

OPIS Europe Jet, Diesel & Gasoil Report

Essential Intelligence on Europe's Distillates Market

OPIS A DOW JONES COMPANY

19 August 2024

Jet Fuel Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB FARAG Barge	37.00	2.75	746.500	-6.25	746.00	747.00	765.019	816.228
CIF NWE Cargo	41.75	2.00	751.250	-7.00	750.75	751.75	768.327	819.717
FOB Med Cargo	19.28	2.64	728.780	-6.36	728.28	729.28	749.610	792.865

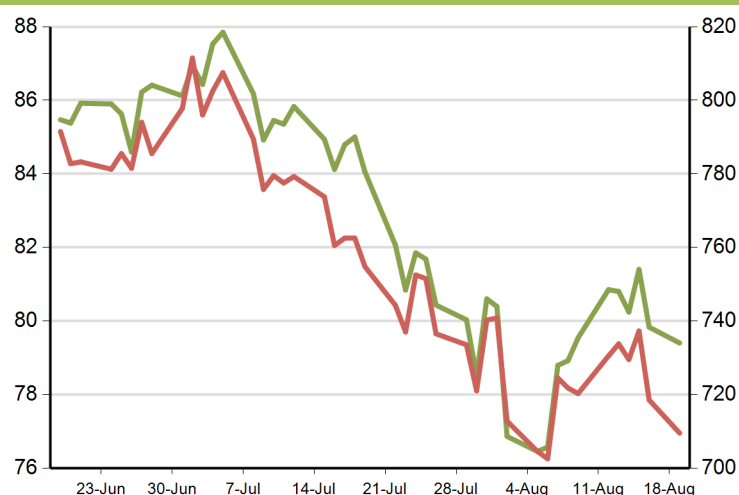
Diesel (ULSD) Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB ARA Barge	-2.75	0.58	706.750	-8.42	706.25	707.25	719.308	766.780
CIF NWE Cargo	5.75	0.75	715.250	-8.25	714.75	715.75	729.673	777.380
CIF Med Cargo	4.00	1.50	713.500	-7.50	713.00	714.00	727.231	779.000

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	-30.50	-5.00	679.000	-14.00	678.50	679.50	696.769	746.446
CIF NWE Cargo	-6.25	-1.50	703.250	-10.50	702.75	703.75	717.000	763.283
CIF Med Cargo	-2.75	0.50	706.750	-8.50	706.25	707.25	715.269	755.783
FOB ARA 50ppm Barge	-2.75	1.00	706.750	-8.00	706.25	707.25	716.385	759.370

ICE Brent and LS Gasoil Futures at 16:30 London



Brent (\$/bbl)	79.40
LS Gasoil (\$/mt)	709.50

Europe Diesel and Jet Markets Well Supplied

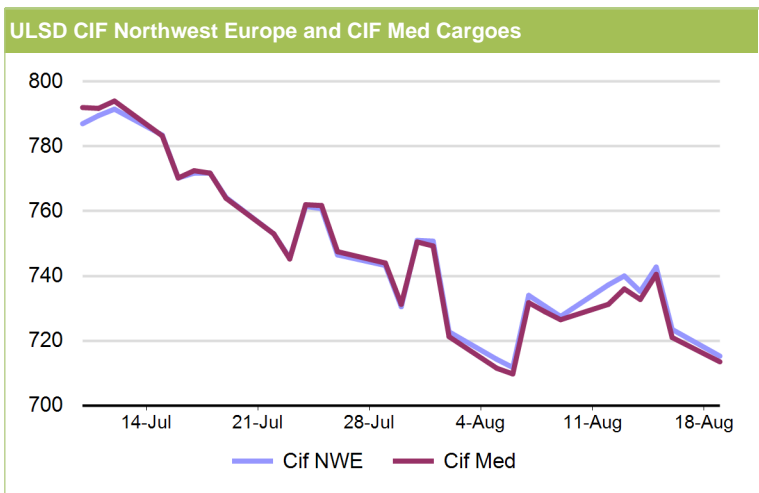
- VLCC, KHK Empress hauling diesel to NWE
- Gasoil net length moves higher
- Jet crack remains below diesel

Outright prices edged lower in the European middle distillate complex on Monday, with macro market sentiment dominated by demand concerns. Differentials to the front-month September Low Sulfur Gasoil (LSG) contract on the other hand showed mixed changes.

