loading on the US Gulf coast bound for China and Europe were unchanged at \$8.75mn and \$5.25mn lump sum, respectively, including \$250,000 load-port fees, though positive sentiment among shipowners could lead them to push rates higher this week as Asian refiners [look to the Atlantic basin for replacement barrels amid Opec+ production cuts](#).

Chevron put the Grand Ambition on subjects for a US Gulf coast-South Korea voyage loading from 22 June at \$8.75mn, equivalent to \$4.16/bl for WTI, including load-port fees. Occidental and Unipac each sought a VLCC for US Gulf coast-Asia voyages loading from mid-June.

In the south Atlantic, Petrobras put the DS Venture on subjects for a Brazil-USWC voyage loading from 14-15 June at WS63, raising the rate by WS9 to that level.

US-Europe Suezmax rate climbs

The US Gulf coast-Europe Suezmax rate climbed by WS15 to WS135, equivalent to \$4.14/bl for WTI, after Repsol put the Front Thor on subjects at that level for a voyage loading from 26-28 May.

Suncor put an Aframax on subjects for a US Gulf coast-east coast Canada voyage loading from 20 May at WS310, raising the rate by WS25 to that level. That deal may have included a premium to leave the US Gulf-UKC market, which was unchanged at a year-to-date high of WS280, where the TCE rate was near \$77,000/d for the approximately 18-day voyage to Europe.

Dirty tanker rates - Americas

Route	Size '000t	Rate	±	\$/t
Caribbean-China*	270	8,550,000	nc	31.67
Caribbean-Singapore*	270	7,550,000	nc	27.96
Caribbean-WC India*	270	7,550,000	nc	27.96
USGC-China*	270	8,750,000	nc	32.41
USGC-China (STS)*	270	8,500,000	nc	31.48
USGC-Rotterdam*	270	5,250,000	nc	19.44
USGC-Singapore*	270	7,750,000	nc	28.70
USGC-South Korea/Japan*	270	8,750,000	nc	32.41
USGC-WC India*	270	7,750,000	nc	28.70
Brazil-China	260	52.00	+3.00	23.57
Brazil-USWC	260	63.00	+9.00	21.87
Brazil-UKC	260	67.00	+3.00	14.09
Caribbean-UK continent	150	130.50	+14.50	26.57
USGC-Europe	145	135.00	+15.00	32.33
Brazil-UKC	130	120.00	nc	25.61
Caribbean-Panama	130	245.50	nc	12.77
Caribbean-USGC	130	223.00	nc	23.39
Guyana-Panama	130	245.50	nc	21.26
Panama-USWC	130	170.00	nc	23.51
USGC/Caribs-Singapore*	130	6,350,000	+100,000	48.85
USGC-China*	130	6,850,000	+100,000	52.69
Esmeraldas-Los Angeles	100	-	-	18.89
Caribbean-UK continent	70	285.00	nc	59.11
Caribbean-USGC	70	375.00	nc	44.40
East coast Mexico-USGC	70	400.00	nc	25.20
USGC-east coast Canada	70	310.00	+25.00	52.08
USGC-UK continent	70	280.00	nc	65.04
USGC-Med	70	275.00	nc	79.39
Caribbean-USGC	50	295.00	nc	34.93
East coast Mexico-USGC	50	295.00	nc	16.61
Ecuador-USWC	50	395.00	nc	63.56
Esmeraldas-Houston	50	-	-	36.83
USGC Aframax reverse lightering*	775,000	-	nc	-

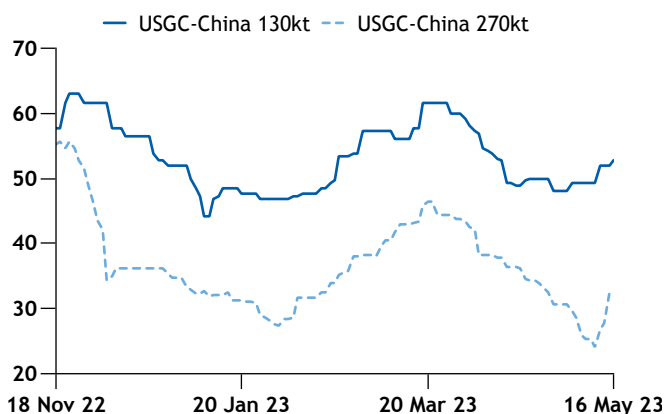
* \$ lumpsum

Dirty tanker rates - Jones Act (weekly)

Route	Size '000bl	\$/bl	±
Corpus Christi-Delaware Bay	260-330	4.69	nc
Corpus Christi-St. James	260-330	2.29	nc
Corpus Christi-St. James	140-260	3.03	nc

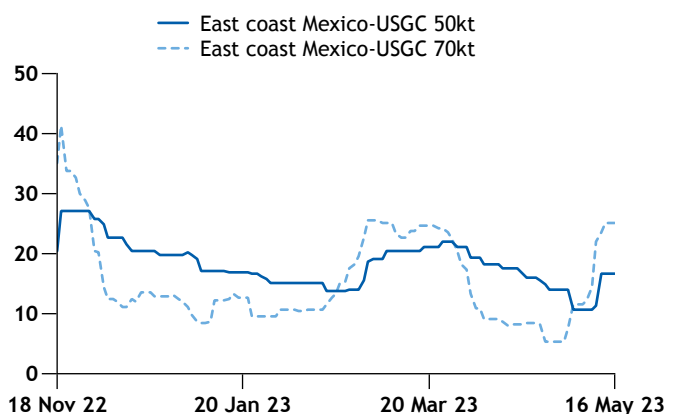
US-China dirty tanker rates

\$/t



Mexico-US dirty tanker rates

\$/t



DIRTY TANKERS - ASIA-PACIFIC

Southeast Asian Aframax rates flat

Aframax rates from the southeast Asia region held on continued regional chartering activities.

Southeast Asian Aframax rates to east coast Australia, and from Indonesia to Japan held at WS152.5 and WS155, respectively. Thailand's PTT booked the PS Amalfi at \$700,000 for its 80,000t shipment from Sungai Linggi, Malaysia to Thailand, loading from 26 May. Chevron booked the Southern Glory for its 80,000t fuel-oil shipment from Thailand to Singapore, loading from 22 May. But the fixture's rate had yet to emerge as of Singapore's market close. Oil trader Chimbusco allocated its own-operated vessel, the 2007-built Radiant Star for its 80,000t shipment from Singapore to China, loading from late-May. On cargoes, Australia's Ampol sought a vessel for its 130,000t shipment from Seria, Brunei and Kimanis, Malaysia to Brisbane, loading from 29 May. ExxonMobil sought a vessel for its 80,000t shipment from Indonesia to Singapore, Thailand and Brunei, loading from 28 May.

In the Australian region, ExxonMobil booked the Serene Sea at WS167 for its 80,000t shipment from Barrow and Varanus Island, to east Asia, loading from 29 May. Thai-energy firm Bangchak replaced the Kriti Journey which it previously booked on 15 May, with the Yokusuka Spirit at \$2.275m for its 80,000t shipment from Bonython Island to Thailand, loading from 30 May.

Argus TCE spread for Aframaxes in the Mideast Gulf continued to lead against the southeast Asia region by \$3,327/d on 15 May.

Dirty tanker rates - Asia-Pacific

Route	Size '000t	Rate	±	\$/t
Indonesia-Japan	80	155.00	nc	24.83
SE Asia-EC Australia	80	152.50	nc	30.76
Kozmino-Yosu*	100	1,775,000	nc	17.75
Kozmino-Chiba*	100	2,200,000	nc	22.00
Kozmino-north China*	100	2,200,000	nc	22.00
Kozmino-Singapore*	100	2,600,000	nc	26.00
De-Kastri to Yeosu*	100	2,530,000	nc	25.30
De-Kastri to Yeosu STS*	100	2,510,000	nc	25.10
De-Kastri to Kiire*	100	2,680,000	nc	26.80
De-Kastri to Qingdao*	100	2,760,000	nc	27.60
De-Kastri to Yantai*	100	2,810,000	nc	28.10
De-Kastri to Dongjiakou*	100	2,780,000	nc	27.80
De-Kastri to Zhoushan*	100	2,780,000	nc	27.80
De-Kastri to Batangas*	100	2,980,000	nc	29.80
De-Kastri to Sriracha*	100	3,150,000	nc	31.50
De-Kastri to Singapore*	100	3,190,000	nc	31.90
De-Kastri to Paradip*	100	3,230,000	nc	32.30
De-Kastri to Sikka*	100	3,680,000	nc	36.80

* \$ lumpsum

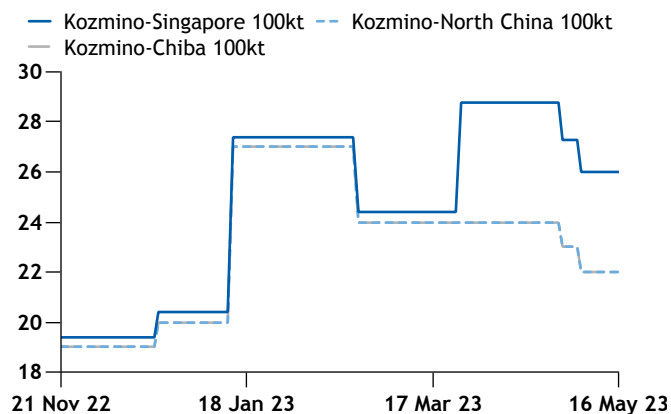
Workspaces:

- Russian-origin Crude + Freight - Global
- WTI Arbitrages + Freight - Global
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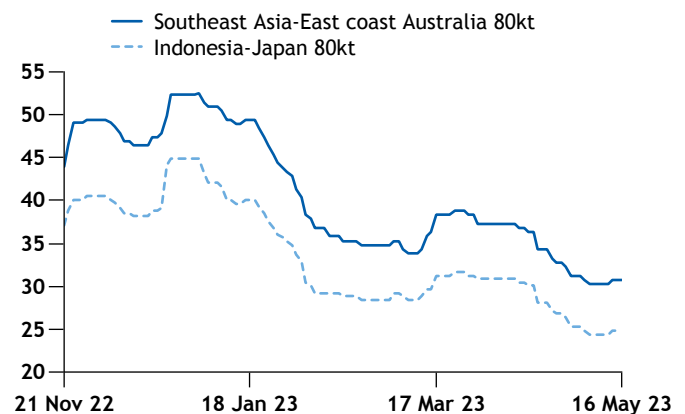
Kozmino dirty tanker rates

\$/t



Southeast Asia dirty tanker rates

\$/t



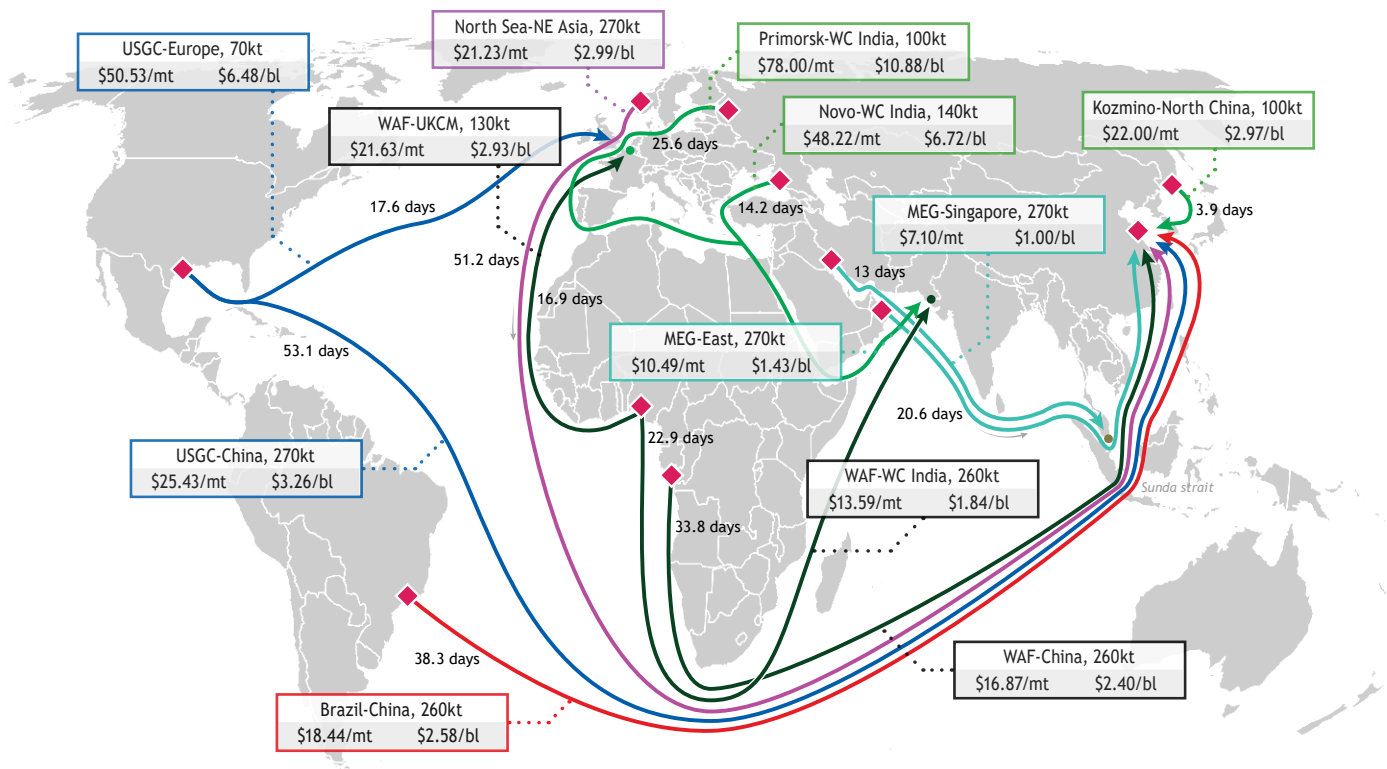
CRUDE TRADE ROUTES Weekly price updates

Published date: Tuesday 16 May 2023

Period: 19

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

- ◆ Key benchmark locations
- ▬ Freight prices for trade routes and vessel size



Crude trade routes

Crude	Origin	FOB Price \$/bl	Destination	Freight		Delivered price \$/bl
				\$/bl	\$/t	
WTI	US Gulf	73.52	Rotterdam	6.48	50.53	78.32
WTI	US Gulf	73.52	China	3.26	25.43	77.75
Tupi	Brazil	76.35	Shandong	2.58	18.44	78.93
Johan Sverdrup	Norway	77.94	Shandong	2.99	21.23	80.93
Bonny Light	Nigeria	76.56	Rotterdam	2.93	21.63	79.49
Bonny Light	Nigeria	76.56	India	1.84	13.59	78.40
Djeno	Rep. Congo	74.96	Shandong	2.40	16.87	78.43
Urals, Baltic	Primorsk	49.67	WC India	10.88	78.00	64.56
Urals, Black Sea	Novorossiysk	50.86	WC India	6.72	48.22	64.56
Basrah Medium	Iraq	76.41	Singapore	1.00	7.10	77.45
ESPO Blend	Kozmino	66.72	Shandong	2.97	22.00	70.55
Oman	Oman	75.85	Shandong	1.43	10.49	64.25

To learn more about Argus' daily price assessments, market-moving news and in-depth analysis, please visit:

Argus Crude: argusmedia.com/en/crude-oil/argus-crude

CLEAN TANKERS - EUROPE, MIDDLE EAST AND AFRICA

Mideast Gulf clean rates stabilise

Clean tanker rates in the Mideast Gulf stabilised on Tuesday as charterers did not make new cargoes available after Monday's were booked.

