

# OPIS Europe Jet, Diesel & Gasoil Report

Essential Intelligence on Europe's Distillates Market

OPIS A DOW JONES COMPANY

25 August 2022

## Jet Fuel Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
OPIS450 FOB FARAG Barge	77.25	-5.50	1251.250	0.75	1250.75	1251.75	1111.329	1159.381
FOB NWE Cargo	63.75	0.00	1237.750	6.25	1237.25	1238.25	1099.066	1149.321
CIF NWE Cargo	74.75	0.00	1248.750	6.25	1248.25	1249.25	1110.066	1160.321
FOB Med Cargo	48.67	1.16	1222.673	7.41	1222.17	1223.17	1076.882	1126.959

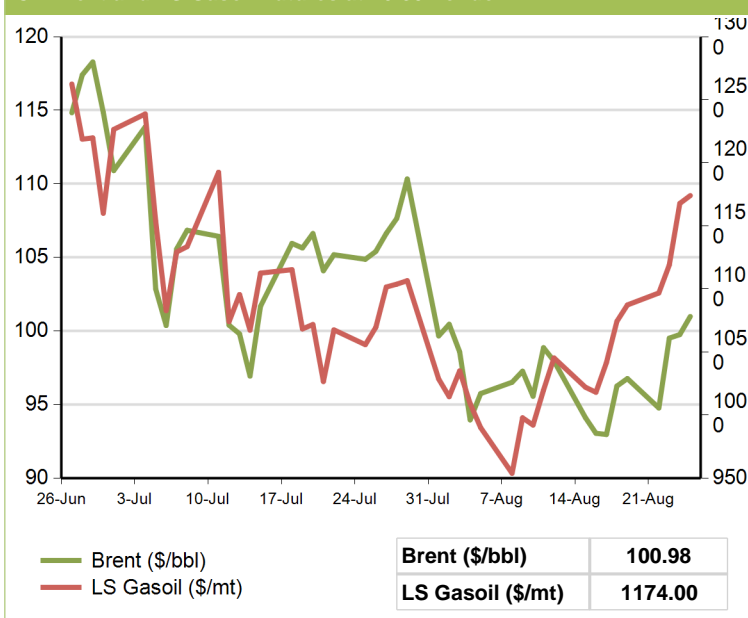
## Diesel (ULSD) Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB ARA Barge	5.80	-0.95	1179.800	5.30	1179.30	1180.30	1051.849	1137.988
FOB NWE Cargo	9.00	-2.00	1183.000	4.25	1182.50	1183.50	1055.974	1135.417
CIF NWE Cargo	21.50	-2.00	1195.500	4.25	1195.00	1196.00	1068.474	1147.917
FOB Baltic Cargo	-24.44	-1.47	1149.556	4.78	1149.06	1150.06	1019.774	1098.107
FOB Med Cargo	14.50	-3.00	1188.500	3.25	1188.00	1189.00	1056.158	1125.667
CIF Med Cargo	28.00	-3.00	1202.000	3.25	1201.50	1202.50	1069.658	1139.167

## Gasoil Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB ARA 0.1% Barge	-11.00	-2.50	1163.000	3.75	1162.50	1163.50	1028.158	1089.798
FOB NWE Cargo	-9.25	-4.25	1164.750	2.00	1164.25	1165.25	1033.961	1104.179
CIF NWE Cargo	3.25	-4.25	1177.250	2.00	1176.75	1177.75	1046.461	1116.679
FOB Med Cargo	-20.25	-7.50	1153.750	-1.25	1153.25	1154.25	1025.539	1109.369
CIF Med Cargo	-6.75	-7.50	1167.250	-1.25	1166.75	1167.75	1039.039	1122.869
FOB ARA 50ppm Barge	1.00	-1.00	1175.000	5.25	1174.50	1175.50	1047.789	1130.167