The diesel market in northwest Europe remains well supplied, with some 206,500 metric tons of product expected to arrive on Aug. 25 hauled by the VLCC, KHK Empress, according to Vortexa data. Earlier this month some 240,000 mt of diesel arrived on another VLCC, Plata Glory. Both vessels shipped the fuel from the Middle East Gulf region.

In managed-money positioning of Gasoil futures and options over week to August 13, net length moved higher by

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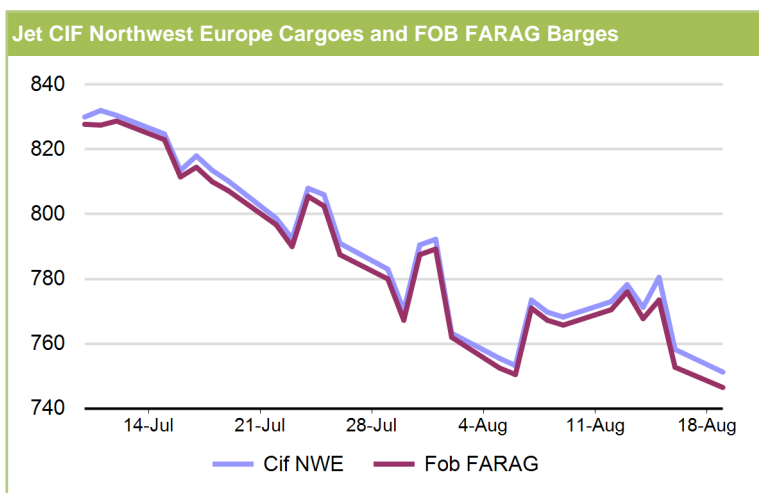
2,526 lots but remained in negative territory at minus 332 contracts (see story below).

"The market is starting to focus on seasonality which should generally favor both gasoil and crude as we get closer to winter," said Phil Flynn, a senior market analyst at The PRICE Futures Group.

"Both of these markets have a tendency to bottom in August, and after the bloodbath that we saw on the crack spreads, there's a sense that it has been overdone now."

Meanwhile, the jet market also remains well supplied, with refineries maximizing jet over diesel on weak diesel margins. However, the jet crack slipped below diesel's on August 14, so we may see a switch in refining to diesel.

The jet barge price for fuel loading in the Flushing, Amsterdam, Rotterdam, Antwerp and Ghent region was pegged at \$37/mt on Monday, based on a trade between E3ENG to Vitol for a 4,000 mt clip.



Brent Futures and Options Net Length Recovers from Multi-Year Low: ICE Data

Money managers built up net length in Brent futures and options during the latest report week following a month of bearish movements, which had taken net length to the lowest level in OPIS records stretching back to 2011, according to Intercontinental Exchange (ICE) data.

Net length, or the difference between bullish (long) and bearish (short) bets, climbed by 44,346 lots to 69,784 contracts during the week to August 13.