Mideast Gulf clean tanker rates flat

Clean MR tanker rates from the Mideast Gulf were unchanged on limited chartering activities.

LR2 and LR1 rates from the Mideast Gulf to Japan held at WS150 and WS175. South Korea's SK energy booked a vessel at WS150 for an LR2 cargo from the Mideast Gulf to Japan, loading from 25 May.

Freight rates for MRs from the Mideast Gulf to Japan and Singapore were flat at WS245 and WS285. Sinopec's trading arm Unipac booked the Grand Ace7 for a 35,000t shipment from Sikka, India to Singapore loading from 25 May, with an option to discharge in Bangladesh. But the fixture's rate had yet to emerge as of Singapore's market close. On cargoes, trading firm Montfort sought a vessel for a 35,000t shipment from the Mideast Gulf to Japan, loading from 28 May. India's private-sector refiner Reliance Industries sought a vessel for a 35,000t shipment from Sikka, India to Singapore, loading from 18 May.

Argus estimated TCE rates for MR from the Mideast Gulf to Japan and Singapore have risen week-on-week to \$39,893/d and \$35,337/d on 15 May, from \$18,464/d and \$18,571/d on 8 May.

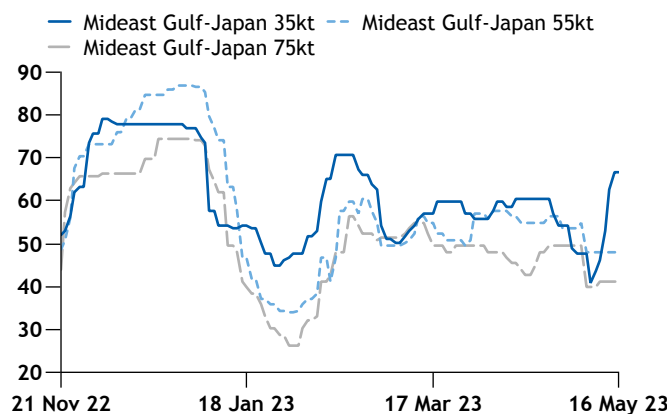
European clean rates slip further

Freight rates for clean tankers in Europe came under pressure again on Tuesday after a slow start to the week as available vessel numbers remained high enough to dampen any momentum from newly available cargoes.

In the MR market, the cost of freight between the UK Continent and US Atlantic coast held at WS125. Shell and refiner Valero both secured ships at this level but there were just three cargoes outstanding at the end of the day to load

Mideast Gulf clean rates

\$/t



Clean tanker rates - Europe, Middle East, Africa

Route	Size '000t	Rate	±	\$/t
Middle East				
Mideast Gulf-UKC*	90	3,650,000	-50,000	40.56
Red Sea-Med*	90	2,850,000	-50,000	31.67
Red Sea-UKC*	90	2,950,000	-50,000	32.78
Mideast Gulf-Japan	75	150.00	nc	41.24
Mideast Gulf-South Korea	75	155.00	nc	39.54
Mideast Gulf-UKC*	65	3,200,000	nc	49.23
Red Sea-Med*	65	2,450,000	nc	37.69
Red Sea-UKC*	65	2,550,000	nc	39.23
Mideast Gulf-Brazil*	40	2,800,000	-150,000	70.00
Mideast Gulf-Japan	55	175.00	nc	48.11
Mideast Gulf-Singapore	55	190.00	nc	30.88
Mideast Gulf-South Korea	55	180.00	nc	45.92
Mideast Gulf-Durban	35	-	-	51.96
Mideast Gulf-Durban**	35	-	-	56.51
Mideast Gulf-east Africa	35	288.00	nc	38.74
Mideast Gulf-east Africa**	35	320.00	nc	43.04
Mideast Gulf-east coast India	35	290.00	nc	-
Mideast Gulf-east coast India*	35	1,550,000	nc	44.29
Mideast Gulf-Japan	35	245.00	nc	66.59
Mideast Gulf-Singapore	35	285.00	nc	48.14
Mideast Gulf-UKC*	40	2,400,000	-100,000	60.00
Mideast Gulf-Walvis Bay	35	-	-	69.26
Mideast Gulf-Walvis Bay**	35	-	-	76.96
Mideast Gulf-west coast India	35	290.00	nc	-
Mideast Gulf-west coast India*	35	896,300	nc	25.61
Northern Europe				
UKC-west Africa	60	115.00	nc	23.30
ARA-Durban	37	-	-	39.91
ARA-Walvis Bay	37	-	-	33.22
UKC-east coast Mexico	37	110.00	nc	25.21
UKC-South America	37	140.00	nc	30.23
UKC-US Atlantic coast	37	125.00	nc	22.26
UKC-west Africa	37	135.00	nc	27.35
Baltic-UKC	30	130.00	-5.00	13.74
Cross UKC	30	115.00	-5.00	7.64
Cross UKC	22	157.50	-5.00	10.46
Black Sea and Mediterranean				
Med-Japan*	80	2,800,000	-100,000	35.00
Med-Japan*	60	2,400,000	-100,000	40.00
Med-US Atlantic coast	37	130.00	-5.00	25.81
Black Sea-Med	30	155.00	-5.00	20.03
Cross Med	30	145.00	-5.00	11.82
Cross Med gasoline	30	145.00	-5.00	11.82
Cross Med jet	30	145.00	-5.00	11.82
Cross Med naphtha	30	145.00	-5.00	11.82
Med gasoline premium	30	+0.00	nc	-
Med jet premium	30	+0.00	nc	-
Med naphtha premium	30	+0.00	nc	-
Med-UKC	30	155.00	-5.00	23.03
Med-UKC gasoline	30	155.00	-5.00	21.58
Med-UKC jet	30	155.00	-5.00	21.58
Med-UKC naphtha	30	155.00	-5.00	23.25
Med-Walvis Bay	35	305.00	-0.50	72.72

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

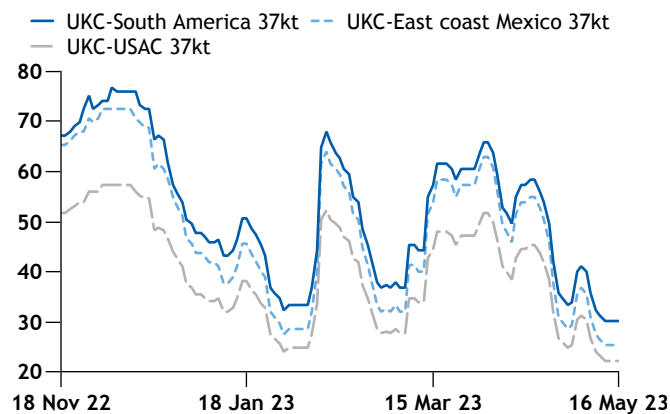
CLEAN TANKERS - EUROPE, MIDDLE EAST AND AFRICA

in the next 7-8 days while one broker estimated that there were as many as 29 ships available in the next five days. New cargoes are unlikely to generate any upwards momentum for rates until this surplus of tonnage dissipates. The end of refinery maintenance in Germany has put European gasoline prices under pressure, which could help to open up the transatlantic arbitrage and lead to new MR cargoes. But the arbitrage window is currently closed, which is keeping new cargo volumes low.

In the Handysize market, north European diesel demand remained lacklustre, which is not only limiting cross-UK Continent Handysize cargo availability but also LR2 volumes from the Mideast Gulf. Rates on both routes ticked lower on Tuesday.

The cross-Mediterranean Handysize rate fell by WS5 to WS145 despite several new cargoes as vessel numbers in the region remained high. Italy's Eni, BP and several other charterers secured ships at this level but a range of vessels still available at the end of the day left the market under pressure.

UKC-Americas clean tanker rates



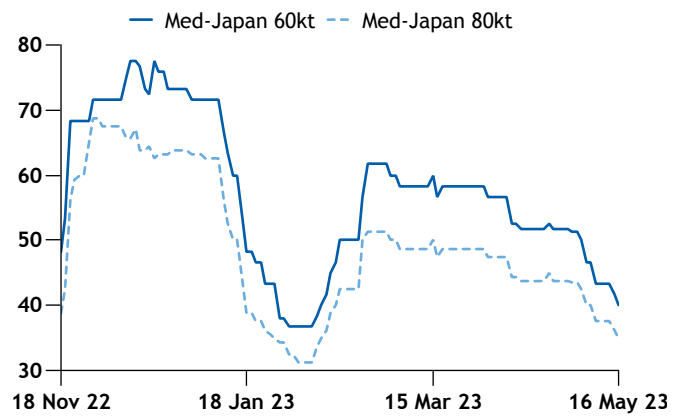
Workspaces:

- Products + Freight - Europe
- Products + Freight - US Gulf coast

- These Workspaces are templates, curated by the Freight editorial team
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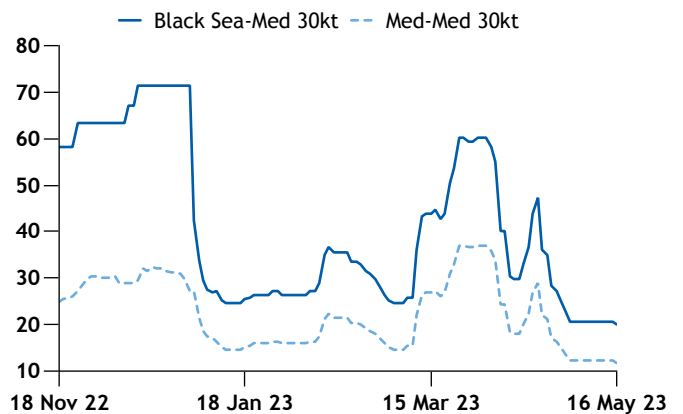
Med-Japan LR rates

\$/t



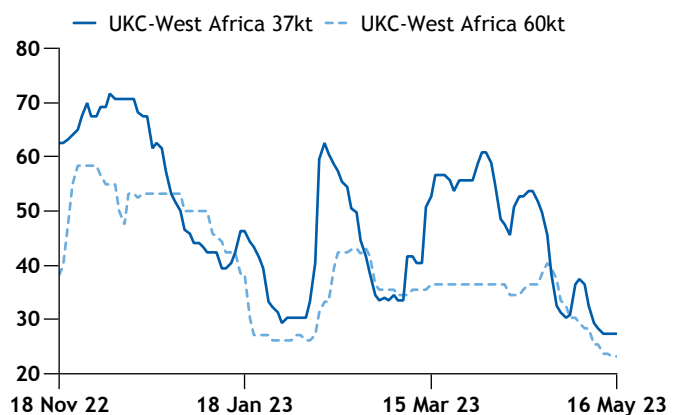
Black Sea/Mediterranean clean tanker rates

\$/t



UKC-west Africa clean tanker rates

\$/t



CLEAN TANKERS - AMERICAS

USGC MR rates tick down

Most MR rates for shipments out of the US Gulf coast fell slightly on limited chartering activity as the region's spot refined product export lull persisted.

Tonnage was roughly unchanged from yesterday, as 20 MR tankers were available to load in the US Gulf coast in the five-day window, and 28 were available in the seven-day window, according to a shipbroker.

ExxonMobil put the Ipanema Street on subjects for a US Gulf coast-Caribbean voyage from 18-20 May for \$525,000 lump sum, holding the rate on the route steady at that level.

PMI sought an MR tanker for a US Gulf coast-east coast Mexico voyage from 19-21 May, Phillips 66 sought an MR tanker for a US Gulf coast-Europe voyage from 22-23 May, and Valero sought an MR tanker for a Quebec-US Atlantic coast voyage from 23 May, but none of the charterers was heard to have put a vessel on subjects as of 5pm ET.

Additionally, a charterer put the Pacific Diamond on subjects to carry 38,000t of naphtha on a voyage out of Pisco, Peru, from 18 May.

Otherwise, no fresh cargoes or fixtures were heard in the US Gulf.

The US Gulf coast-Europe rate fell by WS2.5 to WS82.5, the US Gulf coast-east coast South America rate fell by WS5 to WS142.5, and the US Gulf coast-Chile rate fell by \$25,000 to \$1.9mn.

