

OPIS Europe Jet, Diesel & Gasoil Report

Essential Intelligence on Europe's Distillates Market

OPIS A DOW JONES COMPANY

7 February 2023

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	75.50	8.50	907.250	58.50	906.75	907.75	913.600	1018.149
CIF NWE Cargo	74.00	4.25	905.750	54.25	905.25	906.25	913.100	1016.667
FOB Med Cargo	50.01	2.98	881.759	52.98	881.26	882.26	887.166	986.759

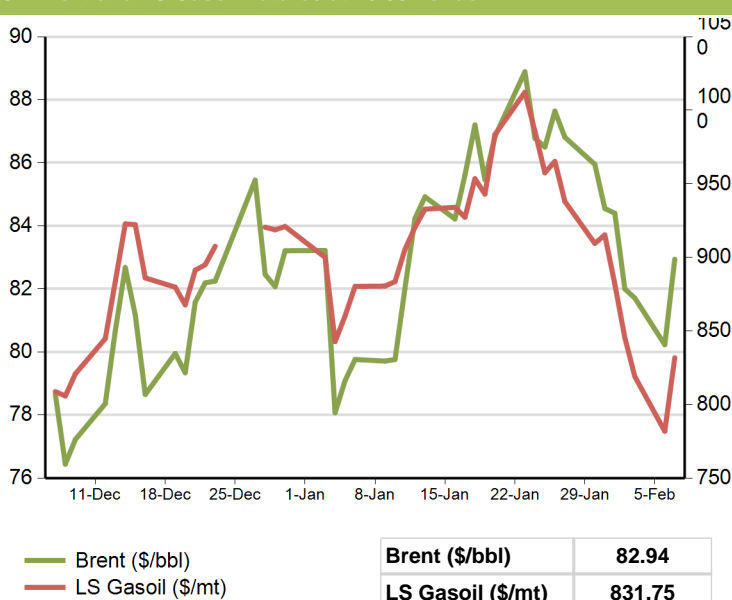
Diesel (ULSD) Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB ARA Barge	-3.50	0.00	828.250	50.00	827.75	828.75	830.259	929.287
CIF NWE Cargo	8.13	-0.04	839.875	49.96	839.38	840.38	840.158	944.619
CIF Med Cargo	1.75	1.50	833.500	51.50	833.00	834.00	833.100	943.321

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	-19.75	1.50	812.000	51.50	811.50	812.50	811.650	904.996
CIF NWE Cargo	-7.75	6.00	824.000	56.00	823.50	824.50	817.950	905.238
CIF Med Cargo	-11.50	2.00	820.250	52.00	819.75	820.75	819.300	912.512
FOB ARA 50ppm Barge	-20.75	0.00	811.000	50.00	810.50	811.50	812.250	921.905

ICE Brent and LS Gasoil Futures at 16:30 London



Shell Sells Two Diesel Barge Clips

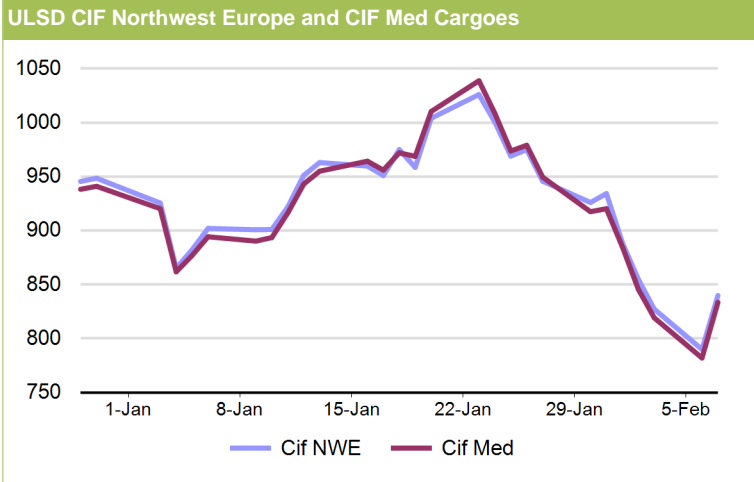
- NWE diesel FOB barge diff steady
- Shell sells diesel barge clips
- EFS widens over \$17/mt on day

Spot differentials to the front-month Low Sulfur Gasoil (LSG) contract in the northwest European (NWE) diesel FOB barge market were steady at minus \$3.50/metric ton on Tuesday, with two trades disclosed. Brokers reported that Shell sold two clips, basis ARA, at February LSG minus \$3.50/mt, for front-end loading dates; Finco and Vitol were on the buy side.