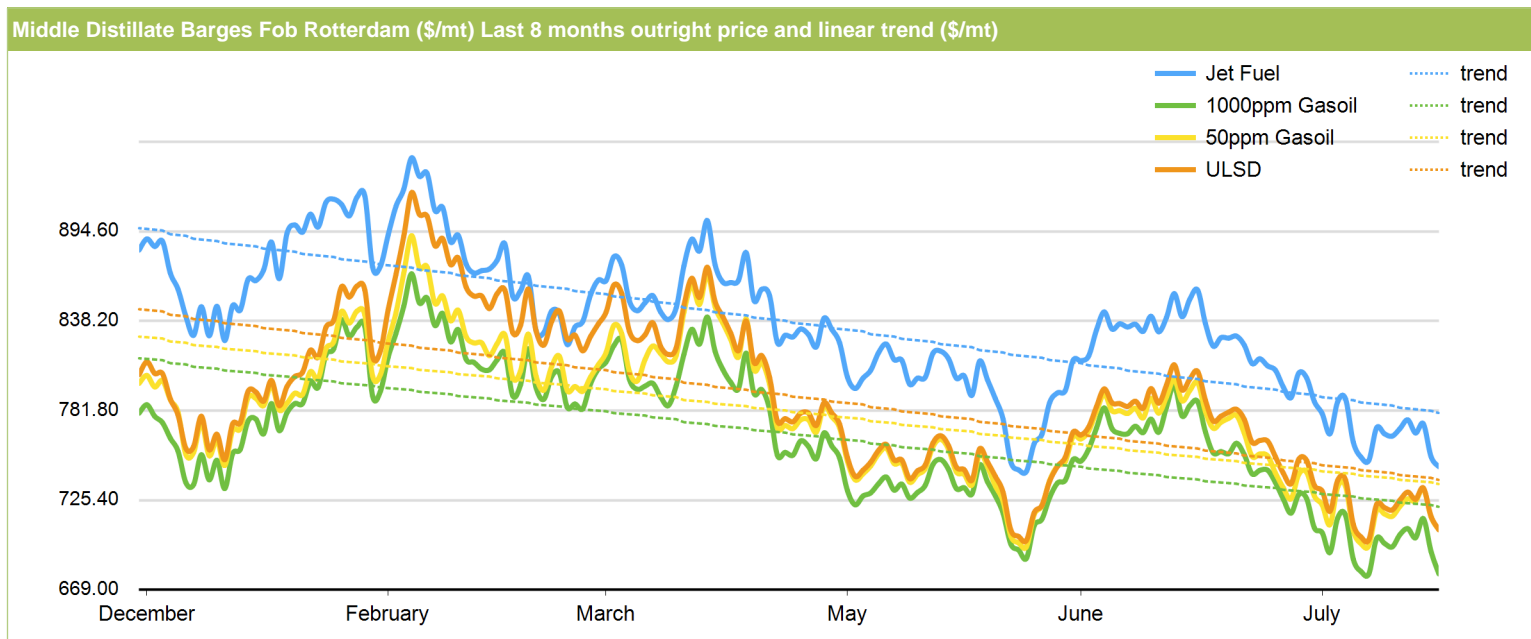
The recovery snapped a four week streak of declines that culminated in speculators slashing net length in the week to August 6 amid a short-lived selloff on global stock markets.

"The market is starting to focus on seasonality, which should generally favor both gasoil and crude as we get

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OPIS Freight Assessment \$/mt

Augusta - Amsterdam (30kt)	22.47
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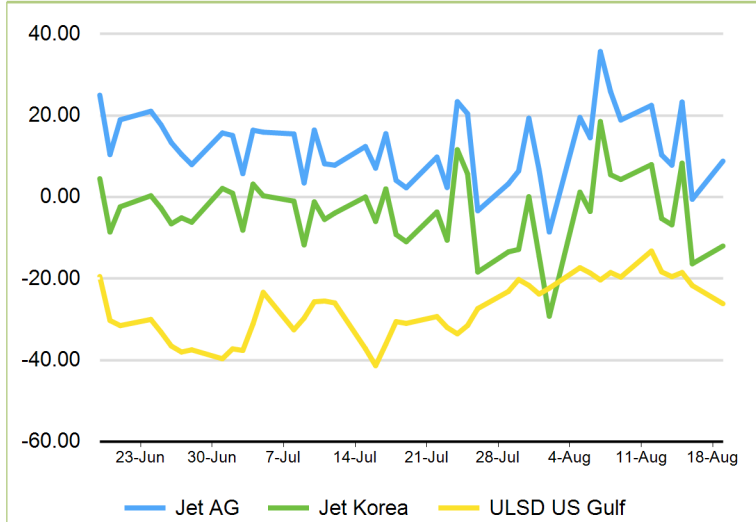