ICE Brent and LS Gasoil Futures at 16:30 London



## Diesel FOB Barge Market Springs to Life

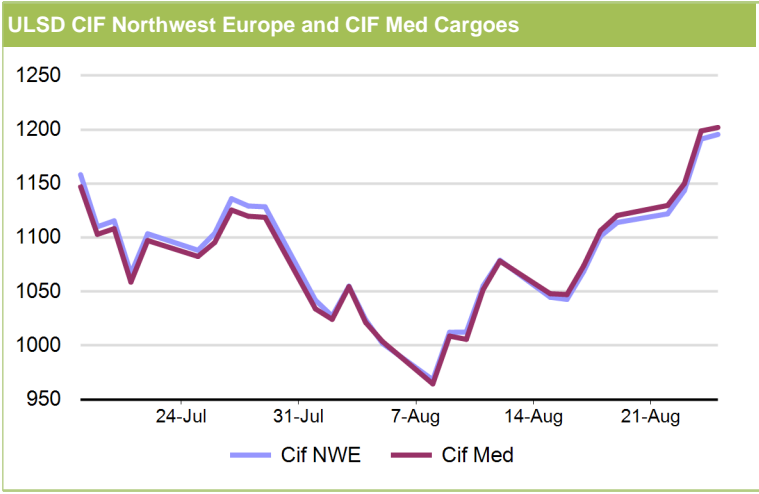
- Vitol sells five diesel barge clips to Mabanafit
- Jet crack remains higher than diesel
- Kaub water level over 1 meter, expected to fall again

A flurry of deals were disclosed in the diesel FOB ARA barge market on Thursday. Vitol sold all five clips to Mabanafit, four were priced at a \$6/metric ton premium to front-month September Low Sulfur Gasoil (LSG) and one was at \$5/mt above Sep. LSG, all were for front-end loading dates with volumes ranging from 1,100 – 1,800 mt.

The diesel CIF cargo market in both the Med. and northwest Europe saw healthy trading activity but no deals were heard.

Meanwhile, another three deals were disclosed in northwest Europe jet markets but all on floating price quotes. Vitol bought from Glencore a jet cargo, basis Rotterdam, at CCM plus \$13/mt; bp bought from Glencore, basis

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Rotterdam, at CCM plus \$15/mt, both for 27,000 mt cargoes. In the jet FOB barge market, Glencore was seen on the buy-side, with Totsa selling at CCM plus \$1/mt for a 4,000 mt clip over mid-window loading dates.

Jet cracks spent their eleventh trading session above diesel's margin for barges loading product and around the Amsterdam, Rotterdam, Antwerp (ARA) trading hub versus rolling Brent. The spread between the two remains quite small however, amid firming demand for jet fuel and tightness remaining in the diesel market, according to market sources.

The jet FARAG barge crack versus rolling Brent, was pegged at \$58.35/bbl Thursday, compared to \$59.43/bbl last trading session, while the diesel crack was at \$58.13/bbl from \$58.59/bbl on Wednesday, according to OPIS pricing data. Jet overtook diesel on August 11.

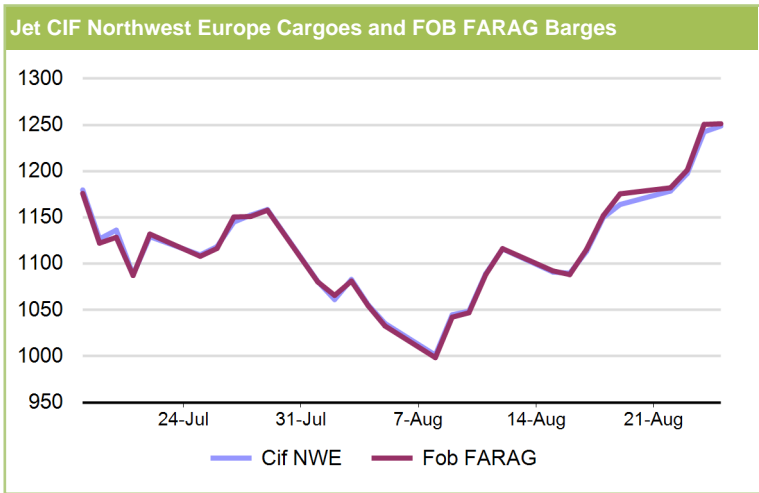
Elsewhere, in Med. jet markets, one source told OPIS, "Canaries demand in mid-Sep. is satisfied. Sines is covered [until] early-Sep."

Water levels at Kaub in Germany along the river Rhine measured 1.08 m Thursday morning, meaning around 1,000 mt can be loaded on a standard 3,000 mt barge, Riverlake Barging reported in a daily note. However, with the forecast of more dry weather, it is expected to fall to 91 cm in three days' time.