Delays		
Location	Days	±
Panama Canal Neopanamax locks NB	6	nc
Panama Canal Neopanamax locks SB	2	nc
Panama Canal Panamax locks NB	6	nc
Panama Canal Panamax locks SB	6	nc

Clean tanker rates - Americas

Route	Size '000t	Rate	±	\$/t
Worldscale				
USGC-Brazil	60	120.00	-10.00	-
USGC-north Brazil	60	-	-	22.63
USGC-south Brazil	60	-	-	28.98
USGC-UKC	60	85.00	-5.00	20.27
Caribbean-USAC	38	122.50	-5.00	15.24
USAC-UKC	38	77.50	-2.50	14.11
USGC/Caribbean-UKCM	38	82.50	-2.50	17.11
USGC-Argentina/Uruguay	38	-	-	41.03
USGC-east coast Canada	38	137.50	-5.00	21.59
USGC-east coast South America	38	142.50	-5.00	-
USGC-north Brazil	38	-	-	26.88
USGC-south Brazil	38	-	-	35.37
Lumpsum				
USGC-Japan	60	2,600,000	nc	43.33
EC Canada - USAC	38	440,000	-60,000	11.58
USGC-Chile (not south of Coronel)	38	1,900,000	-25,000	50.00
Calbuco diff	38	+100,000	nc	+2.63
Caldera diff	38	-100,000	nc	-2.63
Mejillones/Antofagasta diff	38	-125,000	nc	-3.29
Quintero diff	38	-50,000	nc	-1.32
USGC-Dominican Republic	38	475,000	nc	12.50
USGC-east coast Mexico	38	325,000	nc	8.55
USGC-Ecuador	38	1,350,000	-25,000	35.53
USGC-Japan	38	2,000,000	-25,000	52.63
USGC-Las Minas	38	475,000	nc	12.50
USGC-Lazaro Cardenas	38	1,650,000	-25,000	43.42
USGC-Peru	38	1,650,000	-25,000	43.42
Callao/Conchan diff	38	-50,000	nc	-1.32
USGC-Pozos	38	525,000	nc	13.82
Barranquilla diff	38	-45,000	nc	-1.18
Bolivar diff	38	-45,000	nc	-1.18
Cartagena diff	38	-30,000	nc	-0.79
USGC-Rosarito	38	1,800,000	-25,000	47.37
USWC-Chile (not south of Coronel)	38	1,950,000	-100,000	51.32
Calbuco diff	38	+100,000	nc	+2.63
Caldera diff	38	-100,000	nc	-2.63
Mejillones/Antofagasta diff	38	-125,000	nc	-3.29
Quintero diff	38	-50,000	nc	-1.32
USWC-Lazaro Cardenas	38	1,000,000	-50,000	26.32
USWC-Rosarito	38	850,000	-50,000	22.37
USWC-Topolobampo	19	-	-	25.53
USGC-Guaymas	12	-	-	48.42
USWC-Guaymas	12	-	-	30.70

Clean tanker rates - Jones Act (weekly)

Route	Size '000bl	\$/bl	±
Houston-Tampa	310-330	2.33	nc
Houston-Tampa	140-260	3.21	nc
Houston-Port Everglades	310-330	3.01	nc
Houston-Port Everglades	140-260	3.82	nc
Houston-Jacksonville	310-330	3.55	nc
Houston-New York	310-330	4.69	nc
Houston-New York	140-260	6.54	nc

CLEAN TANKERS - ASIA-PACIFIC

Northeast Asian clean MR rates fall

Clean MR tanker rates from the northeast Asia region fell as demand proved insufficient to support last done levels.

MR lumpsum rates for 35,000t shipments from South Korea to Singapore fell by \$10,000 to \$910,000. Similarly, MR rates from South Korea to Australia fell by WS5 to WS265. Rates fell as spot cargo volumes were thin in comparison to vessel supplies, a shipbroker said. But freight rates could still see some support, if the increased Chinese export quotas begin to materialize in the spot market. Sinopec's trading arm Unipec booked the Ardmere Encounter at \$900,000 for a 35,000t shipment from South Korea to Singapore, loading from 28 May. Earlier, Vietnam's state-controlled Petrolimex booked the Blue Grass Mariner at \$820,000 for a 35,000t shipment from South Korea to Vietnam, loading from 26 May. But it emerged that the vessel was failed towards the end of Singapore's market close.

Northeast Asian cargoes remained at about six, similar to 15 May, with most of these shipments headed to Singapore and Vietnam for the 22 to 30 May loading window.

Spot MR vessel availabilities over the next 10 days from the northeast Asia rose to about 13 on 16 May, from about seven on 9 May, another shipbroker said.

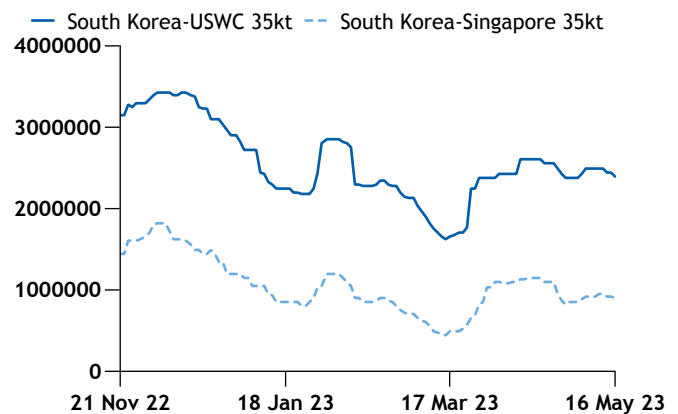
Argus estimated TCE spread for MR from South Korea to Australia narrowed to about \$206/d, against the South Korea to Singapore route, before Singapore's market close, compared to \$594/d on 15 May.

Clean tanker rates - Asia-Pacific

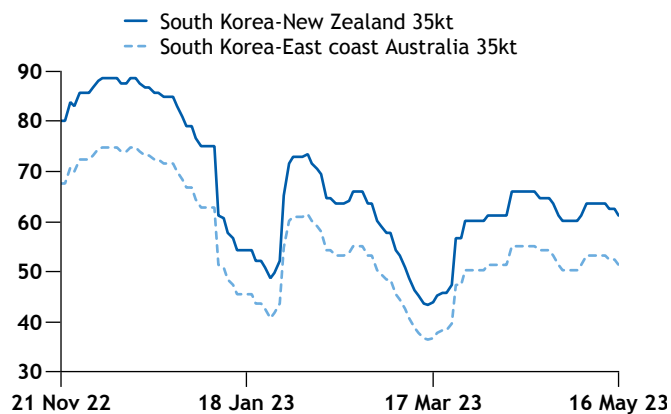
Route	Size '000t	Rate	±	\$/t
West coast India-south Brazil*	90	3,500,000	nc	38.89
West coast India-UKC*	90	3,550,000	-50,000	39.44
West coast India-south Brazil*	65	3,200,000	+50,000	49.23
West coast India-UKC*	65	3,100,000	nc	47.69
West coast India-south Brazil*	40	2,700,000	-100,000	67.50
SE Asia-EC Australia	35	250.00	nc	47.55
South Korea-Australia/New Zealand	35	265.00	-5.00	-
South Korea-Chile*	35	3,000,000	-50,000	85.71
South Korea-east coast Australia	35	-	-	51.30
South Korea-New Zealand	35	-	-	61.27
South Korea-Singapore*	35	900,000	-10,000	25.71
South Korea-USWC*	35	2,400,000	-50,000	68.57
North China-east coast Australia	35	57.77	-1.09	265.00
North China-west coast Australia	35	51.04	-0.96	265.00
Dalian-Singapore*	35	961,000	-11,000	27.46
SE Asia-EC Australia	30	291.50	nc	55.44
Singapore-Japan	30	240.00	nc	33.19
SE Asia-Walvis Bay	35	322.50	+1.00	83.92

* \$ lumpsum

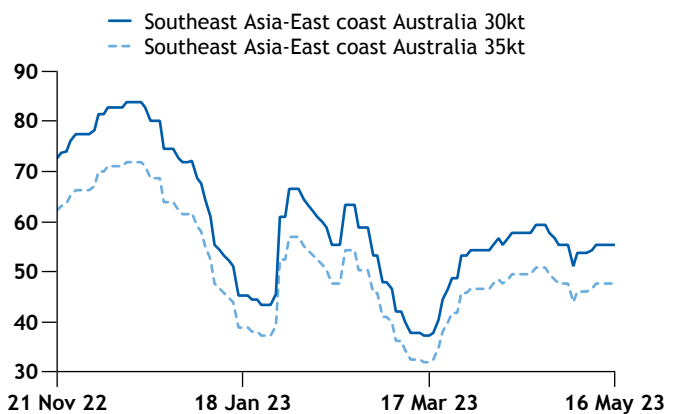
South Korea clean tanker lumpsum rates



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



Southeast Asia-Australia clean tanker rates \$/t



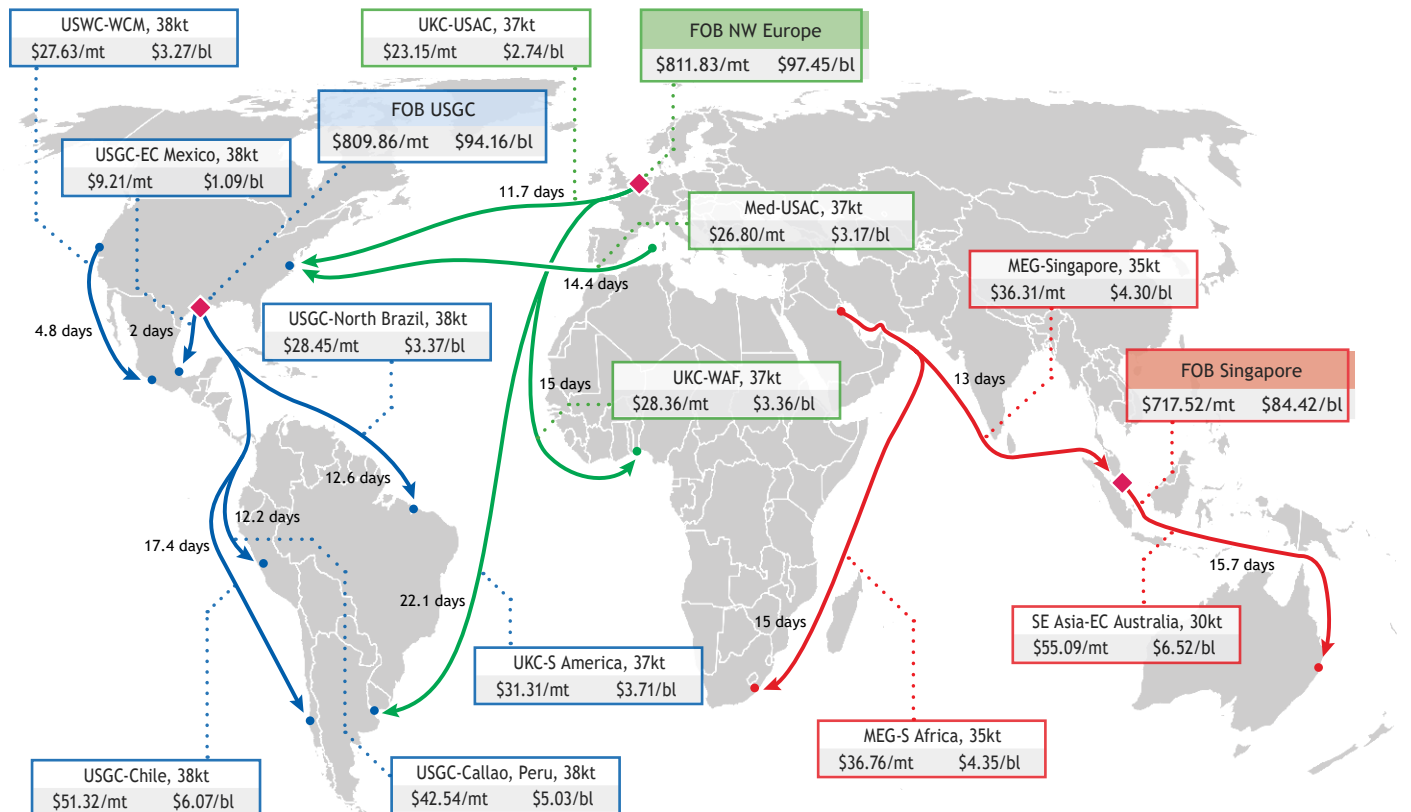
GASOLINE TRADE ROUTES Weekly price updates

Published date: Tuesday 16 May 2023

Period: 19

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

- ◆ Key benchmark locations
- Freight prices for trade routes and vessel size



Americas Trade Routes		
Exports from regional hubs	\$/mt	\$/bl
Gasoline 87 conv USGC WB ex RVO	809.86	94.16
to East Coast Mexico	819.07	95.25
to Peru	852.40	99.19
to Chile	861.18	100.23
to Brazil	838.31	97.53
Gasoline reg CARBOB SF WB fob ex RVO	867.47	103.26
to West Coast Mexico	895.10	106.53

Europe Trade Routes		
Exports from regional hub	\$/mt	\$/bl
Eurobob Oxy barges	811.83	97.45
to USAC	834.98	100.19
to Argentina (Gasoline Eurobob oxy NWE del Buenos Aires)	857.56	102.94
to West Africa (Gasoline Eurobob delivered west Africa)	840.20	100.85
Gasoline 95r 10ppm W Med fob	787.17	94.49
to USAC	813.97	97.66

Asia Trade Routes		
Exports from regional hubs	\$/mt	\$/bl
Gasoline 92r Singapore	717.52	84.42
to Australia	772.61	90.94
Gasoline 92r Mideast Gulf	680.37	80.52
to South Africa (Gasoline 95r c+f Durban)	756.28	89.50

To learn more about Argus' daily price assessments, market-moving news and in-depth analysis, please visit:

Argus Road Fuels: argusmedia.com/en/oil-products/road-fuels

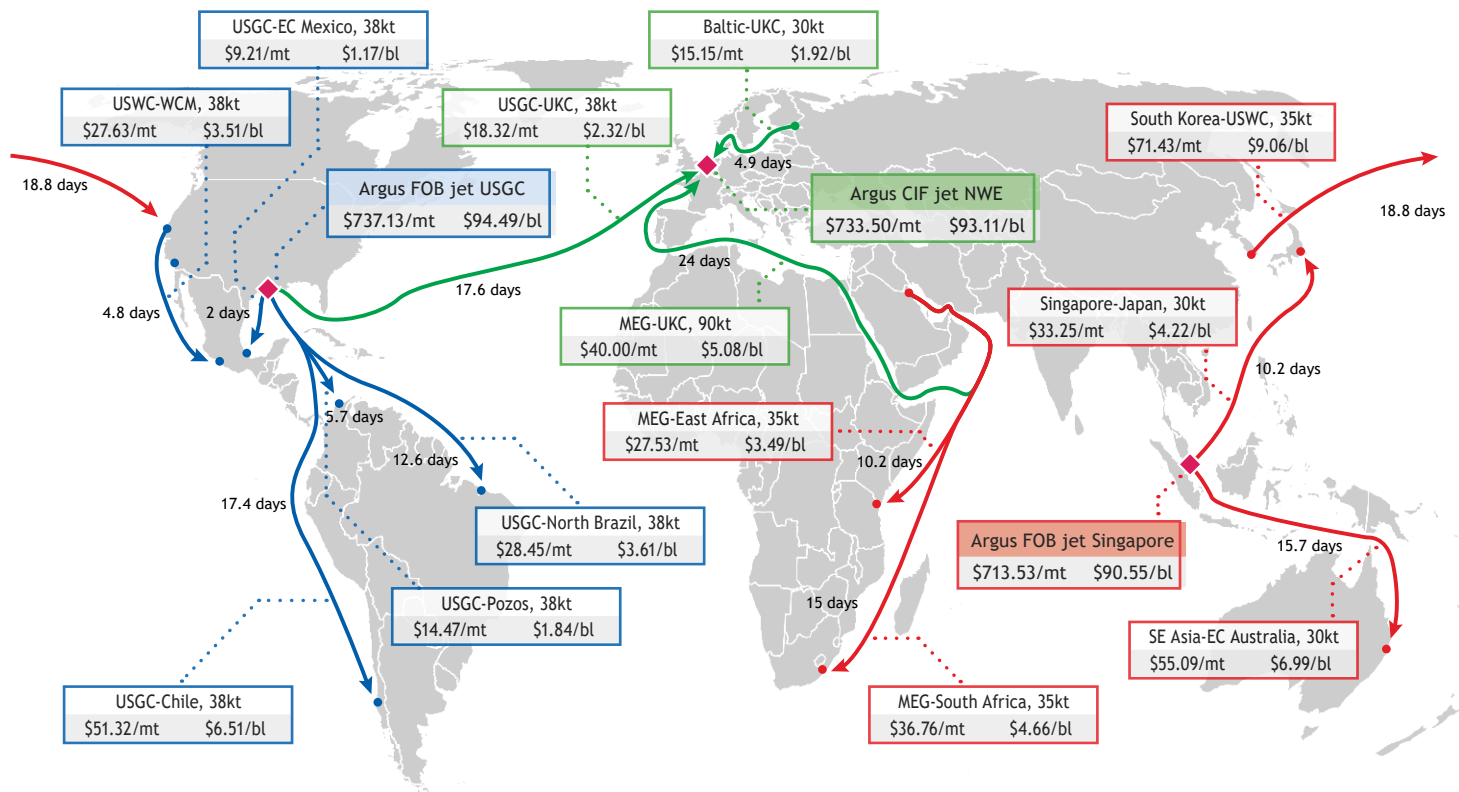
KEY JET FUEL TRADE ROUTES Weekly price updates

Published date: Tuesday 16 May 2023

Period: 19

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

◆ Key benchmark locations
 Freight prices for trade routes and vessel size



Americas Trade Routes		
Exports from regional hubs	\$/mt	\$/bl
Argus FOB jet USGC	737.13	94.49
to East Coast Mexico	746.34	95.66
to Pozos/Caribbean	751.60	96.33
to Chile	788.45	101.00
to Brazil	768.18	98.47
Argus FOB jet USWC	733.17	93.98
to West Coast Mexico	780.98	100.11

Europe Trade Routes		
Imports to regional hub	\$/mt	\$/bl
Argus CIF jet NWE	733.50	93.11
ex MEG	680.83	86.40
ex USGC	737.13	94.49
ex Baltic	718.35	91.19

Asia Trade Routes		
Exports from regional hubs	\$/mt	\$/bl
Argus FOB jet Singapore	713.53	90.55
to Australia	768.62	97.54
to Japan	746.57	94.77
Argus FOB jet MEG	680.83	86.40
to South Africa	717.42	91.07
to East Africa	708.36	89.89
Argus FOB jet South Korea	706.26	89.65
to USWC	733.17	93.98

To learn more about Argus' daily price assessments, market-moving news and in-depth analysis, please visit:

Argus Oil Products: argusmedia.com/en/oil-products

KEY DISTILLATES TRADE ROUTES

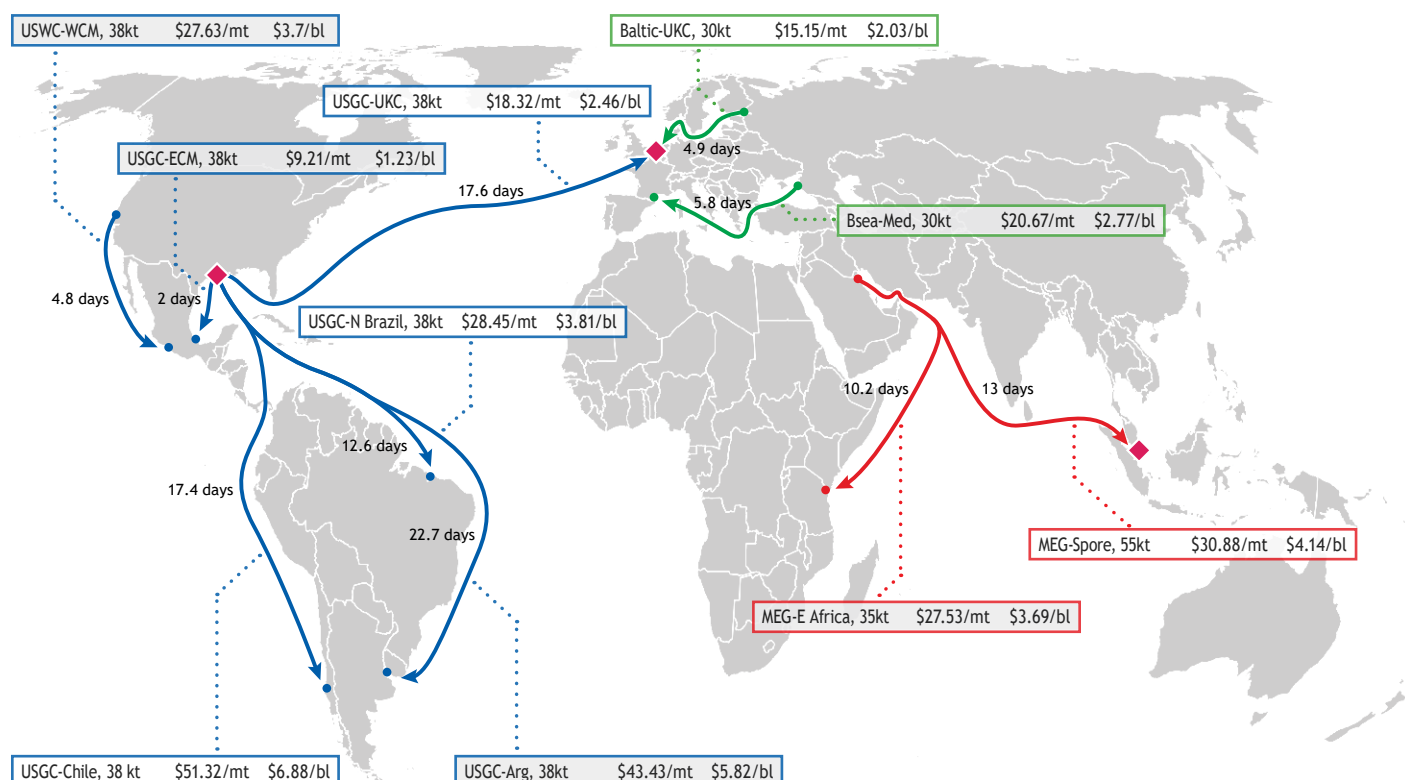
Weekly price updates

Published date: Tuesday 16 May 2023

Period: 19

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

◆ Key benchmark locations
 Freight prices for trade routes and vessel size



Americas Trade Routes		
Exports from regional hubs:	\$/mt	\$/bl
FOB USGC	654.63	91.19
del EC Mexico	663.84	92.42
del Chile	705.94	98.07
del N Brazil	698.05	97.01
del Argentina	744.47	103.47
del NW Europe	696.50	93.57
FOB USWC	695.82	95.98
del WC Mexico	723.45	99.68

Europe Trade Routes		
Imports to regional hubs:	\$/mt	\$/bl
Argus Diesel French 10 ppm NWE cif		
ex Baltic	696.50	93.57
Argus Gasoil Diesel French 10 ppm W Med cif		
ex Black Sea	694.50	93.30

Asia Trade Routes		
Exports from regional hub:	\$/mt	\$/bl
Argus Gasoil 10 ppm MEG	637.33	85.43
to Singapore	668.21	89.57
to East Africa	664.86	89.12

To learn more about Argus' daily price assessments, market-moving news and in-depth analysis, please visit:

Argus Oil Products: argusmedia.com/en/oil-products

TANKER TCE RATES

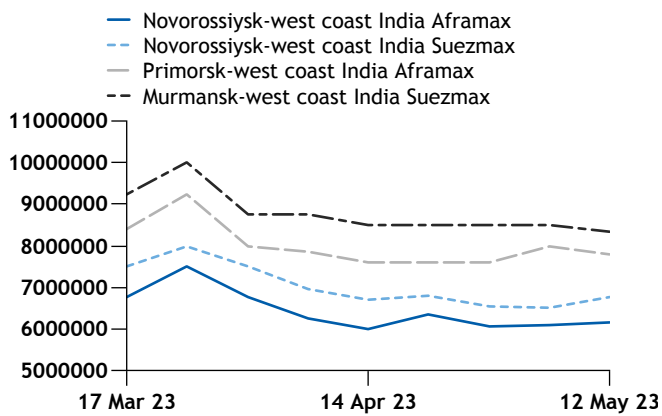
Dirty tanker time charter equivalent rates						
Route	WS/LS	TCE (non-scrubber) USD/day	±	TCE (scrubber) USD/day	±	
Dirty Tankers - VLCC						
EMEA						
Basrah-Los Angeles	38.50	20,787	+949	26,939	+656	
Bonny-Ningbo	53.00	32,702	+2,019	39,211	+2,609	
Ras Tanura-LOOP	34.00	17,561	+2,129	23,749	+2,690	
Ras Tanura-Ningbo	47.00	25,934	+4,061	32,057	+4,617	
Ras Tanura-Rotterdam	36.50	15,214	+1,195	21,116	+1,729	
Americas						
Corpus Christi-Ningbo	8,750,000	37,516	-641	44,063	-47	
Dirty Tankers - Suezmax						
EMEA						
Basrah-Trieste	72.50	5,723	+1,188	10,330	+1,606	
Bonny-Rotterdam	120.00	42,180	-467	45,066	-302	
Novorossiysk-Ningbo	6,750,000	59,055	+222	63,978	+669	
Ras Tanura-Qingdao	115.00	50,078	-496	55,043	-45	
Ras Tanura-Singapore	115.00	47,491	-527	52,108	-107	
Americas						
Houston-Rotterdam	135.00	75,456	+12,988	79,516	+12,893	
Dirty Tankers - Aframax						
EMEA						
Arzew-Trieste	182.50	50,970	+623	-	-	
Fujairah to Singapore	175.00	44,979	-469	-	-	
Americas						
Dos Bocas-Houston	400.00	118,449	+1,133	-	-	
Houston-Rotterdam	280.00	78,468	+773	-	-	
Asia-Pacific						
Bukit Tua-Kikuma	155.00	41,633	-435	-	-	
Kimanis-Geelong	152.50	41,759	-415	-	-	
Kozmino-Longkou	2,200,000	128,151	nc	-	-	

Clean tanker time charter equivalent rates				
Route	WS/LS	TCE (non-scrubber) USD/day	±	
Clean Tankers-Long Range 2				
EMEA				
Arzew-Oita	2,800,000	4,860	-1,680	
Ras Tanura-Chiba	150.00	34,729	-402	
Ras Tanura-Rotterdam	3,650,000	32,060	-1,247	
Yanbu-Rotterdam	2,950,000	40,355	-1,695	
Asia-Pacific				
Sikka-Rotterdam	3,550,000	30,653	-1,271	
Clean Tankers-Long Range 1				
EMEA				
Arzew-Oita	2,400,000	5,514	-1,596	
Ras Tanura-Chiba	175.00	30,993	-315	
Ras Tanura-Singapore	190.00	33,852	-324	
Ras Tanura-Rotterdam	3,200,000	29,701	-293	
Yanbu-Rotterdam	2,550,000	33,831	-290	
Asia-Pacific				
Sikka-Rotterdam	3,100,000	28,579	-293	
Clean Tankers-Medium Range				
EMEA				
Ras Tanura-Chiba	245.00	39,632	-261	
Ras Tanura-Singapore	285.00	35,076	-261	
Ras Tanura-Dar es Salaam	320.00	41,482	-76	
Rotterdam-New York	125.00	9,339	-275	
Americas				
Houston-Coronel	1,900,000	9,658	-271	
Houston-Pozos	525,000	8,148	+511	
Asia-Pacific				
Daesan-Port Botany	265.00	32,311	-1,594	
Singapore-Port Botany	250.00	30,851	-258	
Yeosu-Los Angeles	2,400,000	38,339	-1,792	
Yeosu-Singapore	900,000	32,502	-809	
Clean Tankers-Handysize				
Arzew-Trieste	145.00	7,891	-1,140	
Brofjordan-Rotterdam	115.00	874	-1,128	