10ppm Gasoil vs ICE LS Gasoil Futures (EFS)

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	FOB Sing Gasoil	LS Gasoil M+1	Difference	Change	30-day average
Sep	688.38	713.50	-25.12	-0.51	-27.101
Oct	689.05	712.50	-23.45	-0.71	-21.281

Jet and Diesel Indicative Arbitrage to NWE



From	Fob value	Freight (last done)	Forward Value NWE	Spread	Time Stamp
Jet Fob AG (LR2)	698.11	46.25	753.17	8.81	09:30
Jet Korea (LR2)	717.52	51.81	757.30	-12.02	09:30
ULSD US Gulf (MR)	708.62	32.79	715.25	-26.16	16:30

closer to winter," said Phil Flynn, a senior market analyst at the PRICE Futures Group.

"Both of these markets have a tendency to bottom in August, and after the bloodbath that we saw on the crack spreads, there's a sense that it has been overdone now," Flynn added.

In managed-money positioning of gasoil futures and options over the week to August 13, net length rose by 2,526 lots but remained in negative territory at minus 332 contracts.

During the week covered by the report of August 7 through August 13, front-month October Brent jumped up by \$2.01/barrel to trade at \$80.80/bbl on August 13, comparing front-month prices at 4.30 p.m. U.K time on ICE. The front-month ICE low sulfur gasoil contract increased by \$9.25/metric tons or around \$1.24/bbl, to settle at \$733.75/mt on August 13.

--Reporting by Jen Caddick, jcaddick@opisnet.com; Editing by Anthony Lane, alane@opisnet.com

OMV's Leak-Hit 72,000-b/d Burghausen Refinery Undertaking Maintenance

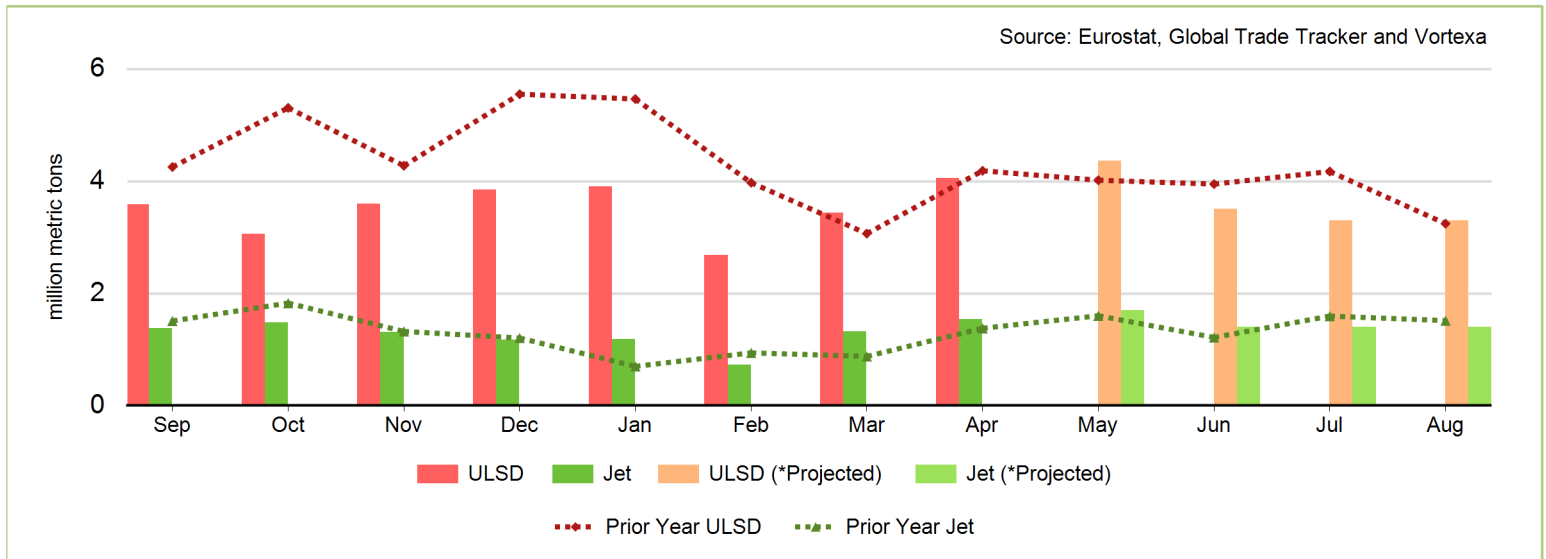
OMV's 72,000-b/d refinery in Burghausen, Germany, is undergoing maintenance following a leak in early August, a spokesperson for the Austrian refiner told OPIS Monday.