**UK Diesel Demand Rises in Q2, Broadly Matching Pre-Pandemic Levels**

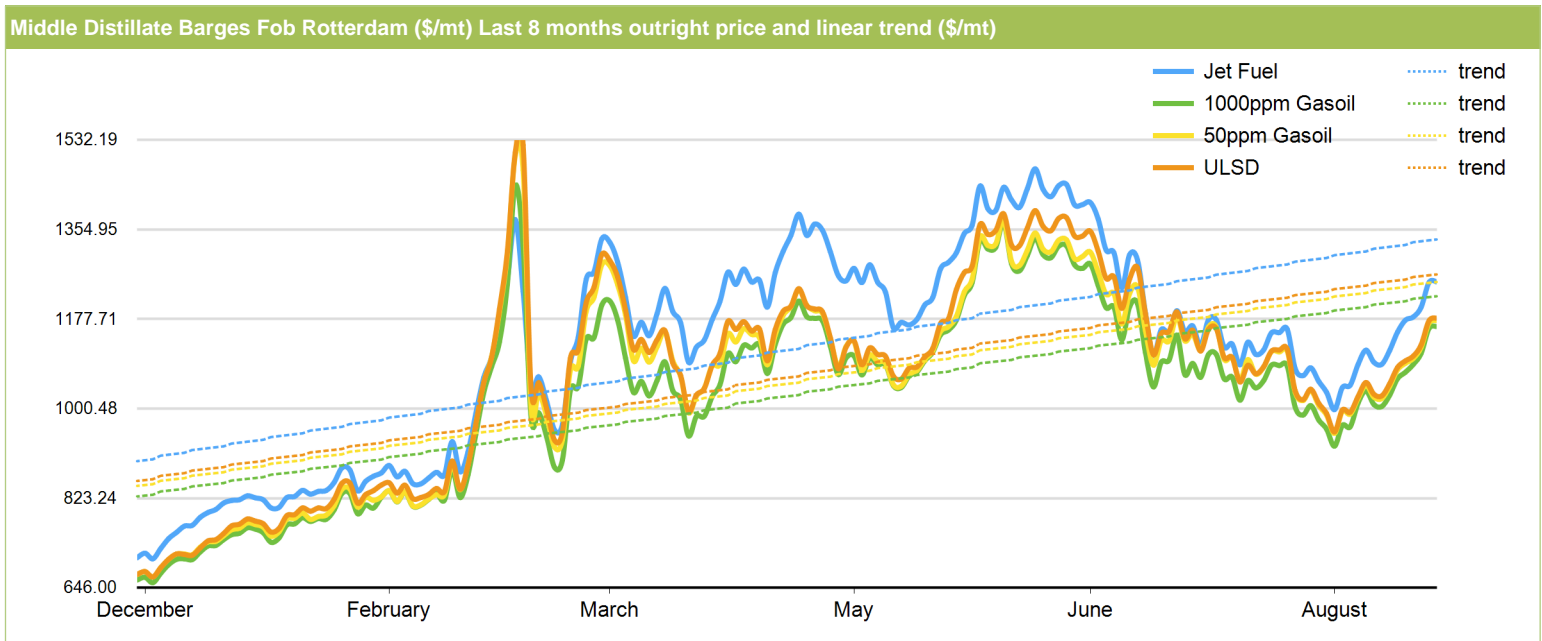
Demand for transport fuels in the United Kingdom continued to grow in the three months to June 2022, with deliveries of diesel in line with levels seen before the COVID-19 pandemic struck, according to provisional U.K. government data released Thursday.

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**OPIS Freight Assessment \$/mt**

<b>Augusta - Amsterdam (30kt)</b>	<b>26.08</b>
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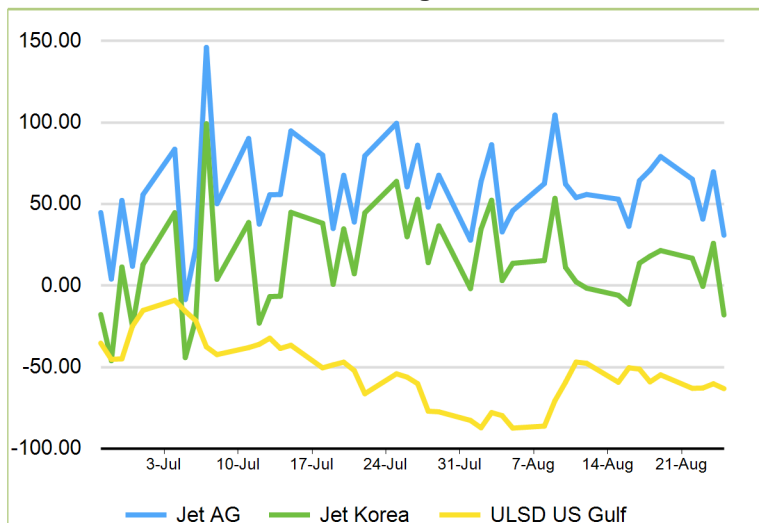