RUSSIAN-ORIGIN FREIGHT

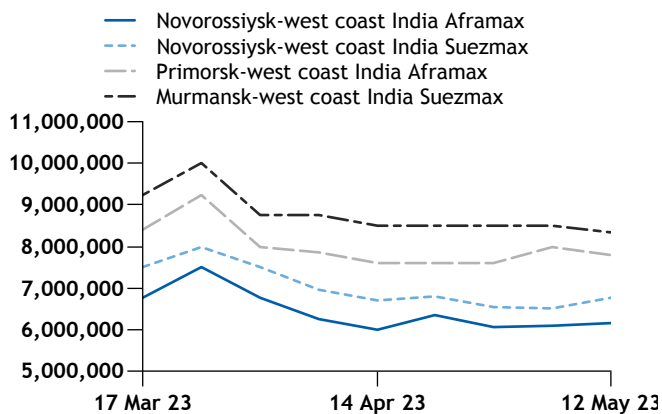
Russian-origin freight to China

\$



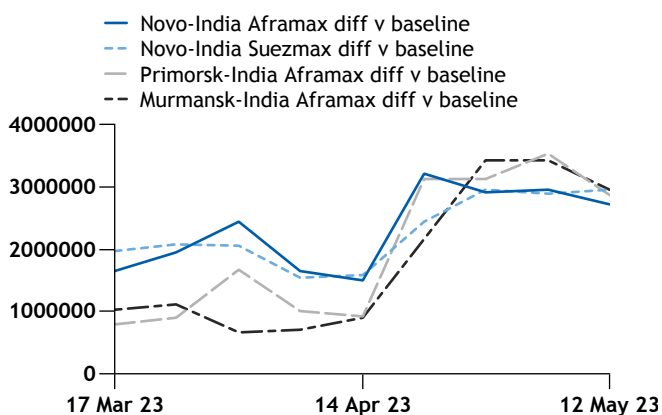
Russian-origin freight to India

\$



Russian-origin freight to India vs baseline

\$



Russian-origin Baseline

Route	Size '000t	Rate	+/-	\$/t
Black Sea				
Novorossiysk-west coast India	80	3,422,267	-1,779	42.78
Novorossiysk-north China	80	4,951,081	+1,225	61.89
Novorossiysk-west coast India	140	3,984,048	-3,028	28.46
Novorossiysk-north China	140	5,649,699	-796	40.35
Baltic Sea				
Primorsk-west coast India	100	4,918,422	-9,277	49.18
Primorsk-north China	100	6,339,359	+9,526	63.39
Barents Sea				
Murmansk-west coast India	140	5,688,238	-16,510	40.63
Murmansk-north China	140	7,242,870	-1,298	51.73

Russian-origin freight assessments

Route	Size '000t	Low	High	Midpoint	+/-	\$/t
Black Sea						
Novorossiysk-west coast India	80	5,500,000	6,800,000	6,150,000	+50,000	76.88
Novorossiysk-north China	80	8,000,000	9,500,000	8,750,000	+450,000	109.38
Novorossiysk-west coast India	140	6,000,000	7,500,000	6,750,000	+250,000	48.22
Novorossiysk-north China	140	8,500,000	9,500,000	9,000,000	-50,000	64.29
Baltic Sea						
Primorsk-west coast India	100	7,000,000	8,600,000	7,800,000	-200,000	78.00
Primorsk-north China	100	9,000,000	10,000,000	9,500,000	+150,000	95.00
Barents Sea						
Murmansk-west coast India	140	7,700,000	9,000,000	8,350,000	-150,000	59.65
Murmansk-north China	140	9,800,000	12,000,000	10,900,000	-350,000	77.86

Additional War Risk Premium

Region	Low	High	Midpoint	+/-	\$/t
Aframax					
Black Sea	552,500	828,750	690,625	nc	8.63
Baltic Sea	55,250	138,125	96,688	nc	0.97
Suezmax					
Black Sea	597,500	896,250	746,875	nc	5.33
Barents Sea	59,750	149,375	104,563	nc	0.75

FORWARD FREIGHT, CCF, DEMURRAGE AND SPECIALISED TANKERS

Forward Freight Agreement assessments				
Route	Size '000t	Rate	±	\$/t
Dirty tankers - EMEA				
Mideast Gulf-East	270	47.00	+3.50	12.38
May 23	270	45.00	+1.00	11.85
Jun 23	270	52.00	+3.50	13.70
Jul 23	270	47.00	+1.00	12.38
West Africa-UKCM	130	120.00	nc	23.24
May 23	130	114.50	-0.50	22.18
Jun 23	130	103.50	+2.50	20.05
Jul 23	130	86.50	+2.00	16.76
Dirty tankers - Americas				
USGC-China (STS)	270	8,500,000	nc	31.48
May 23	270	7,950,000	+550,000	29.44
Jun 23	270	7,400,000	+600,000	27.41
Jul 23	270	7,050,000	+350,000	26.11
USGC-UKC	70	280.00	nc	65.04
May 23	70	217.50	+6.50	50.53
Jun 23	70	173.50	+1.00	40.30
Jul 23	70	160.00	+3.00	37.17
Clean tankers - EMEA				
Mideast Gulf-Japan	55	175.00	nc	48.11
May 23	55	170.00	-9.50	46.73
Jun 23	55	150.00	-24.00	41.24
Jul 23	55	145.00	-18.00	39.86
UKC-US Atlantic coast	37	125.00	nc	22.26
May 23	37	140.00	-9.50	24.93
Jun 23	37	152.50	-11.50	27.16
Jul 23	37	158.50	-6.50	28.23
Cross Med	30	145.00	-5.00	11.82
May 23	30	162.50	nc	13.24
Jun 23	30	180.00	-0.50	14.67
Jul 23	30	177.00	+1.00	14.43
Clean tankers - Americas				
USGC/Caribbean-UKCM	38	82.50	-2.50	17.11
May 23	38	93.00	-1.50	19.29
Jun 23	38	112.50	-2.50	23.33
Jul 23	38	119.00	-2.50	24.68

Demurrage				
Route	Segment	\$/day	±	
Atlantic basin-Asia	VLCC	80,000	+5,000	
Mideast Gulf-East	VLCC	42,500	nc	
Mideast Gulf-East	Suezmax	55,000	nc	
Black Sea-Med	Suezmax	60,000	nc	
Black Sea-Med	Aframax	60,000	nc	
Kozmino-north China	Aframax	72,000	nc	
De-Kastri-north China	Aframax	72,000	nc	
De-Kastri-South Korea	Aframax	72,000	nc	
De-Kastri-India	Aframax	72,000	nc	
Atlantic coast Americas	MR	26,000	-500	

Specialised tanker rates (weekly)				
Route	Cargo	Size '000t	\$/t	±
UKC-USGC	Biodiesel	10	64.00	nc
USGC-Itaqui	Ethanol	10-20	86.00	-0.50
South Brazil-UKC	Ethanol	10	110.00	nc
South Brazil-Ulsan	Ethanol	10	102.50	nc
USGC-east coast Mexico	Ethanol	5-10	31.50	nc
USGC-UKC	Ethanol	5	91.50	nc
USGC-UKC	Methanol	10	96.50	nc
USGC-Ulsan	Methanol	10	102.50	nc
Argentina+S Brazil (2p)-China (2p)	Vegetable oils	40	90.00	nc
Argentina+S Brazil (2p)-WC India (2p)	Vegetable oils	40	70.00	nc
Argentina-WC India (2p)	Vegetable oils	30	80.00	nc

CCF (Carbon cost of freight) indexes							
Route	Size '000 t	Lump sum \$		\$/t		\$/bl	
		One-way	Round-trip	One-way	Round-trip	One-way	Round-trip
Dirty							
Ras Tanura-Rotterdam (Arab Light)	280	267,424	432,194	0.96	1.54	0.13	0.21
Bonny-Rotterdam (Bonny Light)	130	140,452	232,790	1.08	1.79	0.15	0.24
Houston-Rotterdam (WTI)	70	125,833	217,268	1.80	3.10	0.23	0.40
Clean							
Ras Tanura-Rotterdam	65	123,332	221,345	1.90	3.41	-	-
Houston-Rotterdam	38	79,207	138,371	2.08	3.64	-	-
Rotterdam-New York	37	55,200	94,159	1.49	2.54	-	-

CRUDE-SPECIFIC FREIGHT

North America			Middle East (continued)			Middle East (continued)		
Delivery to	Size	\$/bl	Delivery to	Size	\$/bl	Delivery to	Size	\$/bl
Mars			Arab Light			Murban		
China	270kt	4.54	Asia-Pacific	270kt	1.68	Asia-Pacific	270kt	1.62
China (STS)	270kt	4.41	China	130kt	4.32	Asia-Pacific futures (May 23)	270kt	1.55
China (STS) futures (May 23)	270kt	4.12	Europe	280kt	1.64	Asia-Pacific futures (Jun 23)	270kt	1.79
China (STS) futures (Jun 23)	270kt	3.84	Mediterranean	140kt	2.04	Asia-Pacific futures (Jul 23)	270kt	1.62
China (STS) futures (Jul 23)	270kt	3.66	Singapore	270kt	1.13	China	130kt	4.16
China	130kt	7.38	Singapore	130kt	2.70	Europe	280kt	1.58
east coast Canada	70kt	7.30	USGC coast	280kt	1.97	Mediterranean	140kt	1.97
Europe	145kt	4.53	west coast India	270kt	0.69	Singapore	270kt	1.09
Med	70kt	11.12	west coast India	130kt	1.35	Singapore	130kt	2.60
Rotterdam	270kt	2.72	west coast India	80kt	2.18	US Gulf coast	280kt	1.89
Singapore	270kt	4.02	Arab Medium			west coast India	270kt	0.67
South Korea/Japan	270kt	4.54	Asia-Pacific	270kt	1.71	west coast India	130kt	1.30
UKC	70kt	9.11	China	130kt	4.38	west coast India	80kt	2.10
UKC futures (May 23)	70kt	7.08	Europe	280kt	1.66	Oman		
UKC futures (Jun 23)	70kt	5.65	Mediterranean	140kt	2.07	Asia-Pacific	270kt	1.69
UKC futures (Jul 23)	70kt	5.21	Singapore	270kt	1.15	China	130kt	4.34
west coast India	270kt	4.02	Singapore	130kt	2.74	Europe	280kt	1.65
WCS			US Gulf coast	280kt	1.99	Mediterranean	140kt	2.05
China	270kt	4.81	west coast India	270kt	0.70	Singapore	270kt	1.14
China (STS)	270kt	4.67	west coast India	130kt	1.37	Singapore	130kt	2.71
China (STS) futures (May 23)	270kt	4.37	west coast India	80kt	2.21	US Gulf coast	280kt	1.97
China (STS) futures (Jun 23)	270kt	4.07	Basrah Heavy			west coast India	270kt	0.70
China (STS) futures (Jul 23)	270kt	3.87	Asia-Pacific	270kt	1.79	west coast India	130kt	1.35
China	130kt	7.82	China	130kt	4.60	west coast India	80kt	2.19
Europe	145kt	4.80	Europe	280kt	1.75	West Africa		
Med	70kt	11.78	Mediterranean	140kt	2.18	Delivery to		
Rotterdam	270kt	2.88	Singapore	270kt	1.21	Size		
Singapore	270kt	4.26	Singapore	130kt	2.87	\$/bl		
South Korea/Japan	270kt	4.81	US Gulf coast	280kt	2.09	Bonny Light		
UKC	70kt	9.65	west coast India	270kt	0.74	China	260kt	2.89
UKC futures (May 23)	70kt	7.50	west coast India	130kt	1.44	east coast India	260kt	2.50
UKC futures (Jun 23)	70kt	5.98	west coast India	80kt	2.33	east coast India	130kt	5.27
UKC futures (Jul 23)	70kt	5.51	Basrah Medium			UKCM	130kt	3.15
west coast India	270kt	4.26	Asia-Pacific	270kt	1.74	UKCM futures (May 23)	130kt	3.01
WTI			Asia-Pacific futures (May 23)	270kt	1.66	UKCM futures (Jun 23)	130kt	2.72
China	270kt	4.16	Asia-Pacific futures (Jun 23)	270kt	1.92	UKCM futures (Jul 23)	130kt	2.27
China (STS)	270kt	4.04	Asia-Pacific futures (Jul 23)	270kt	1.74	west coast India	260kt	2.35
China (STS) futures (May 23)	270kt	3.77	China	130kt	4.46	west coast India	130kt	5.11
China (STS) futures (Jun 23)	270kt	3.51	Europe	280kt	1.69	Cabinda		
China (STS) futures (Jul 23)	270kt	3.35	Mediterranean	140kt	2.11	China	260kt	2.92
China	130kt	6.76	Singapore	270kt	1.17	east coast India	260kt	2.53
east coast Canada	70kt	6.68	Singapore	130kt	2.79	east coast India	130kt	5.33
Europe	145kt	4.14	US Gulf coast	280kt	2.03	UKCM	130kt	3.19
Med	70kt	10.18	west coast India	270kt	0.72	west coast India	260kt	2.37
Rotterdam	270kt	2.49	west coast India	130kt	1.39	west coast India	130kt	5.17
Singapore	270kt	3.68	west coast India	80kt	2.25	Dalia		
South Korea/Japan	270kt	4.16	Kuwait			China	260kt	3.09
UKC	70kt	8.34	Asia-Pacific	270kt	1.70	east coast India	260kt	2.68
UKC futures (May 23)	70kt	6.48	China	130kt	4.37	east coast India	130kt	5.63
UKC futures (Jun 23)	70kt	5.17	Europe	280kt	1.66	UKCM	130kt	3.37
UKC futures (Jul 23)	70kt	4.77	Mediterranean	140kt	2.07	US Gulf coast	260kt	2.15
west coast India	270kt	3.68	Singapore	270kt	1.15	US Gulf coast	130kt	4.12
Middle East			Singapore	130kt	2.73	west coast India	260kt	2.51
Delivery to			US Gulf coast	280kt	1.99	west coast India	130kt	5.46
Size			west coast India	270kt	0.70	Djeno		
\$/bl			west coast India	130kt	1.36	China	260kt	3.03
Arab Heavy			west coast India	80kt	2.21	east coast India	260kt	2.63
Asia-Pacific	270kt	1.74	Middle East (continued)			east coast India	130kt	5.53
China	130kt	4.47	Delivery to			UKCM	130kt	3.31
Europe	280kt	1.69	Size			west coast India	260kt	2.46
Mediterranean	140kt	2.11	\$/bl			west coast India	130kt	5.36
Singapore	270kt	1.17	Arab Light			Murban		
Singapore	130kt	2.79	Asia-Pacific			Asia-Pacific	270kt	1.62
Singapore	80kt	4.15	China			Asia-Pacific futures (May 23)	270kt	1.55
US Gulf coast	280kt	2.03	Europe			Asia-Pacific futures (Jun 23)	270kt	1.79
west coast India	270kt	0.72	Mediterranean			Asia-Pacific futures (Jul 23)	270kt	1.62
west coast India	130kt	1.39	Singapore			China	130kt	4.16
west coast India	80kt	2.26	US Gulf coast			Europe	280kt	1.58