"The incident affected the main distillation unit for crude oil, which was safely shut down and is now in a maintenance standstill," OMV said.

It is not clear when production will resume at the units affected by the internal leak, which occurred August 7, according to the company.

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Historical and Projected Jet and ULSD Imports into EU (million metric tons)



Month	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May*	Jun*	Jul*	Aug*
ULSD	3.588	3.054	3.592	3.845	3.907	2.686	3.431	4.051	4.367	3.500	3.300	3.300
Jet	1.379	1.478	1.307	1.174	1.180	0.725	1.317	1.533	1.699	1.400	1.400	1.400

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

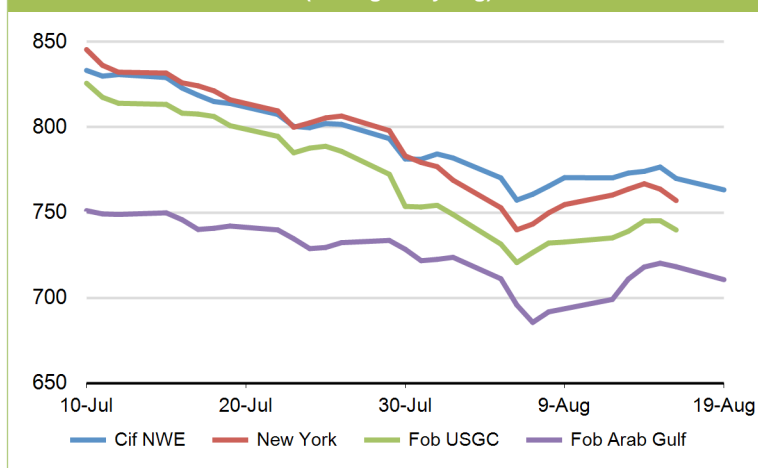
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Location	Outright	Change	Date and London Time	3-day avg
Jet Cif NWE	751.25	-7.00	19 Aug 16:30	763.333
Jet Fob Med	728.78	-6.36	19 Aug 16:30	741.077
Jet Fob AG (LR1)	699.76	-18.07	19 Aug 09:30	710.758
Jet Fob Singapore	720.36	-17.99	19 Aug 09:30	731.350
Jet Fob Korea	717.52	-17.36	19 Aug 09:30	727.405
Jet GC Close	730.33	-16.69	16 Aug 22:15	739.841
ULSD Cif NWE	715.25	-8.25	19 Aug 16:30	727.167
ULSD Cif Med	713.50	-7.50	19 Aug 16:30	725.000
ULSD GC Close	713.05	-13.69	16 Aug 22:15	721.374
Gasoil 10ppm Sing	686.89	-18.40	19 Aug 09:30	698.686