Meanwhile, OPIS assessed the NWE diesel CIF cargo price at Feb. LSG plus \$8.13/mt based on a competitive offer from BP, basis Amsterdam, alongside a competitive bid from Vitol, also basis Amsterdam.

It was a muted day of trading in the NWE jet CIF cargo market, with one valid EFP bid disclosed by Vitol for a 27,000 mt cargo, basis Le Havre, at March LSG plus \$71/mt (which

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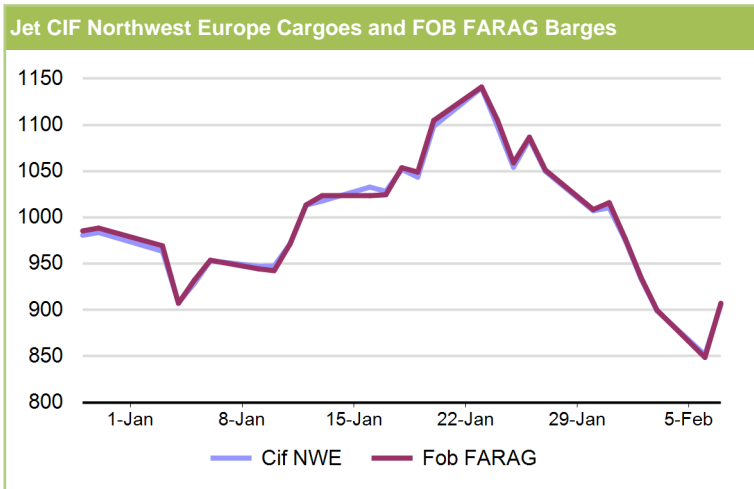
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equates to February LSG plus \$66.50/mt), for Feb. 28-March 4 delivery dates.

The diesel/gasoil front-month exchange of futures for swaps (EFS) widened on Tuesday by \$17.26/mt day on day to minus \$41.49/mt. The arbitrage from the east of Suez regions to NWE is generally open when the EFS is wide and negative, but it depends on other factors including freight rates.

Demand for diesel barges in the ARA region has increased in the past week, with fewer barges available for the Upper Rhine route, shipbrokers reported. Additionally, as water levels are decreasing, intakes towards Birsfelden are currently around 1,000 mt, which pushed up freight rates for barges with destinations on the Upper Rhine, Riverlake Barging reported in its daily note.

In shipping news, Long Range 2 (LR2) vessel Stresa, chartered by Reliance, is moving a 90,000 mt diesel cargo from the Indian port of Sikka, destined for northwest Europe with an expected departure date of Feb. 10. The rate was pegged at \$2.95 million.



Diesel Demand in Germany, France, Spain Falls on Year in November: Eurostat

Diesel and gasoil consumption decreased year-to-year in Germany, France and Spain in November, according to the latest Eurostat data.