## 10ppm Gasoil vs ICE LS Gasoil Futures (EFS)

(Continued from Page 2)

	FOB Sing Gasoil	LS Gasoil M+1	Difference	Change	30-day average
Sep	1159.97	1174.25	-14.28	-1.19	-6.827
Oct	1131.28	1143.00	-11.72	-2.28	-30.535

## Jet and Diesel Indicative Arbitrage to NWE



From	Fob value	Freight (last done)	Forward Value NWE	Spread	Time Stamp
Jet Fob AG (LR2)	1152.97	48.33	1232.18	30.88	09:30
Jet Korea (LR2)	1175.14	49.44	1206.58	-18.00	09:30
ULSD US Gulf (MR)	1228.96	29.73	1195.50	-63.19	16:30

Deliveries of diesel fuel for inland consumption, a key indicator of demand, recorded an 8.2% increase to 6.01 million metric tons in April through June, from 5.56 million mt in the same period of 2021. Gasoline demand recorded a 6.1% gain to 2.82 million mt in the second quarter of 2022 from 2.65 million mt in the same period of 2021. Diesel is now broadly in line with pre-pandemic levels, down only 0.7% compared to Q2 2019, while gasoline demand is down 5.6% over the same period.

Aviation fuel demand tripled to 2.62 million mt in April through June, from just 851,000 mt in the same three months of 2021. That's the biggest increase of the three transport fuels, jet, gasoline, and diesel. Despite significant recovery, demand for jet fuel is still 19% lower than that seen in the same time frame of 2019.

Meanwhile, jet fuel production skyrocketed in the second quarter of this year by 234% to 1.01 million mt compared to 2021 data and is now just 10% lower than pre-pandemic levels, according to the U.K. government's provisional data.

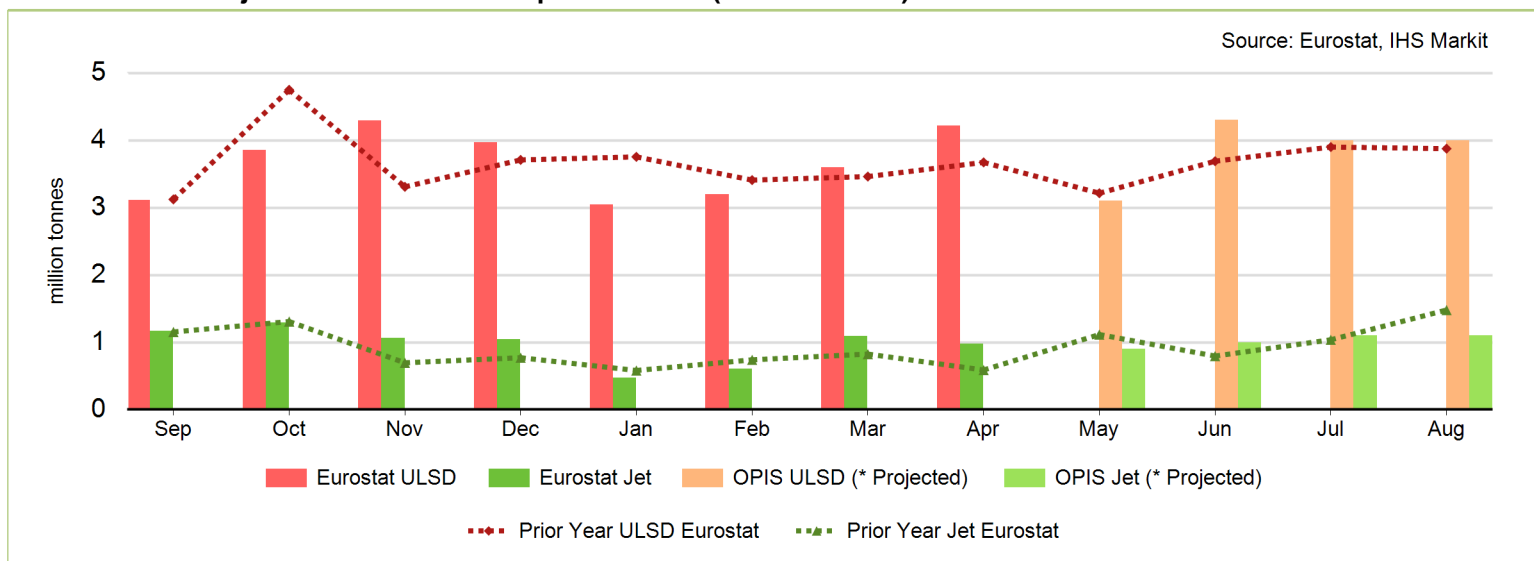
Gasoline production jumped 23.4% in April through June, compared to the same period last year, while diesel fuel was up 6.4%. Production of both fuels exceeded the levels seen before the pandemic in Q2 2019.