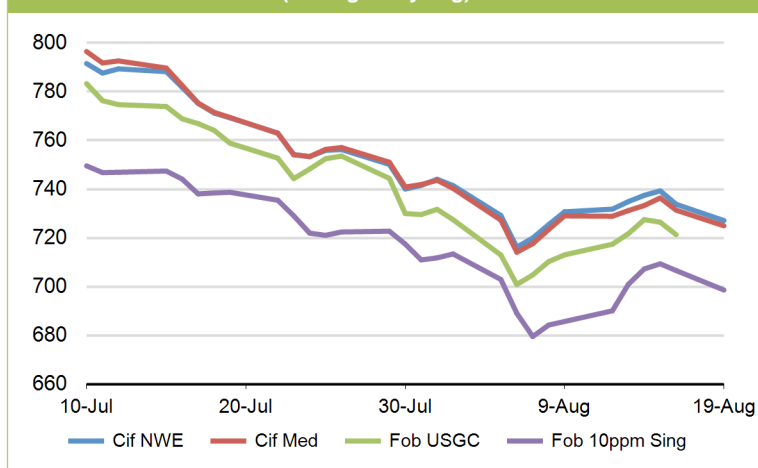
OPIS Ticking Price Derived

Location	Outright	Change	Net CIF NWE	Date and London Time	3-day avg
Jet NYH Ticker	741.89	-9.48	-9.36	19 Aug 16:30	754.652
Jet GC Ticker	724.50	-12.79	-26.75	19 Aug 16:30	737.530
ULSD GC Ticker	707.87	-5.04	-7.38	19 Aug 16:30	717.469

International Jet Fuel Prices (trailing 3-day avg)



International ULSD Prices (trailing 3-day avg)



"The extent of the damage is still under investigation. We will work closely with our customers and suppliers to mitigate any impact on product availability," the spokesperson added.

Based in the 'Bavarian chemical triangle' in southern Germany, OMV's Burghausen refinery produces middle distillates such as kerosene, diesel and heating oil.

Vienna-based OMV also operates the 208,000-b/d plant in Schwechat, Austria and the 91,000-b/d Petrobrazi refinery in southern Romania.

The company expects its European refinery utilization rate to be around 90%, down from a previous forecast of near 95%, according to its latest earnings report.

The company's steam cracker utilization rate in Europe will be maintained at around 85%, OMV said.

--Reporting by Fahima Mathé, fmathe@opisnet.com; Editing by Anthony Lane, alane@opisnet.com

Red Sea Disruptions Could Boost Fuel Consumption by 500,000 b/d: Trafigura

Attacks on Red Sea shipping by Houthi forces are leading to increased consumption of fuel by ships sailing around Africa in order to avoid danger, according to an analysis this week by Trafigura Group.

The commodities company estimates that the longer voyages will boost consumption of maritime fuel by 500,000 b/d this year, with 200,000 b/d of that figure consumed by oil tankers.

Houthis began their current campaign of naval attacks in support of Hamas in the ongoing war with Israel that began with the Oct. 7 terror attacks.

Houthis have targeted more than 70 vessels with missiles and drones since the start of the war in Gaza, according to the Associated Press. The attacks have led to traffic through the Suez Canal dropping by two-thirds since December, according to the U.S. Naval Institute, an independent think tank.

Trafigura's examination of Red Sea traffic came as the firm looked at ways to reduce the greenhouse gas impacts of the shipping industry.

Trafigura, one of the world's largest oil traders, said the impact of longer voyages by oil tankers equates to a 4.5% increase in annual emissions from that group of vessels.

Trafigura examined several possibilities for reducing the GHG footprint of the shipping industry, including: the use of biofuels, which could reduce GHG emissions by 25% when compared to using low sulfur fuel oil; increased efficiency, which could cut emissions by 10%; slow steaming, which could reduce emissions 19% when compared to typical speeds; onboard emissions capture, which could reduce emissions by up to 20%; and the use of technology to enhance routing and fuel usage, which could cut emissions by 10%.