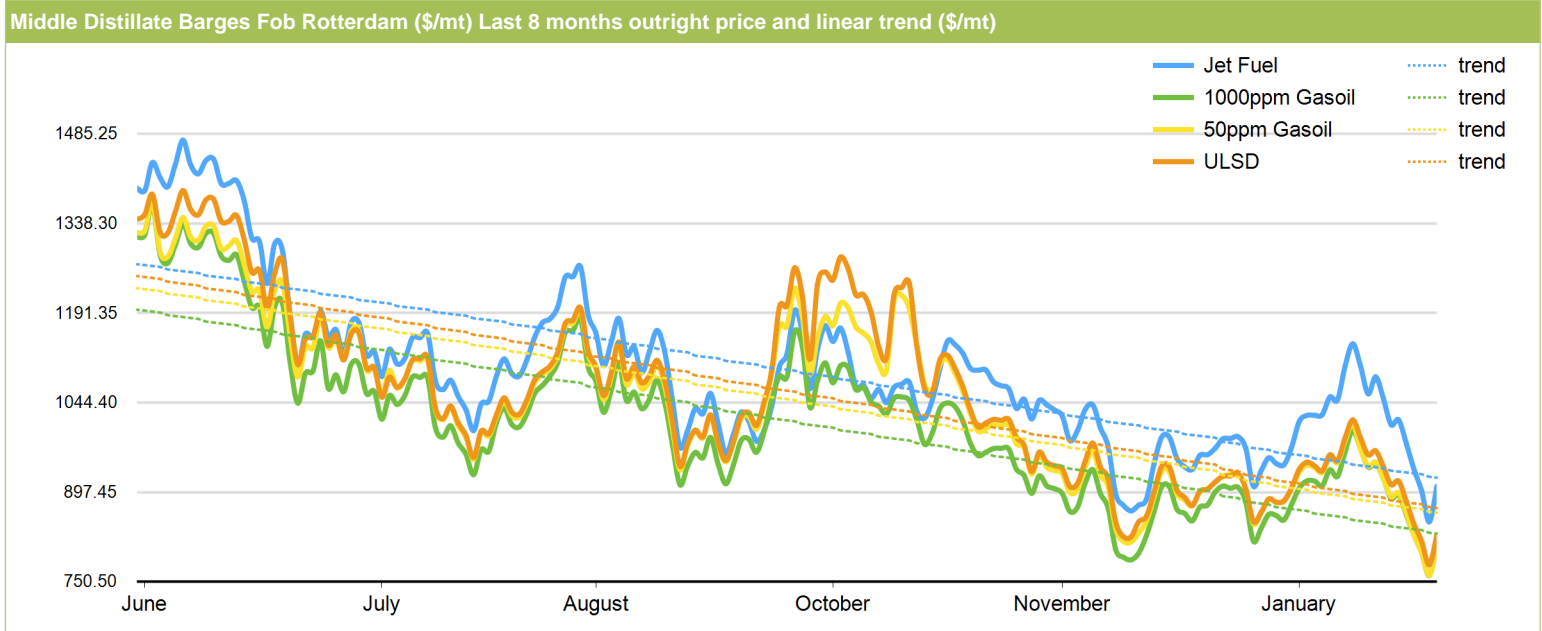
Conversely, Italy's demand rose in the eleventh month of 2022, bouncing back above pre-pandemic levels. Compared with November 2021, diesel and gasoil consumption fell by 225,000 metric tons in Germany, 207,000 mt in France and 205,000 mt in Spain - but grew by 36,000 mt in Italy, the data showed.

The decrease in November demand is a continuation of

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OPIS Freight Assessment \$/mt

Augusta - Amsterdam (30kt)	23.99
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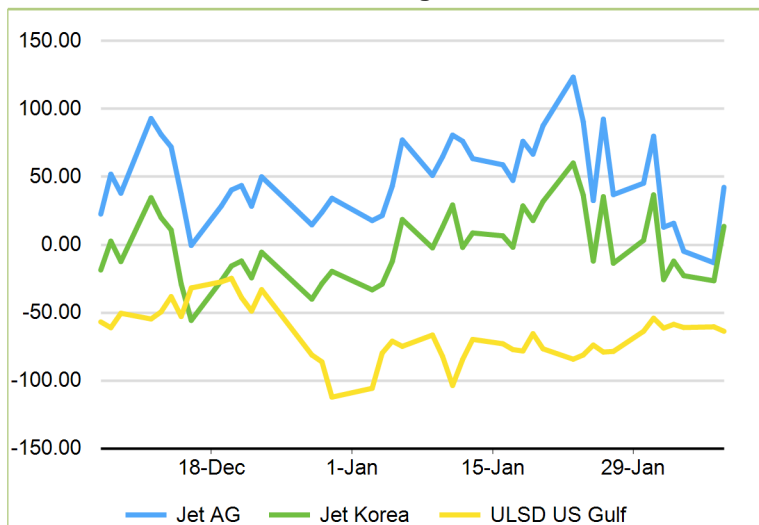