Overall U.K. refinery output was up 13.5% year on year to 12.95 million mt in Q2, from 11.41 million mt in the equivalent period of 2021, this is only 0.6% below the levels seen in the same period of 2019.

--Reporting by Jen Caddick, jcaddick@opisnet.com; Editing by Rob Sheridan, rsheridan@opisnet.com

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## Historical and Projected Jet and ULSD Imports into EU (million tonnes)



Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May*	Jun*	Jul*	Aug*
ULSD	3.114	3.856	4.291	3.966	3.040	3.193	3.597	4.216	3.100	4.300	4.000	4.000
Jet	1.169	1.289	1.063	1.047	0.471	0.607	1.091	0.976	0.900	1.000	1.100	1.100

## OPIS Worldwide Outright Jet and ULSD Prices (\$/mt)

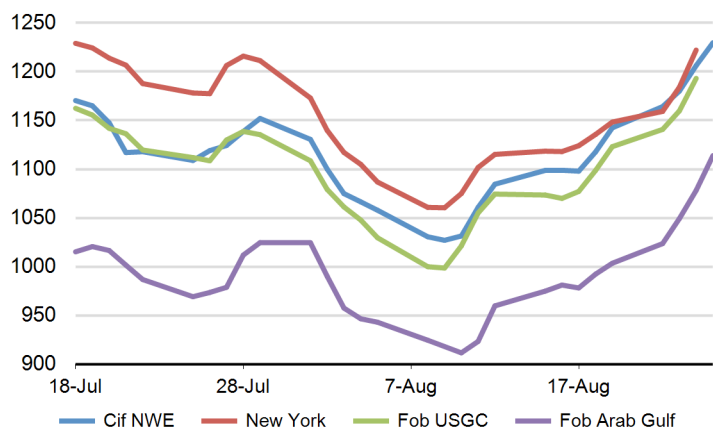
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Location	Outright	Change	Date and London Time	3-day avg
Jet Cif NWE	1248.75	6.25	25 Aug 16:30	1229.583
Jet Fob Med	1222.67	7.41	25 Aug 16:30	1201.767
Jet Fob AG (LR1)	1148.07	43.00	25 Aug 09:30	1113.910
Jet Fob Singapore	1188.00	44.11	25 Aug 09:30	1152.939
Jet Fob Korea	1175.14	42.53	25 Aug 09:30	1141.525
Jet GC Close	1237.35	58.06	24 Aug 22:15	1193.045
ULSD Cif NWE	1195.50	4.25	25 Aug 16:30	1176.750
ULSD Cif Med	1202.00	3.25	25 Aug 16:30	1183.583
ULSD GC Close	1238.57	52.72	24 Aug 22:15	1196.935
Gasoil 10ppm Sing	1173.00	47.53	25 Aug 09:30	1136.572