--Reporting by Steve Cronin, scronin@opisnet.com; Editing by Michael Kelly, mkelly@opisnet.com

BofA Predicts Crude Oil Surplus in 2025 on More Supply, Slower Demand Growth

(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	41.50	753.17	-3.25	749.92	6.75	718.42	-2.75	708.92
October	45.00	757.30	-2.38	754.93	9.75	722.05	0.75	713.05
Quarter 1	53.00	762.50	-1.88	760.63	10.00	719.50	1.75	711.25
Quarter 2	53.50	759.33	-1.75	757.58	10.00	715.83	1.50	707.33

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	-6.00	705.67	-26.00	685.67	-4.00	707.67	6.50	718.17
October	-4.00	708.30	-22.00	690.30	-3.50	708.80	9.75	722.05
Quarter 1	-2.50	707.00	-14.00	695.50	-2.50	707.00	8.75	718.25
Quarter 2	-2.00	703.83	-11.50	694.33	-1.75	704.08	8.50	714.33

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

(Continued from Page 4)

Product	Sep	Oct	Nov	Dec
Brent (\$/bbl)	-- --	79.40	78.66	78.17
Spread	-- --	-- --	-0.74	-0.49
Change	-- --	-0.43	-0.37	-0.30
LS Gasoil (\$/mt)	709.50	713.00	712.00	709.50
Spread	-- --	3.50	-1.00	-2.50
Change	-9.00	-8.50	-8.00	-7.00

Analyst Forecasts for Future Brent Crude Prices

Analyst	Brent /bbl	Period	Stamp*
UBS	91.00	Sep 2024	July
Morgan Stanley	88.75	2H 2024	May
Bank of America	86.50	2024	July
Jefferies	84.06	2024	July
EIA	84.00	2024	August
RBC	83.10	2024	July

Global oil supply will move to a surplus next year on rising output and slower demand growth, Bank of America energy analysts said on Monday.

In a note to clients, the bank said non-OPEC+ countries are expecting to boost oil production by 1.6 million b/d in 2025, following 1 million b/d of growth this year, driven by higher output from Brazil, Guyana, Canada and the U.S.

In addition, the analysts said OPEC+ producers are expected to unwind some of their 2.2 million b/d starting as early as October, based on market conditions.

Meanwhile, the bank said global oil demand growth is slowing "materially" as the number of electric vehicles rises in China and other parts of the world. BofA said it expects global oil demand to increase next year by 1.1 million b/d in 2025 and 1 million b/d this year.

The bank estimated oil supply will exceed demand next year by 700,000 b/d, potentially leading to sharp global stock builds.

The International Energy Agency last week reported current global supply has struggled to keep pace with peak summer demand, resulting in a supply deficit.

The bank also predicted Brent crude will average \$80/bbl in 2025, down from \$83/bbl in 2024. BofA said its forecast could change depending on the conflict in the Mideast, what the

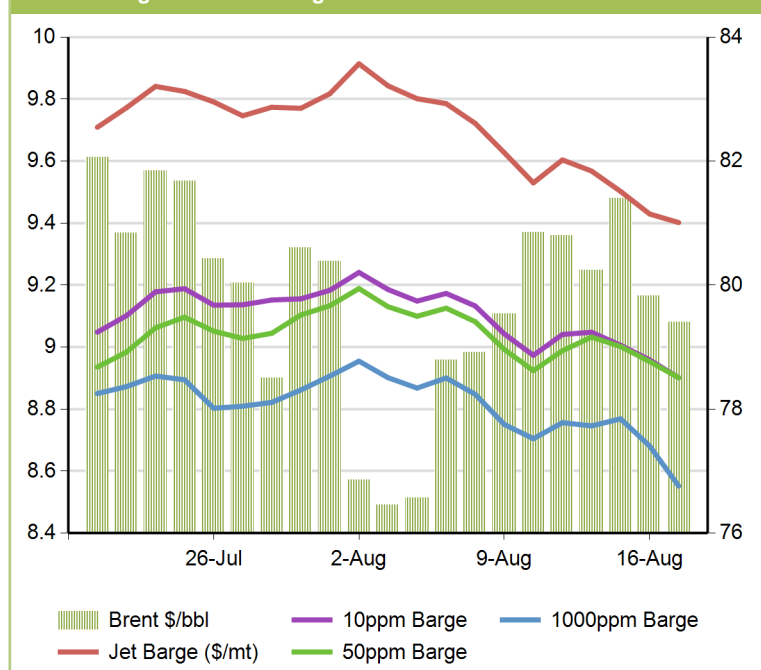
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Clean jet prices and carbon futures \$/mt