10ppm Gasoil vs ICE LS Gasoil Futures (EFS)

(Continued from Page 2)

	FOB Sing Gasoil	LS Gasoil M+1	Difference	Change	30-day average
Feb	776.51	811.75	-35.24	-12.51	-43.695
Mar	767.35	801.25	-33.90	-8.32	-40.294

Jet and Diesel Indicative Arbitrage to NWE



From	Fob value	Freight (last done)	Forward Value NWE	Spread	Time Stamp
Jet Fob AG (LR2)	821.98	37.14	901.43	42.30	09:30
Jet Korea (LR2)	838.23	38.25	890.08	13.59	09:30
ULSD US Gulf (MR)	883.94	19.55	839.88	-63.61	16:30

the drop seen in October, when consumption across the European Union slumped by 1.88 million mt year-to-year. Compared with pre-pandemic levels, combined diesel and gasoil demand across Germany, France, Spain and Italy was 549,000 mt lower in November than in the same month of 2019. The slowdown of the European economy and high diesel prices during the period due to refinery shutdowns may be some of the reasons for the drop.

"November saw a gradual return to normality in the second half, with the end of social movements and the resumption of production at refineries," said Olivier Gantois, President of France's petroleum industry association UFIP in a statement on its website. Fuel station supplies remained under pressure during the major All Saints' Day holidays and until mid-November."

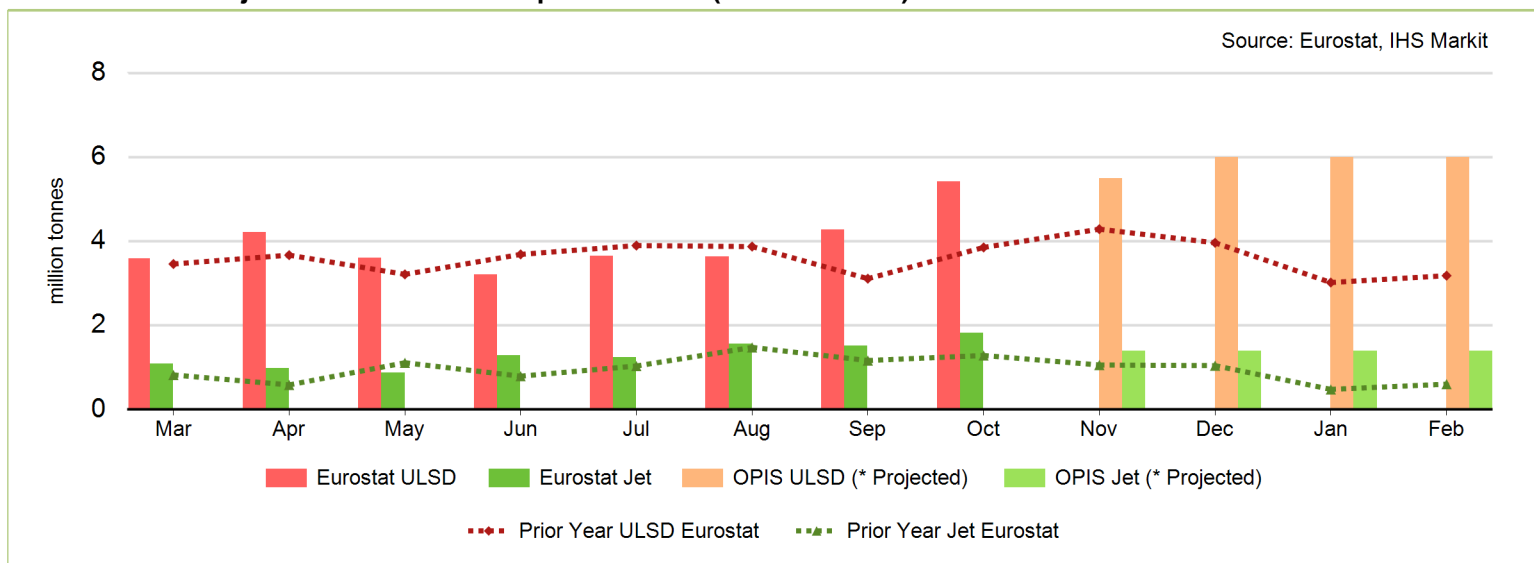
FOB diesel barge prices in the ARA (Amsterdam, Rotterdam and Antwerp) northwest European trading hub averaged \$1,004/mt in November 2022, compared with \$691/mt a year earlier, according to OPIS data. Prices have eased ever since, falling to a twelve-month, pre-Ukraine war low of \$778/mt on Feb. 6. On the other hand, demand for kerosene continued to grow on a year-to-year basis in November amid higher aviation traffic. Demand totaled 1.91 million mt across the four countries, compared with 1.63 million mt in November 2021 and 2.18 million mt in November 2019.