CRUDE-SPECIFIC FREIGHT

West Africa (continued)		
Delivery to	Size	\$/bl
Egina		
China	260kt	3.02
east coast India	260kt	2.62
east coast India	130kt	5.51
UKCM	130kt	3.29
west coast India	260kt	2.45
west coast India	130kt	5.34
Escravos		
China	260kt	2.89
east coast India	260kt	2.51
east coast India	130kt	5.28
UKCM	130kt	3.16
west coast India	260kt	2.35
west coast India	130kt	5.12
Forcados		
China	260kt	2.97
east coast India	260kt	2.57
east coast India	130kt	5.41
UKCM	130kt	3.24
west coast India	260kt	2.41
west coast India	130kt	5.25
Girassol		
China	260kt	2.95
east coast India	260kt	2.56
east coast India	130kt	5.38
UKCM	130kt	3.22
west coast India	260kt	2.40
west coast India	130kt	5.22
Qua Iboe		
China	260kt	2.85
east coast India	260kt	2.47
east coast India	130kt	5.20
UKCM	130kt	3.11
US Gulf coast	260kt	1.98
US Gulf coast	130kt	3.80
west coast India	260kt	2.32
west coast India	130kt	5.04

Latin America		
Delivery to	Size	\$/bl
Castilla		
China	270kt	4.24
Panama	130kt	1.71
US Gulf coast	130kt	3.13
US Gulf coast	70kt	5.94
US Gulf coast	50kt	4.67
west coast India	270kt	3.74
Isthmus		
US Gulf coast	70kt	3.43
US Gulf coast	50kt	2.26
Maya		
US Gulf coast	70kt	3.69
US Gulf coast	50kt	2.43

Latin America (continued)		
Delivery to	Size	\$/bl
Napo		
Houston	50kt	5.58
Los Angeles	100kt	2.86
Oriente		
Houston	50kt	5.36
Los Angeles	100kt	2.75
US west coast	50kt	9.25
Tupi		
China	260kt	3.29
UKC	260kt	1.97
UKC	130kt	3.58
US west coast	260kt	3.05
Vasconia		
Panama	130kt	1.84
US west coast	130kt	3.39

North Sea & Baltic		
Delivery to	Size	\$/bl
Ekofisk		
east Asia	270kt	3.88
Mediterranean	80kt	3.17
UKC	80kt	1.48
US Atlantic coast	80kt	2.61
Forties		
east Asia	270kt	3.72
Mediterranean	80kt	3.04
UKC	80kt	1.42
US Atlantic coast	80kt	2.50
Johan Sverdrup		
east Asia	270kt	4.11
Mediterranean	80kt	3.36
UKC	80kt	1.57
US Atlantic coast	80kt	2.76
Urals		
Mediterranean	100kt	-
UKC	100kt	-

Asia-Pacific		
Delivery to	Size	\$/bl
ESPO		
Chiba	100kt	2.97
north China	100kt	2.97
Singapore	100kt	3.51
Yeosu	100kt	2.40

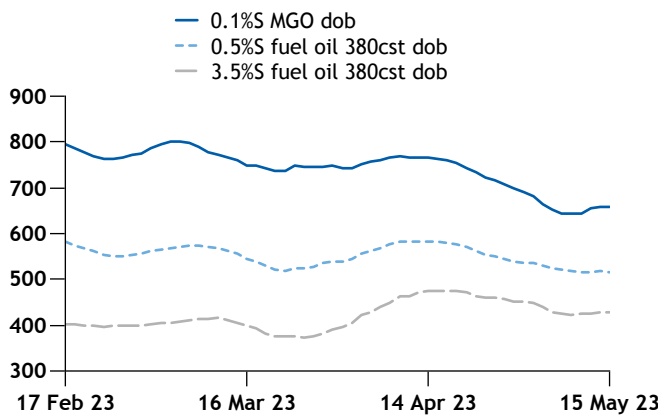
Mediterranean		
Delivery to	Size	\$/bl
Arab Light (Sidi K)		
Mediterranean	80kt	2.09
UKC	80kt	3.01
BTC		
east Asia	130kt	6.16
Mediterranean	130kt	1.23
Mediterranean	80kt	2.05
UKC	80kt	2.94
Es Sider		
east Asia	130kt	6.21
Mediterranean	80kt	2.07
UKC	80kt	2.97
US Gulf coast	130kt	2.68
US Gulf coast	80kt	4.13
Saharan		
east Asia	130kt	5.87
Mediterranean	130kt	1.17
Mediterranean	80kt	1.95
UKC	80kt	2.80
US Gulf coast	130kt	2.53
US Gulf coast	80kt	3.90

Black Sea		
Delivery to	Size	\$/bl
Azeri Light (Supsa)		
Mediterranean	80kt	3.13
UKC	80kt	5.10
CPC		
east Asia	130kt	5.86
Mediterranean	130kt	1.85
Mediterranean	80kt	2.95
UKC	80kt	4.80
US Gulf coast	130kt	-
Urals		
east Asia	130kt	-
Mediterranean	140kt	-
Mediterranean	80kt	-
UKC	80kt	-
US Gulf coast	130kt	-

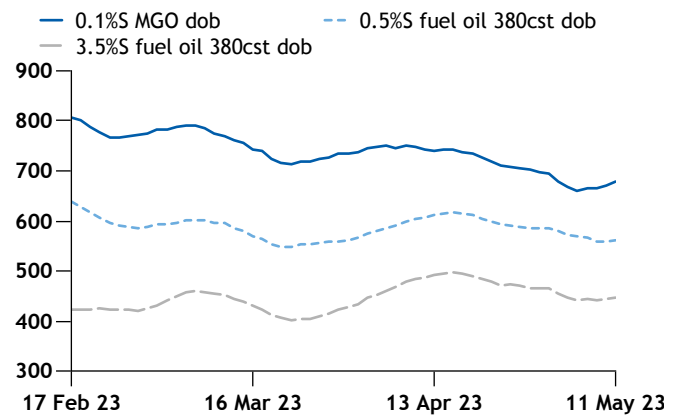
BUNKERS

Conventional

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

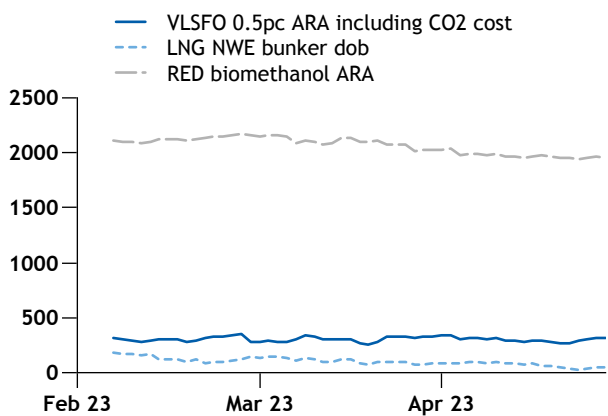


Singapore bunker prices (0.5%S, 3.5%S, MGO) \$/t

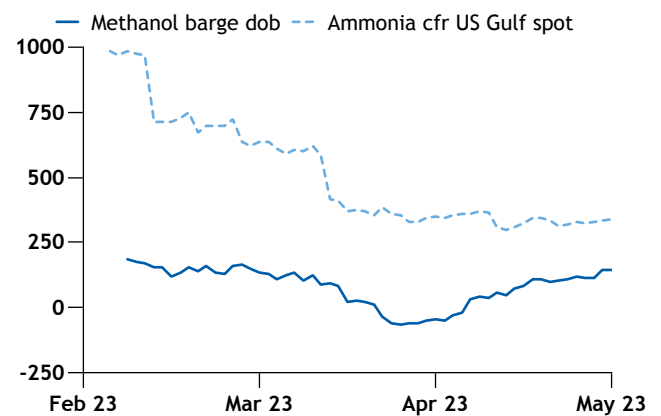


Alternative

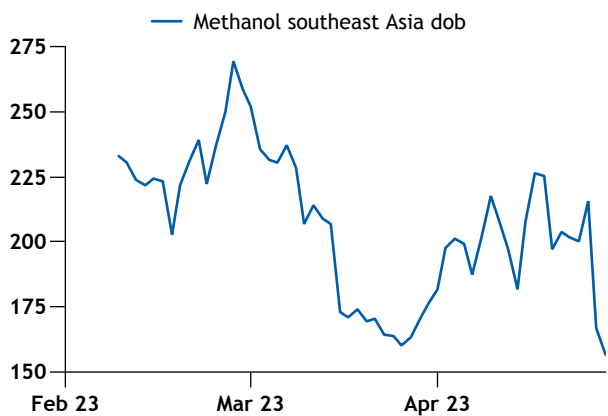
Rotterdam - LNG, others as premiums to VLSFO \$/t



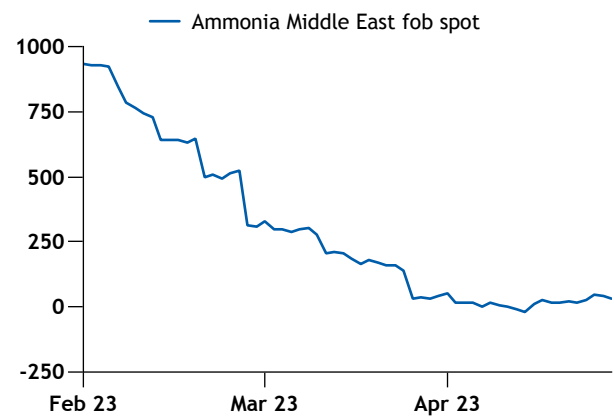
USGC - Methanol, ammonia as premiums to VLSFO \$/t



Singapore - Methanol premium to VLSFO \$/t



Middle East - Ammonia premium to VLSFO \$/t



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Opec sec gen invites Ecuador to rejoin group

Opec secretary general Haitham al-Ghais has invited Ecuador to rejoin the producer group, three and a half years after it left.

In a letter to Ecuadorean energy minister Fernando Santos, dated 12 May and made public by the ministry today, al-Ghais said Opec saw Ecuador's return "as a top priority" that would "greatly benefit" the South American nation.

"Ecuador is an important oil producer and exporter, and the secretariat believes that your esteemed country would greatly benefit from the information and knowledge that Opec shares with its member countries, as well as the possibility of strengthening diplomatic ties with like-minded oil producing countries," the letter said.

Al-Ghais said he was prepared to visit Ecuador "to personally explain the multiple advantages of joining Opec" to Santos and President Guillermo Lasso.

The country joined Opec in 1973, and suspended its membership in 1992. It reactivated that in 2007, only to leave again [at the end of 2019](#) as part of a government belt-tightening programme.

"The decision is based on the internal affairs and challenges that the country has to assume, related to fiscal sustainability," the ministry said at the time, adding that it aligned with the government's plan to cut spending and generate new revenues.

At that time, Ecuador's crude production was around 550,000 b/d, making it the Opec group's fourth smallest producer behind Congo (Brazzaville), Equatorial Guinea and Gabon. Its output has been edging down ever since, with latest figures from the Ecuadorean central bank putting production at 461,000 b/d in the first quarter of this year.

The energy ministry in March [revised down](#) its production target for the year, by 6pc to 490,000 b/d from 521,000 b/d, because of indigenous communities' strikes, power outages and the shutdown of main pipelines at the start of the year.
By Nader Itayim

IEA hikes oil demand growth on China rebound

The IEA has hiked its forecast for world oil demand growth this year by almost 200,000 b/d, with a stronger than previously expected rebound in China outweighing a deterioration in the global economic picture.

The Paris-based energy watchdog's latest *Oil Market Report* (OMR) puts world oil demand at 102.01mn b/d in 2023, an increase of 2.21mn b/d on last year and around 1.3mn b/d higher than pre-pandemic 2019. Its previous forecast had demand growing by 2.03mn b/d this year to 101.94mn b/d.

The upwards revision is underpinned by China, where the recovery in demand "continues to surpass expectations",

the IEA said. Chinese demand set an all-time record of 16mn b/d in March, driven by "burgeoning personal mobility", according to the IEA. The agency now sees Chinese demand increasing by 1.29mn b/d this year, which is almost 60pc of global growth and 130,000 b/d higher than its previous forecast.