Location	Clean spread	Outright Clean Jet	Change	Stamp
Cif NWE	254.88	1006.13	-7.00	19 Aug
Fob Med	254.88	983.66	-6.36	19 Aug

ICE Carbon Futures (/mt)	Price €	Change	Price \$	Clean Spread
EUA Dec 2024	73.14	-2.38	80.92	254.88

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



OPIS Europe Jet, Diesel and Gasoil Report

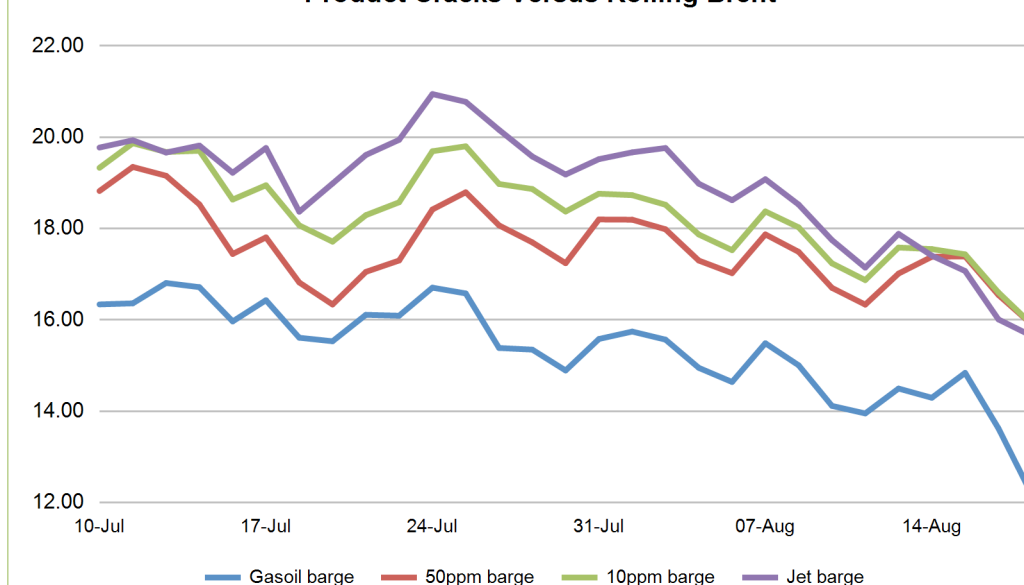
Methodology: OPIS assesses trades and market deals over a full trading day from 9.30am to 4.30pm. A complete summary of OPIS pricing methodology is found at: www.opisnet.com/about/methodology

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Exchange Rate and prices in Euros		Change
Dollars per Euro	1.1063	0.0068
Jet Barge Fob	674.77	-9.87
NWE Jet Cargo Cif	679.06	-10.58
Med Jet Cargo Fob	658.75	-9.87
ULSD Barge Fob	638.84	-11.62
NWE ULSD Cargo Cif	646.52	-11.52
Med ULSD Cargo Cif	644.94	-10.82
50ppm Barge Fob	638.84	-11.24

Product Cracks Versus Rolling Brent



Product \$/bbl	Price	Change
Gasoil barge	12.18	-1.45
50ppm barge	15.90	-0.64
10ppm barge	15.90	-0.70
Jet barge	15.65	-0.36
Rolling Brent	78.96	-0.43

* 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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U.S. Federal Reserve does with interest rates and the possibility of increased economic stimulus in China.
--Reporting by Frank Tang, ftang@opisnet.com; Editing by Jeff Barber, jbarber@opisnet.com