--Reporting by Jaime Llinares Taboada, jllinares@opisnet.com; Editing by Rob Sheridan, rsheridan@opisnet.com

IEW2023: India, France, UAE Agree to Cooperate on Climate

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



Month	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov*	Dec*	Jan*	Feb*
ULSD	3.592	4.214	3.611	3.211	3.653	3.633	4.278	5.425	5.500	6.000	6.000	6.000
Jet	1.091	0.976	0.870	1.289	1.249	1.567	1.511	1.829	1.400	1.400	1.400	1.400

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

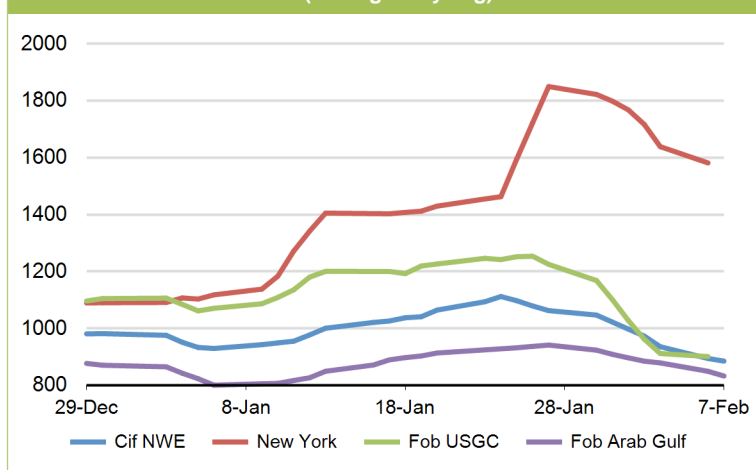
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Location	Outright	Change	Date and London Time	3-day avg
Jet Cif NWE	905.75	54.25	7 Feb 16:30	885.417
Jet Fob Med	881.76	52.98	7 Feb 16:30	860.241
Jet Fob AG (LR1)	818.35	-3.23	7 Feb 09:30	833.105
Jet Fob Singapore	842.34	-2.84	7 Feb 09:30	856.670
Jet Fob Korea	838.23	8.21	7 Feb 09:30	844.598
Jet GC Close	911.06	16.84	6 Feb 22:15	901.368
ULSD Cif NWE	839.88	49.96	7 Feb 16:30	819.014
ULSD Cif Med	833.50	51.50	7 Feb 16:30	811.583
ULSD GC Close	851.19	-3.01	6 Feb 22:15	866.337
Gasoil 10ppm Sing	782.25	-6.93	7 Feb 09:30	798.541