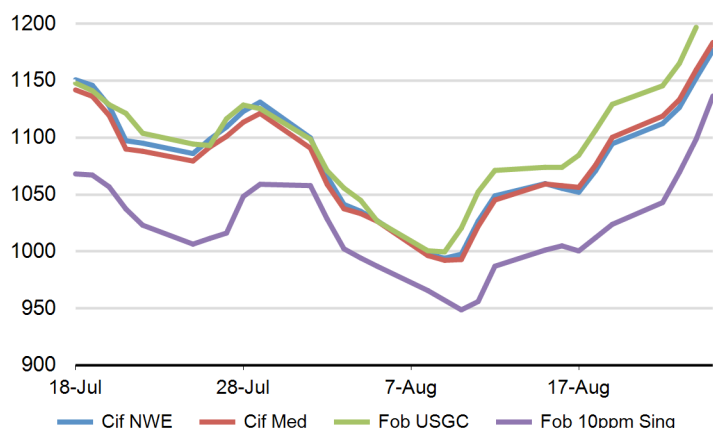
## OPIS Ticking Price Derived

Location	Outright	Change	Net CIF NWE	Date and London Time	3-day avg
Jet NYH Ticker	1269.35	16.14	20.60	25 Aug 16:30	1238.455
Jet GC Ticker	1230.58	11.23	-18.17	25 Aug 16:30	1208.167
ULSD GC Ticker	1227.66	7.89	32.16	25 Aug 16:30	1207.147

## International Jet Fuel Prices (trailing 3-day avg)



## International ULSD Prices (trailing 3-day avg)



US Jet Fuel Production Ramps Up; Demand and Stocks Slide: EIA

U.S. jet fuel implied demand and weekly stockpile readings saw a drop off, but production numbers increased for the week ending Aug. 19, according to data in the latest report released by the U.S. Energy Information Administration (EIA) Wednesday.

The data showed demand of jet fuel in the country had a slight fall off from the previous week, down just 2,000 b/d to 1.603 million b/d -- the lowest since the week ending July 29 and a second consecutive week in the 1.6-million-b/d range. Even with the week's decreases, demand numbers were still some 204,000 b/d above year-ago figures of 1.399 million b/d.

Countering the drop in demand, production increased for the week ending Aug. 19, up 45,000 b/d to 1.711 million b/d. That represented an increase of 306,000 b/d over the same week in 2021 when jet fuel output was just 1.405 million b/d. It also came in well above the 2020 level of 904,000 b/d.

Regionally, the PADD 5/West Coast saw the largest build, adding 49,000 b/d to 435,000 b/d. That marked the third time in the last six weeks that numbers pushed over 400,000 b/d. More modest increases were seen in the PADD 1/East Coast region with 5,000 b/d more for the week, to 97,000 b/d, which marked a high since the week ending June 3, as well as in the PADD 2/ Midwest region which increased 4,000 b/d to 282,000 b/d.

Outliers in the country with decreases on the week included PADD 3/Gulf Coast with a fall of 9,000 b/d to 865,000 b/d, which brought numbers to a low since the week ending July 15. The PADD 4/Rocky Mountain region also saw a fall off and dropped 4,000 b/d to 32,000 b/d to bring production numbers to the lowest since the week ending May 20.

The EIA reported U.S. jet fuel stocks fell 400,000 bbl to a low since mid-July at 39.7 million bbl. Inventory in the PADD 1/East Coast region saw the largest declines in the country with a fall of 1.3 million bbl to 9.3 million bbl, which marked a low since the week ending July 29. The PADD 5/West Coast region followed with a decrease of 300,000 bbl to the lowest inventories since the week ending May 6 at 9.4 million bbl.

While the PADD 2/Midwest and PADD 4/Rocky Mountain regions held equal to the prior week's report, the PADD 3/Gulf Coast region saw a 1.2 million bbl increase to 13 million bbl, which marked the largest inventories seen in August.

--Reporting by Deanna Mendoza, dmendoza@opisnet.com; Editing by Cory Wilchek, cwilchek@opisnet.com

U.K. Imports of Russian Fuel Hit Zero in June, Lowest Since Records Began

The U.K. did not import any fuel from Russia in June, the first time there were no monthly imports from the country since records began, according to data from the country's Office for National Statistics (ONS) Wednesday.