The IEA describes China's demand rebound as a "two-speed recovery", with the abrupt increase in personal activity and travel brushing up against "persistently gloomy measures of industrial activity". Globally, this is fuelling a widening gap in the trajectories of gasoil and gasoline demand, it said.

The sharp post-lockdown revival in Chinese demand is in stark contrast to the advanced economies of the OECD, where the IEA estimates cumulative oil consumption dropped by an estimated 310,000 b/d in January-March, the second quarterly decline in a row. "Economic growth in advanced economies is decelerating in the wake of much higher interest rates, with outlooks increasingly turning to hard landings and recessions," the IEA said.

The IEA expects OECD demand to return to growth in the current quarter but "its average 2023 increase of 350,000 b/d pales compared to 1.9mn b/d in non-OECD gains", it said.

On the supply side, the agency warns that global oil stocks may come under pressure as Opec+ cuts take effect this month, but it notes Russian output continues to prove resilient, with Moscow's crude and product exports hitting a post-Ukraine invasion high of 8.3mn b/d last month. Moscow will need to cut a further 300,000 b/d from its crude production this month to bring itself into line with the 500,000 b/d reduction it has pledged, according to the IEA. "By our estimates, Moscow did not deliver its announced 500,000 b/d supply cut in full. Indeed, Russia may be boosting volumes to make up for lost revenue," the IEA said.

The agency has raised its forecast for Russian oil output by 180,000 b/d this year, but this is offset by a downwards revision to supply from countries outside the Opec+ alliance. The IEA has left its global oil supply growth forecast unchanged at 1.2mn b/d for 2023, with an increase of 1.7mn b/d from non-Opec+ countries partially offset by a 560,000 b/d decline from the Opec+ group.

By James Keates

India removes windfall tax on domestic crude

India has cut its windfall tax on domestic crude production to zero in the latest review of its tax scheme.

India cut the windfall levy on domestic crude production to zero from [4,100 rupees/t \(\\$6.84/bl\)](#) on [2 May](#), according to a notification by the Central Board of Indirect Taxes and Customs on 15 May. The changes take effect on 16 May. The

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federal government revises windfall tax rates every two weeks.

This is the second time the windfall tax on crude has been removed since the introduction of the tax scheme in July 2022. The Indian government had [cut the tax on crude output to zero](#) from Rs3,500/t in early April, before reimposing it at Rs6,400/t on 19 April and then cutting it in early May.

Indian oil minister Hardeep Singh Puri said in November 2022 that India will need to raise domestic crude output and purchase assets abroad to make up for the surge in demand. The government aims for 25pc of India's total crude demand by 2030 to be produced domestically.

But India's crude and condensate production during the April 2022-March 2023 fiscal year fell compared with a year earlier. [India produced 29.2mn t \(586,000 b/d\) of crude and condensate](#) during 2022-23, down from 596,000 b/d in 2021-22, according to oil ministry data.

India crude import dependency was over 87pc in 2022-23. Crude demand was 5.14mn b/d in 2022 and is projected to rise to 5.39mn b/d in 2023, according to Opec's May *Monthly Oil Market Report*.

[Diesel, jet fuel tax holds at zero](#)

India also kept export taxes on diesel and jet fuel at zero in its latest review.

India scrapped diesel export duties on 19 April for the first time since the introduction of the tax regime in July 2022, continuing with this policy ever since. Export duties on jet fuel were removed from 4 March and remain at zero in the latest review.

By Pranav Joshi

[Opec+ output cuts spur VLCC rally on US Gulf](#)

Freight rates for US-loading very large crude carriers (VLCCs) have risen sharply over the last week as Asian refiners look to the Atlantic basin for crude in the face of Opec+ production cuts, reversing a fall that began in early April when the cuts were announced.

The US Gulf coast-China VLCC rate on Monday rose by \$1.25mn to \$8.75mn lump sum, equivalent to \$4.16/bl for WTI, including \$250,000 load-port fees, marking a 35pc increase from a [10-month low reached on 10 May](#). Over that span, the Mideast Gulf to Asia-Pacific VLCC rate rose by a more moderate 11.4pc to \$1.56/bl for Arab Light from \$1.40/bl, underscoring uneven VLCC demand between the two regions.

As rates increased between 10 and 15 May, shipowner earnings for scrubber-fitted VLCCs bound for China from Texas, represented in the time-charter equivalent (TCE) rate,

nearly doubled to \$44,110/d, according to *Argus* data, while the TCE rate for a VLCC on a Mideast Gulf-China voyage climbed to \$27,440/d from \$20,792/d. A prolonged spread in earnings between the two regions could entice shipowners to send their tankers to the US Gulf coast to capitalize on the higher rates.

A surge of charterers began scooping up the ample supply of 2mn bl tankers in the Gulf of Mexico last week, enticed by the lowest rates since last summer, with 16 VLCCs fixed for US-loading voyages between 8 and 16 May, nine of which are bound for Asia, according to *Argus* data. Over the previous two weeks, charterers fixed only seven VLCCs for US-loading voyages.

Rates for 2mn bl tankers had fallen globally since the production cuts were announced in early April. With 68pc of Opec+ producers' crude exports, or about 18.2mn b/d, over the last full 12 months going to Asian markets, refiners there are looking to the Atlantic basin for replacement barrels.

An increase in VLCC voyages from the US Gulf coast to Asia strains tonnage and puts upward pressure on rates. Voyages to China from the US take about 53 days, compared with about 21 days for voyages from the Mideast Gulf.

By Tray Swanson

[Diesel from Russia crude in sights: EU officials](#)

EU member states could and should ban imports of diesel and other products refined from Russian crude in third countries, EU officials said, but such a move is unlikely to form part of any EU-wide sanctions.

The bloc's rules only ban imports of products refined in Russia and there has been concern voiced, notably from some refiners in the Mediterranean region, about large amounts of diesel arriving in the EU from India – now the biggest destination for Russian crude exports.

"If diesel or gasoline is entering Europe... coming from India and being produced with Russian oil, that is certainly a circumvention of sanctions and member states have to take measures," EU high representative for foreign affairs Josep Borrell said, in comments first published by the *Financial Times* and confirmed by his office. His spokesman said this does not have to be through sanctions.

"You can just introduce a [national-level] ban," he told *Argus*, adding that member states would have to evaluate what legally constituted a circumvention of sanctions. EU foreign ministers will discuss [further sanctions](#) against Russia on 22 May. An extension of the bloc's embargo on Russian products to include those refined in third countries is unlikely.

A few companies in the EU already reject diesel made

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from Russian crude, according to diesel traders, but only a small minority. Croatia's Ina made this stipulation in a recent diesel tender, which was awarded to Italy's Saras. The latter has [expressed specific concern](#) about Indian refiners taking advantage of cheap Russian crude and then exporting their diesel output to the Mediterranean "at very favourable prices".

India has been the second-largest supplier of diesel to the EU since its ban on Russian products and the largest supplier in May so far, according to Vortexa. Around 26,000 t/d (197,000 b/d) has arrived in the EU from India since the EU ban on Russian products came into effect on 5 February, which is around 20pc of all EU imports from outside the bloc. In the same period a year earlier this was just 8,000 t/d, or 5pc of EU imports.

Ample imports of diesel, from India and elsewhere, has contributed to a steep decline in EU prices and margins in the three months since 5 February. Diesel cargoes delivered to northwest Europe were \$12.43/bl above North Sea Dated crude at the end of April, down from above \$40/bl in January and nearly \$80/bl at one point in 2022.

Indian private-sector oil giant Reliance handles most of the country's diesel exports to the EU, mainly from its 1.2mn b/d Jamnagar refinery and the port of Sikka on India's west coast. More than 500,000 b/d of Russian-origin crude has arrived at the Reliance Jamnagar terminal at Sikka since the EU imposed its embargo in December. India has been the largest buyer of Russian crude, with around 1.54mn b/d in that time. This is around half of Russia's seaborne crude exports and a third of India's imports. India only received around 140,000 b/d, or 5pc of Russia's seaborne crude exports in the same period a year earlier.

By Benedict George and Dafydd ab Iago

High Asian ref runs hitting global margins: IEA

Record Asia-Pacific refinery run rates have shifted global product balances in recent months, depressing margins and raising the prospect of lower throughput in the remainder of the year, the IEA said today.

In its latest monthly *Oil Market Report* (OMR), the IEA revised its estimate for global refinery runs in the second quarter to 82.3mn b/d, from 81.4mn b/d in the previous report. First-quarter runs are now put at 81.6mn b/d, up from 81.1mn b/d. In both cases the revisions mainly reflect a higher estimate for Asia-Pacific.

The IEA cut its forecast for runs in the third and fourth quarters, mainly reflecting lower expectations for Europe and the Americas.

The agency also said the availability of discounted Rus-

sian crude in the Middle East and Asia-Pacific means refining activity in those regions are likely to be disproportionately higher than in the Atlantic basin.

The IEA's indicator margins are weakening for every type of refinery in northwest Europe, the US Gulf Coast and Singapore, reflecting middle distillates specifically. The IEA attributes declining margins more to high refining runs in Asia-Pacific in the first quarter than to low demand, although it said "softer manufacturing PMI readings in Europe, the US and China all point to tepid industrial activity".

Traders tell *Argus* that diesel demand has been significantly slower in some parts of Europe since December 2022.

If margins were to drop further, European refiners might be compelled to cut runs before their counterparts east of Suez.

"European refineries barred from processing Russian crude and feedstocks are competitively disadvantaged by the EU sanctions programmes, leaving their crude demand vulnerable if additional margin pressure emerges in the near term," the IEA said.

European margins underperformed in April because they tend to have higher middle distillate yields, relatively high naphtha yields and less conversion capacity. Simple refineries in Europe only recorded an indicator margin of \$2.15/bl in April, down by two thirds on the month. The IEA suggests refineries of this type are not far from price levels that could prompt run cuts – although a lift in margins in early May has made that less likely.

Lower middle distillate margins have been partly, but by no means completely, offset by rising gasoline margins. The switch to summer-specification gasoline has lifted margins because it brings higher production costs. This has coincided with a severe tightening of US gasoline stock levels.

The IEA only expects crude runs of 12.1mn b/d in Europe in May, revised down from 12.4mn b/d previously forecast. It has revised April runs up to 11.7mn b/d, from 11.6mn b/d, so still sees the conclusion of maintenance work as lifting regional activity, but by a smaller degree.

It still forecasts European runs at 11.9mn b/d in the current quarter, and it revised lower its first-quarter figure to 11.7mn b/d from 11.8mn b/d. European runs for the whole of 2023 have been revised down to 11.9mn b/d from 12mn b/d, a slight decline from 12mn b/d in 2022.

By Benedict George

China's April crude runs ease back

China's April crude runs fell from the previous month as gasoline and diesel refining margins dipped (*see graph*) on slowing domestic consumption, reduced exports and in-

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creased refinery turnarounds.

Crude throughput in April eased to around 14.88mn b/d (61.14mn t), down by around 0.18pc from March but still up significantly by 18pc compared with the same period last year during strict Covid-19 lockdowns, data released on 16 May from China's National Bureau of Statistics show. Crude runs during January-April were 14.61mn b/d (240.18mn t), up by 8.3pc from the previous year, following an economic recovery after the lifting of Covid-19 restrictions.

Trading firms and state-controlled refiners increased gasoline stockpiling in April before the 29 April-3 May Labor Day holiday. The volume of travelers during the holiday hit a new record, with the number of passenger cars rising by around 25pc from the same period in 2019 to around 280mn, according to the transport ministry.

But the domestic demand recovery remains slower than expected. State-controlled refiner Sinopec's gasoline sales at retail outlets in multiple provinces during the holiday were below 2021 levels, according to the company, influenced by the rapidly growing new energy vehicle market. Gasoline restocking has slowed this month, with around 54,000 b/d of 92R gasoline trading in the Bohai bay spot market in May compared with around 99,000 b/d last month.

Chinese refiners have found it difficult to ship the surplus overseas, especially with thin export margins to the Singapore market. China's [oil product exports in April](#) – including gasoline, diesel, kerosene and fuel oil – fell to a nine-month low of 980,000 b/d, down by 30pc from a five-month low of 1.4mn b/d in March and lower by 2pc from 1mn b/d in April last year, customs data show.

The crude runs will likely continue to dip in May as intensive refinery maintenance is weighing on throughputs. State-controlled refiner PetroChina plans for 540,000 b/d of capacity to have maintenance this month. The 60,000 b/d Shandong independent refiner Kenli and state-controlled CNOOC's 120,000 b/d Taizhou refinery have started 40-day and 45-day turnarounds respectively this week.

US to buy up to 3mn bl of crude for SPR

President Joe Biden's administration is preparing to start refilling the US Strategic Petroleum Reserve (SPR) by purchasing up to 3mn bl of sour crude for delivery in August.

The administration yesterday issued a request for proposals to buy US-produced crude through a "firm-fixed-priced contract" that would be delivered to the Big Hill SPR site near Beaumont, Texas, from 1-31 August. The administration said it intends to buy more crude later this year as part of its plan to replenish the SPR, which with 359.6mn bl in inventory is at its lowest level in more than 40 years.

The US Energy Department said it is aiming to purchase crude for the SPR "at a lower price than the average of about \$95/bl" from last year's emergency sales of 180mn bl. The administration previously said it was targeting a purchase price of \$67-\$72/bl, but the agency's attempt last year to buy 3mn bl of crude was canceled after the offers failed to meet the price target.

Last week, US energy secretary Jennifer Granholm said the administration would start refilling the SPR after the completion of a congressionally mandated sale of 26mn bl that is scheduled to be completed by 30 June. The Energy Department is planning to [add](#) up to 13mn bl to the SPR by the end of the year through purchases and the scheduled return of long-term loans called exchanges.

The 3mn bl of crude for delivery in August will need to be produced in the US by US producers, according to the request for proposals, and will be awarded on a competitive basis.