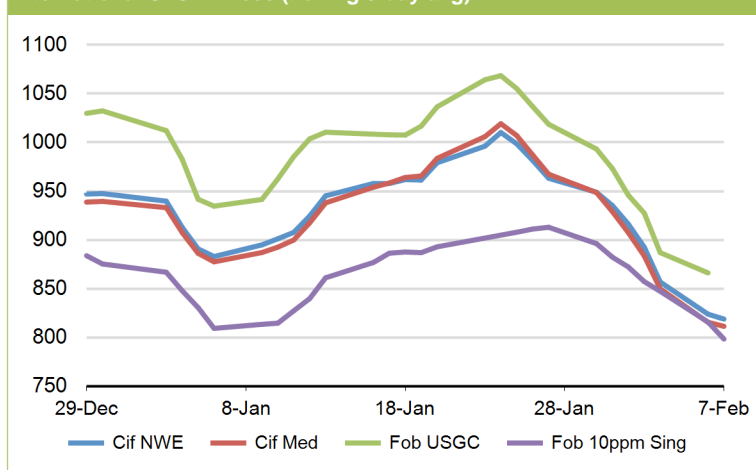
OPIS Ticking Price Derived

Location	Outright	Change	Net CIF NWE	Date and London Time	3-day avg
Jet NYH Ticker	1598.74	52.46	692.99	7 Feb 16:30	1575.690
Jet GC Ticker	942.61	64.88	36.86	7 Feb 16:30	899.951
ULSD GC Ticker	883.00	48.75	43.13	7 Feb 16:30	862.436

International Jet Fuel Prices (trailing 3-day avg)



International ULSD Prices (trailing 3-day avg)



and Energy

BENGALURU, India - India, France and the United Arab Emirates have established a trilateral cooperation initiative covering climate change and energy, the countries said over the weekend.

The announcement came ahead of India Energy Week 2023, which opened in the southern Indian city of Bangalore on Monday. A phone call between the foreign ministers of the three countries was held Saturday during which they agreed to adopt a roadmap for the implementation of the initiative, a joint statement said.

"During this call, the three sides agreed that the trilateral initiative will serve as a forum to promote the design and execution of cooperation projects in the fields of energy, in the fight against climate change and the protection of biodiversity particularly in the Indian Ocean region," the statement said. The countries said they will explore the possibility of working with the Indian Ocean Rim Association -- an intergovernmental organization of 23 countries aimed at strengthening sustainable development within the region -- to pursue the projects.

The three nations will also seek to ensure greater alignment of their respective economic, technological and social policies with the objectives of the 2015 Paris Agreement, the statement added. "In support of these endeavors, a range of trilateral events will be organized in the framework of the Indian presidency of the G20 and the UAE's hosting of COP28 this year," they said.

India Energy Week, which runs until Feb. 8, is being held as part of India's G20 presidency. COP28 will be held in Dubai, UAE, from Nov. 30 to Dec. 12.

--Reporting by Abdul Latheef, alatheef@opisnet.com; Editing by Anthony Lane, alane@opisnet.com

Qatar Energy Offers 10ppm Sulfur Gasoil for Late-February Loading

Qatar Energy (QE) has issued a tender to sell two parcels of 10 ppm sulfur gasoil for loading from different ports on Feb. 24-26, according to a tender document.

The first parcel is for 30,000 metric tons (mt) and loading from Mesaieed on Feb. 24-25. The second parcel is for 10,000-15,000 mt and loading from Ras Laffan on Feb. 25-26. Bids are to be submitted by Feb. 7 with same day validity.

The refiner previously offered two 20,000-mt parcels of 10 ppm sulfur gasoil for loading on Feb. 5-11 and Feb. 6-10, but the result could not be confirmed.

--Reporting by Kite Chong, kchong@opisnet.com; Editing by Hanwei Wu, hwu@opisnet.com

Nayara Energy Offers 500ppm Sulfur Diesel for March Loading

India's Nayara Energy has issued a tender to sell 66,000-70,000 metric tons (mt) of 500 ppm sulfur high density diesel for March 11-15 loading from Vadinar, according to a tender document.

Bids are to be submitted by Feb. 7 and remain valid 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
February	73.50	901.43	1.50	902.93	12.50	840.42	3.50	831.42
March	71.00	890.08	1.50	891.58	19.75	838.83	8.25	827.33
Quarter 2	71.00	858.80	2.75	861.55	17.00	804.80	7.50	795.30
Quarter 3	68.00	843.26	2.75	846.01	16.75	792.01	3.50	778.76

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
February	-9.00	818.93	-19.00	808.92	-11.00	816.92	3.50	831.42
March	-13.00	806.08	-18.00	801.08	-11.00	808.08	7.00	826.08
Quarter 2	-13.50	774.30	-15.50	772.30	-6.50	781.30	8.50	796.30
Quarter 3	-9.00	766.26	-13.50	761.76	-4.50	770.76	8.50	783.76