That's a decrease of 499 million pounds' (\$588 million) worth of fuel compared with the monthly average for the 12 months to February 2022, the ONS said on its website. The

(Continued on Page 5)

## Distillate differential and outright swaps at 16:30

Location	Jet NWE Cargo Swap	Jet NWE Cargo Forward	Jet Barge Swap	Jet Barge Forward	ULSD NWE Cargo Swap	ULSD NWE Cargo Forward	ULSD Barge Swap	ULSD Barge Forward
September	72.50	1232.18	2.25	1234.43	25.00	1184.68	12.00	1171.68
October	75.25	1206.58	3.75	1210.33	38.00	1169.33	19.00	1150.33
Quarter 1	75.25	1118.30	3.75	1122.05	35.00	1078.05	17.00	1060.05
Quarter 2	73.75	1048.56	4.25	1052.81	24.50	999.31	13.75	988.56

Location	Gasoil NWE Cargo Swap	Gasoil NWE Cargo Forward	Gasoil Barge Swap	Gasoil Barge Forward	Gasoil Med Cargo Swap	Gasoil Med Cargo Forward	ULSD Med Cargo Swap	ULSD Med Cargo Forward
September	0.00	1159.68	-15.50	1144.18	-8.00	1151.68	27.00	1186.68
October	3.00	1134.33	-14.00	1117.33	-2.00	1129.33	33.50	1164.83
Quarter 1	3.00	1046.05	-14.00	1029.05	-2.00	1041.05	28.50	1071.55
Quarter 2	4.00	978.81	-7.50	967.31	2.00	976.81	16.00	990.81

## ICE Brent and LS Gasoil (ULSD) Futures at 16:30

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Product	Sep	Oct	Nov	Dec
<b>Brent (\$/bbl)</b>	-- --	<b>100.98</b>	<b>100.08</b>	<b>98.81</b>
Spread	-- --	-- --	-0.90	-1.27
Change	-- --	1.23	1.21	1.07
<b>LS Gasoil (\$/mt)</b>	<b>1174.00</b>	<b>1153.00</b>	<b>1120.50</b>	<b>1080.75</b>
Spread	-- --	-21.00	-32.50	-39.75
Change	6.25	0.50	-1.50	-3.75

U.K. began compiling monthly fuel imports data in January 1997. The ONS did not provide data on any fuel imports blended with Russian oil.

The U.K. government said it will phase out Russian oil imports by the end of this year and cease importing Russian liquefied natural gas as soon as possible. While imports of oil are still legal during this transition period, buyers have sought to secure product from alternative sources, resulting in a collapse of Russian fuel imports since March.

Prior to the invasion of Ukraine in February, Russia was the U.K.'s largest supplier of refined oil in 2021, accounting for 24.1% of all refined product imports, 5.9% of the U.K.'s crude oil imports and 4.9% of the country's gas imports, according to ONS data.

Chemicals were the only commodity exported to Russia that increased month on month in June, with exports of medicinal and pharmaceutical products that are exempt from sanctions up by 39.1 million pounds (61.8%), the ONS said on its website.

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## Analyst Forecasts for Future Brent Crude Prices

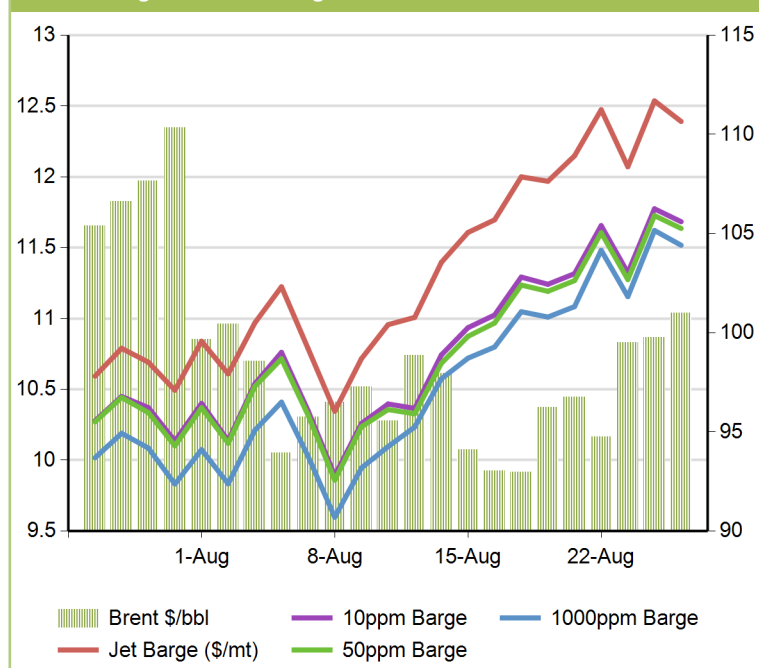
Analyst	Brent /bbl	Period	Stamp*
IHS Markit	106.00	2023	July
Morgan Stanley	100.00	Q4 2022	July
Goldman Sachs	125.00	2023	June
Citi	59.00	2023	July
Barclays	103.00	2023	August
EIA	95.00	2023	August