The final award price will be based on the average daily settlement of the Nymex WTI prompt-month price over the three trading days before the award is issued, adjusted for the Argus Mars prompt month weighted average for sour crude, plus an adjustment submitted by bidders. The Big Hill SPR storage site has a maximum receipt capability of 225,000 b/d.

By Chris Knight

Ineos boss Ratcliffe 'fears for' North Sea's future

Ineos boss Jim Ratcliffe has waded into the debate over the UK's windfall tax on oil and gas producers, stating that he "fears for the future" of the country's North Sea sector.

The UK government announced a [25pc tax surcharge](#) on oil and gas producers – the Energy Profits Levy – last May. Initially introduced as a temporary measure designed to last until the end of 2025, the government increased the levy to 35pc from January this year and extended it until 2028.

Ineos – whose Forties Pipeline System business connects more than 85 North Sea fields – claims a "unique view" of the development plans of oil and gas producers operating there. Ratcliffe believes the government's 75pc tax burden on oil and gas producers – which includes 30pc corporation tax, the 10pc Supplementary Charge and the 35pc Energy Profits Levy – will lead to a collapse in investment in the basin.

"The UK has hiked the tax take in the North Sea from 40pc to 75pc and we are now seeing many operators pausing or cancelling their investment plans. The big winners are in the US where operators in the Gulf of Mexico can pay just 37pc tax and investment is at its highest level for a decade,"

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Ratcliffe said today.

The UK's biggest offshore producer, independent operator Harbour Energy, last week [confirmed it had seen work programmes cancelled](#) by its partners at the Elgin/Franklin and Beryl fields. It also confirmed that 350 jobs would be lost in its UK business as a result of a review it launched following the increase in the Energy Profits Levy.

Despite North Sea producers [meeting with UK ministers](#) in December and urging the introduction of a price floor to the Energy Profits Levy, the government has not budged. The windfall tax was not mentioned at all in finance minister Jeremy Hunt's spring budget in March.

Ratcliffe today described the windfall tax as "really primitive politics" by the UK government. "There has been no thought given to the long-term consequences of this "tax it to death" move. Taxes are now so high that profits no longer fund future investments and on top of this, new investments have poor returns with invariably high tax rates," he said, adding that the country needs energy security, "which means encouraging developments in our strategic energy reserves in the North Sea, not taxing it out of existence and shutting down the basin".

Ineos said it is currently investing £1bn (\$1.25bn) to upgrade the Forties Pipeline System, in order to keep it fit for purpose until the 2040s, but emphasised "this is dependent on the basin remaining a viable oil and gas hub". The pipeline network currently carries 575,000 b/d from 85 fields to the Kinneil processing facility at Grangemouth.

By Jon Mainwaring

Reformer leak causes Marathon refinery fire

A fatal fire at Marathon's 593,000 b/d Galveston Bay, Texas, refinery on Monday was caused by a pump leak in a reformer unit.

A splitter pump in the refinery's ultraformer unit number three developed a leak and caught fire, according to a filing with the Texas Commission on Environmental Quality (TCEQ).

The pump system was isolated, the fire was extinguished and the unit depressurized, according to the TCEQ filing.

The fire began at approximately 10:30am ET on 15 May and killed one Marathon employee, according to the company. The fire was under control as of 12:50pm ET, according to Texas City officials.

Catalytic reformer units refine naphtha into higher octane products such as isoparaffins and aromatics that are used as gasoline blending components.

Earlier this year Marathon [added 40,000 b/d of refining](#)

[capacity and 17,000 b/d of residual fuels upgrading capacity](#) to the refinery's 593,000 b/d of capacity.

A contract worker [died in an electrical incident at the refinery](#) in March.

The company said it will conduct a full investigation into the cause of today's fire.

By Nathan Risser

P66 Borger refinery begins FCC maintenance

The fluid catalytic cracking unit (FCC) at Phillips 66's 149,000 b/d refinery in Borger, Texas, will undergo planned maintenance starting today.

Planned work was scheduled to begin the morning of 16 May and will last until 30 May, Phillips 66 said in a filing with state regulators that cites a "possible shutdown" of the Unit 29 FCC.

FCC's convert vacuum gasoil primarily to gasoline blendstocks.

By Gordon Pollock

Romania's Midia refinery ramps up 1Q runs

Romania's 105,000 b/d Midia refinery managed a significant increase in throughput and production in the first quarter despite planned maintenance, its Kazakh-owned operator Rompetrol Rafinare said.

Midia processed 1.28mn t of feedstock in January-March, up by 31pc from a year earlier. The crude it refined was "exclusively" imported from Kazakhstan, the company said. Kazakh state-owned Kazmunaigaz owns 48.1pc of Rompetrol Rafinare, the Romanian government holds 44.7pc and other shareholders the remaining 7.2pc.

Midia ran at 86pc of its capacity in the first quarter, having partially shut for about 10 days in early February for planned maintenance. The refinery was shut down for a 20-day turnaround in March 2022.

Midia's gasoline production climbed by 32pc on the year to 343,000t in January-March, while combined diesel and jet fuel output rose by 23pc to 620,000t. Midia's net cash refinery margin returned to positive territory at \$11.70/bl in the first quarter from minus \$10.80/bl a year earlier. Motor fuel sales were up by 28pc on the year at 901,000t.

Rompetrol Rafinare's polymers output fell by 7pc from a year earlier to 26,000t, while its total petrochemical sales were down by 10pc at 36,000t. First-quarter throughput at the Vega specialty products plant in Ploiesti, the only producer of bitumen and hexane in Romania, increased by 10pc on the year to 76,000t.

The company swung to a \$14.4mn profit in the first quar-

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ter from a \$132.8mn loss a year earlier. It expects to pay a [windfall tax, or solidarity contribution](#), of \$28.8mn to the Romanian government for the January-March period.

By Bela Fincziczki

Crude for Schwedt arrives in Gdansk

A 800,000 bl cargo of Arab Light crude is unloading for Germany's 226,000 b/d Schwedt refinery at the Polish port of Gdansk, according to oil analytics firm Vortexa. The Saudi Arabian crude will be supplied by pipeline to Schwedt, in eastern Germany, within days, the ministry of economic affairs in Berlin says.

Germany halted all Russian oil imports at the end of 2022, including deliveries through the Druzhba pipeline, on which Schwedt was previously dependent. The refinery is sourcing crude through a 143,000 b/d pipeline from the German Baltic port of Rostock, but this route can cover only 55pc of Schwedt capacity.

The refinery received 1,000 b/d (50,000t) of Kazakh crude delivered through the Druzhba pipeline in April and shipments to Germany from Kazakhstan are scheduled at 2,000 b/d this month.

From Gdansk, crude flows through Poland's Pomeranian pipeline to the Druzhba system, for onward delivery to Schwedt. But the refinery has imported only a few cargoes through Gdansk since November, with Warsaw reluctant to commit to regular supplies while Rosneft remains the majority shareholder in Schwedt.

Germany's upper house of parliament recently approved an amendment to the energy security act that enables the swift sale of Rosneft's German downstream businesses, which have been under federal trusteeship since September. Rosneft has stakes in three German refineries – 54pc in Schwedt, 24pc in the 299,000 b/d Karlsruhe plant and 28.6pc in the 206,000 b/d Vohburg-Neustadt refinery.

Schwedt is expected to operate at 70pc of capacity or higher from June, with output rising after maintenance is completed by the end of May, the ministry of economic affairs says. The refinery is running at below 50pc of capacity.

By Marc Hauschild

Azeri crude output broadly flat in April

Azerbaijan produced 512,000 b/d of crude last month, compared with 515,000 b/d in March, according to the country's energy ministry.

Production from the BP-led Azeri-Chirag-Guneshli (ACG) complex in the Caspian Sea was 2,000 b/d lower on the month at 372,000 b/d, while output from fields operated by state-owned Socar inched down by 1,000 b/d to 140,000 b/d.

Azerbaijan was 172,000 b/d below its Opec+ crude target last month. The quota is set at 684,000 b/d until the end of 2023.

The target excludes condensate output, which edged down by 3,000 b/d to 114,000 b/d in April, the energy ministry said.

Azerbaijan's total crude and condensate production was 10.2mn t, or around 639,000 b/d, in January-April, according to the ministry. This comprised 6.2mn t of ACG crude, 1.5mn t of condensate from the BP-operated Shakh Deniz project and 2.5mn t of crude and condensate from Socar-operated fields.

By Anastasia Krasinskaya

Spain's oil product stocks down in March

Spanish oil product inventories fell in March on the back of refinery maintenance, weaker diesel imports and higher gasoline exports to the US and France.

Latest data from Spain's petroleum reserves corporation Cores show overall stocks fell by 7pc on the month to 9.34mn t in March.

Spain swung back to its usual status as a net exporter of oil products, with exports outpacing imports by some 481,000t, while total refinery output fell by 4pc from February following maintenance at the 120,000 b/d La Coruna and 220,000 b/d Huelva refineries.

Inventories of crude and other refinery feedstocks dipped by 2pc on the month to 5.57mn t in March, according to Cores. Although Spanish refinery crude throughput was down by 2pc to about 1.17mn b/d, domestic runs outpaced crude imports of 1.11mn b/d.

The Cores data suggest a sharp fall in gasoline inventories. While domestic gasoline production dropped by 14pc on the month to 183,000 b/d, the lowest level in over two years, Spain's net gasoline exports climbed by a third to 103,000 b/d and consumption was up by 5pc at 135,000 b/d.

The US was the main destination for Spanish gasoline exports in March, with transatlantic shipments more than doubling on the month to reach a 10-month high of 61,000 b/d. Neighbouring France – which had a large part of its refining capacity offline due to strikes – was the second-largest destination for Spanish gasoline, taking 14,000 b/d in March.

The Cores data also point to a fall in diesel stocks. Spain switched to being a net exporter of diesel by a margin of 14,000 b/d in March, while domestic diesel production declined at a faster pace than domestic consumption. France replaced Morocco as Spain's largest diesel customer, taking 36,000 b/d in March, more than twice as much as February.

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Bucking the trend, jet-kerosine inventories appeared to rise in March. Spain switched to being a net importer, according to Cores, supported by 14,000 b/d of receipts from Turkey, a multi-year high. Domestic output was little affected by maintenance, staying steady compared with February at 195,000 b/d, indicating seasonal stockbuilding of jet fuel ahead of a jump in demand over the Easter holidays.
By Jonathan Gleave

K Line to charter LNG-fuelled LNG carrier

Japanese shipping firm Kawasaki Kisen Kaisha (K Line) has agreed with domestic trading house Mitsubishi to charter a new LNG carrier for 15 years, with shipping to start from the latter half of 2026.

K Line and Mitsubishi's wholly-owned subsidiary Diamond Gas International signed an agreement on 12 May to charter an 174,000m³ LNG carrier for 15 years with an option to extend for up to 10 years. The vessel will be built by South Korea's Samsung Heavy Industries.

The LNG carrier is to be equipped with a ME-GA dual-fuel engine that can burn a combination of fuel oil and boil-off gas with high efficiency.

K Line has attempted to reduce the environmental impact of shipping, not just by using LNG as a marine fuel but also by looking to biofuels. It recently [tested marine biofuel B24](#) on a voyage from Brazil to Japan. B24 consists of 24pc of fatty acid methyl ester and 76pc of very-low sulphur fuel oil.
By Nanami Oki

Summit to build ethanol-to-SAF plant on USGC

US-based agribusiness Summit Agricultural Group said it plans to build an ethanol-to-Sustainable Aviation Fuel (SAF) plant in the US Gulf Coast region.

The company plans to use ethanol-to-jet technology developed by US aerospace engineering company Honeywell to produce 250mn USG of SAF/yr. It expects the plant to be operational in 2025.

Using ethanol as the main material for SAF has certain advantages over other technologies that rely on feedstocks consisting of vegetable oils, animal fats and waste oils, which are undersupplied in the market, Summit said.
By Daniel Khaluspy

Ethanol lifts global biofuels output in April: IEA

Global biofuels output increased by 11pc on the month in April on the back of higher seasonal demand, according to

the IEA's latest monthly *Oil Market Report* (OMR).

Production increased to 2.98mn b/d last month from 2.67mn b/d in March, mainly because of higher ethanol output, the IEA estimates.

Global ethanol production grew by just under 21pc on the month to 1.81mn b/d, driven by rising Brazilian output which jumped to 412,000 b/d from 100,000 b/d in March. The US remained the world's biggest ethanol producer in April, accounting for 55pc of global supply.

Biodiesel production was flat at 1.17mn b/d in April. The March estimate was revised up to 1.17mn b/d from 1.16mn b/d in the previous report.
By Niamh Burns

Thailand base oil imports fall on month in Mar

Thailand's base oil imports edged down on the month in March after two consecutive months of increase, owing to a decline in shipments from South Korea.


Imports fell by 8.8pc from February to 26,900 kilolitres (23,700t) in March, according to GTT data. But March shipments were still 85pc higher than 14,600 kl a year earlier because of a [low base in March 2022](#), when import volumes slumped to their lowest level in over eight years, as supplies from South Korea tightened because of plant maintenances and turnarounds.

South Korean cargoes declined by 18pc from 19,100 kl in February to 15,600 kl in March, but remains more than threefold that of 3,700 kl a year earlier. South Korean supplies tightened in March ahead of a producer's scheduled maintenance in May. And two other South Korean producers maintained partial run cuts which began in the third quarter of 2022.

South Korea is typically Thailand's largest base oil supplier, with imports from the northeast Asian country averaging at 19,300 kl – or 56pc of Thailand's total imports – over the past five years. Thailand typically imports premium-grade base oils, as it is structurally short on Group II and III base oils.

Imports from Singapore rose by 1,400 kl on the month to 9,400 kl in March. Increased supplies from the nation state counterbalanced a fall of 1,500 kl in Qatari imports to 400 kl in March.


By Tara Tang



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