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

(Continued from Page 4)

Product	Feb	Mar	Apr	May
Brent (\$/bbl)	-- --	-- --	82.94	82.67
Spread	-- --	-- --	-- --	-0.27
Change	-- --	-- --	2.71	2.73
LS Gasoil (\$/mt)	831.75	827.25	815.50	801.75
Spread	-- --	-4.50	-11.75	-13.75
Change	50.00	49.25	45.25	41.25

same day. The pricing basis is the FOB Mideast Gulf assessments for 10 ppm sulfur gasoil for March. This is Nayara Energy's first gasoil tender that it has offered for March loading.

The refiner last issued separate tenders to sell 66,000-70,000 mt of 500 ppm sulfur diesel for Feb. 1-5 loading and 65,000-70,000 metric tons (mt) of 10 ppm sulfur high speed diesel (HSD) for Feb. 16-20 loading from the same port. The tender results could not be confirmed.

--Reporting by Kite Chong, kchong@opisnet.com; Editing by Hanwei Wu, hwu@opisnet.com

Analyst Forecasts for Future Brent Crude Prices

Analyst	Brent /bbl	Period	Stamp*
Jefferies	93.75	2023	January
Morgan Stanley	96.25	2023	January
RBC	100.00	2023	January
Bank of America	100.00	2023	January
UBS	110.00	2023	January
EIA	83.00	2023	January

SAF Buyers in Illinois to Receive \$1.50/gal Tax Credit Starting June 1

Airlines operating in Illinois will receive a \$1.50/gal tax credit for sustainable aviation fuel bought or used in the state starting June 1, under a law signed Friday by Gov. J.B. Pritzker.

The credit, which was included in a broader state tax bill, will expire on Jan. 1, 2033, and will apply only to fuels that achieve a minimum 50% reduction in lifecycle greenhouse gas emissions compared with conventional petroleum-based jet fuel.

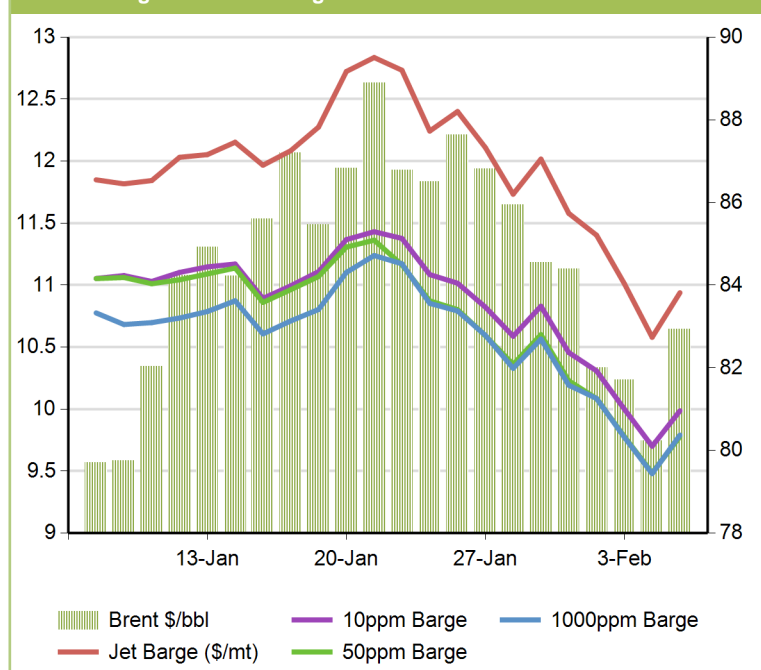
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Clean jet prices and carbon futures \$/mt

Location	Clean spread	Outright Clean Jet	Change	Stamp
Cif NWE	304.18	1209.93	-27.75	7 Feb
Fob Med	304.18	1185.94	-24.74	7 Feb

ICE Carbon Futures (/mt)	Price €	Change	Price \$	Clean Spread
EUA Dec 2023	90.29	-0.59	96.56	304.18