## Clean jet prices and carbon futures \$/mt

Location	Clean spread	Outright Clean Jet	Change	Stamp
Cif NWE	280.41	1529.16	6.25	25 Aug
Fob Med	280.41	1503.09	7.41	25 Aug

ICE Carbon Futures (/mt)	Price €	Change	Price \$	Clean Spread
EUA Dec 2022	89.31	0.07	89.02	280.41

Ratio of Barge Price to Rolling Brent Crude at 16:30 London



## OPIS Europe Jet, Diesel and Gasoil Report

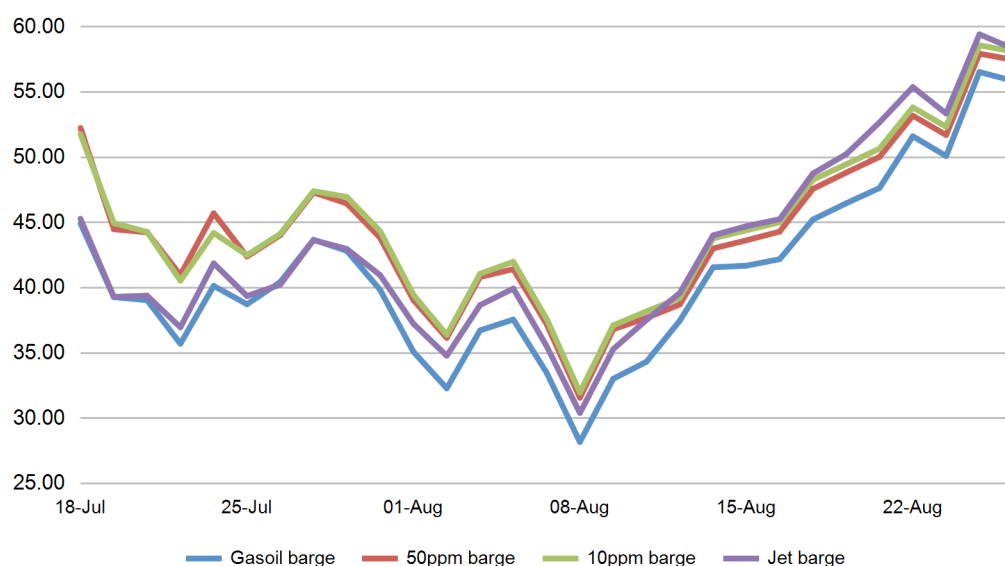
**Methodology:** OPIS assesses trades and market deals over a full trading day from 9.30am to 4.30pm. Based on this data, OPIS calculates a simple average of differentials which are added to the official settlement of the ICE gasoil contract at 4.30pm London time. A more complete summary of OPIS full-day price methodology is found at [www.opisnet.com/about/methodology.aspx](http://www.opisnet.com/about/methodology.aspx).

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Exchange Rate and prices in Euros		Change
Dollars per Euro	0.9968	-0.0002
Jet Barge Fob	1255.32	0.96
NWE Jet Cargo Cif	1252.81	6.47
Med Jet Cargo Fob	1226.65	7.63
ULSD Barge Fob	1183.64	5.51
NWE ULSD Cargo Cif	1199.39	4.46
Med ULSD Cargo Cif	1205.91	3.45
50ppm Barge Fob	1178.82	5.46

Product Cracks Versus Rolling Brent



Product \$/bbl	Price	Change
Gasoil barge	55.87	-0.67
50ppm barge	57.48	-0.47
10ppm barge	58.13	-0.46
Jet barge	58.35	-1.08
Rolling Brent	100.24	1.18

\* The Rolling Brent assessment smooths out the curve between front and second month ICE Brent contracts on expiry. Each new trading day, Rolling Brent takes proportionally less account of the front month and more of the second month.