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



OPIS Europe Jet, Diesel and Gasoil Report

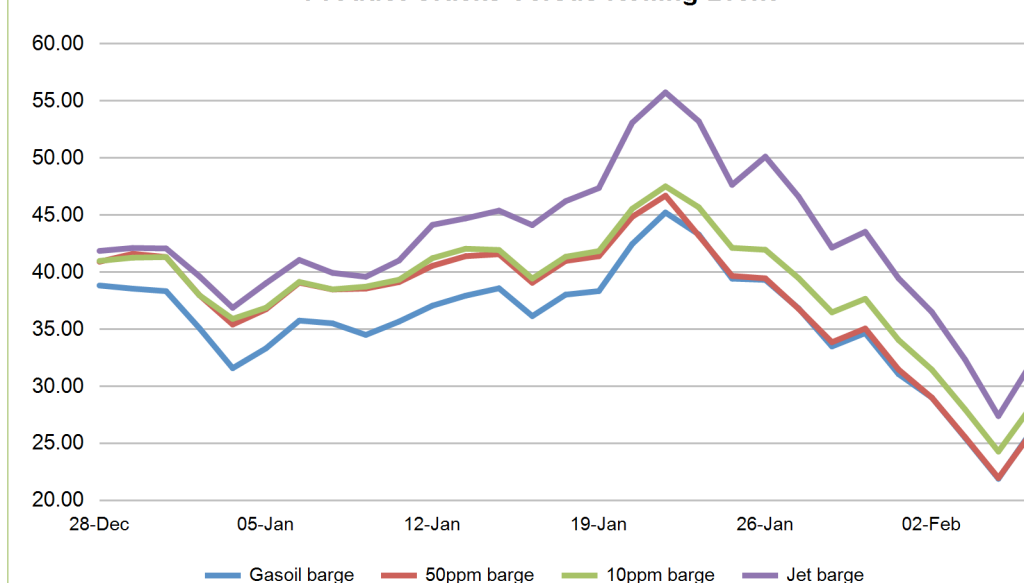
Methodology: OPIS assesses trades and market deals over a full trading day from 9.30am to 4.30pm. Based on this data, OPIS calculates a simple average of differentials which are added to the official settlement of the ICE gasoil contract at 4.30pm London time. A more complete summary of OPIS full-day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

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Exchange Rate and prices in Euros		Change
Dollars per Euro	1.0695	-0.0041
Jet Barge Fob	848.30	57.72
NWE Jet Cargo Cif	846.90	53.76
Med Jet Cargo Fob	824.46	52.48
ULSD Barge Fob	774.43	49.52
NWE ULSD Cargo Cif	785.30	49.52
Med ULSD Cargo Cif	779.34	50.94
50ppm Barge Fob	758.30	49.46

Product Cracks Versus Rolling Brent



Product \$/bbl	Price	Change
Gasoil barge	26.11	4.20
50ppm barge	25.98	4.00
10ppm barge	28.29	4.00
Jet barge	32.11	4.70
Rolling Brent	82.88	2.71

* 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.

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GHG reduction measurements can be based on either International Civil Aviation Organization standards or the latest GREET model developed by Argonne National Laboratory, according to the new law (S.B. 2951).

The law permits a wide range of feedstocks, including imports, over the first five-year period. But after June 1, 2028, eligible SAF must be derived from domestic biomass. That aligns with the Biden administration's SAF Grand Challenge, which has established a 3 billion gal/year domestic production target by 2030.

Palm-derived SAF will not be eligible for the tax credit at any point

Soybean-oil derived SAF will be eligible for entire duration, but only for the first 10 million gal of SAF each year. That annual cap on soybean oil was reportedly designed to ease trucking industry concerns over the availability of the feedstock for renewable diesel production.

Chicago-based United Airlines Friday said the state's SAF credit will reduce the cost of the fuel in Illinois and encourage SAF production across the U.S. The credit will come in addition to the federal government's SAF incentive, which provides a \$1.25/gal credit to SAF that achieves a 50% GHG reduction and awards an additional 1ct for every percentage point in emissions reduction above that, up to a \$1.75/gal cap.

The federal credit will expire at the end of 2024 and be replaced by a more general Clean Fuel Production credit that will last for two years.

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