

# European Marketscan

Volume 41 / No 57 / March 23, 2009

## European products

\$/mt

### Mediterranean cargoes

	Data code		FOB Med (Italy)		Data code	CIF Med (Genova/Lavera)		
Prem Unl 10ppm	AAWZA00	+25.75	500.50 - 501.00	+25.75	AAWZB00	+25.50	507.50 - 508.00	+25.50
Naphtha (1)	PAAAI00	+23.75	419.50 - 420.00	+23.75	PAAAH00	+23.50	432.00 - 432.50	+23.50
Jet	AAIDL00	+35.25	486.50 - 487.00	+35.25				
10ppm ULSD	AAWY00	+34.00	486.50 - 487.50	+34.00	AAWYZ00	+33.75	495.00 - 496.00	+33.75
Gasoil 0.2%	POAAB00	+32.50	452.75 - 453.75	+32.50	POAAA00	+32.25	465.25 - 466.25	+32.25
Gasoil 0.1%	AAVJ00	+33.75	462.00 - 463.00	+33.75	AAVJ00	+33.50	472.25 - 473.25	+33.50
Fuel oil 1.0%	PUAAK00	+10.50	270.75 - 271.25	+10.50	PUAAJ00	+10.25	281.25 - 281.75	+10.25
Fuel oil 3.5%	PUAAZ00	+13.50	254.00 - 254.50	+13.50	PUAAY00	+13.25	264.50 - 265.00	+13.25
Jet FOB Med premium	AAIDN00		2.25 - 2.75					

### Northwest Europe cargoes

			FOB NWE			CIF NWE/Basis ARA		
Premium gasoline Non Oxy	AAVJE00	+26.75	489.00 - 489.50	+26.75				
Gasoline 10ppm					AAXF000	+24.75	503.00 - 503.50	+24.75
Fuel Grade Ethanol CIF T1					AAVDS00	+14.00	354.00 - 355.00	+14.00
Reg Unl Non Oxy	AAOVN00	+26.75	487.00 - 487.50	+26.75				
Naphtha (Apr )					PAAAJ00	+23.50	435.75 - 436.25	+23.50
Naphtha					PAAAL00	+23.25	437.00 - 437.50	+23.25
Jet	PJAAV00	+35.25	493.50 - 494.00	+35.25	PJAAU00	+35.00	501.50 - 502.00	+35.00
ULSD 10 ppm	AAVBF00	+35.25	480.75 - 481.75	+35.25	AAVBF00	+34.75	491.00 - 492.00	+34.75
Diesel 10 ppm	AAKWR00	+35.25	482.25 - 483.25	+35.25	AAKWP00	+34.75	491.00 - 492.00	+34.75
Diesel 10ppm NWE	AAWZD00	+35.75	479.50-480.50	+35.75	AAWZC00	+35.25	490.25-491.25	+35.25
Diesel 10 ppm UK					AAVBH00	+34.75	493.75 - 494.75	+34.75
Russian gasoil 0.2%					AAOQZ00	+33.25	457.50 - 458.50	+33.25
Gasoil 0.1%	AAVWR00	+34.25	456.00 - 457.00	+34.25	AAVWS00	+34.25	467.50 - 468.50	+34.25
Fuel oil 1.0%	PUAAM00	+10.25	265.00 - 265.50	+10.25	PUAAL00	+10.25	272.75 - 273.25	+10.25
Fuel oil 3.5%	PUABB00	+12.50	241.50 - 242.00	+12.50	PUABA00	+12.50	251.00 - 251.50	+12.50
Straight run 0.5-0.7%	PKABA00	+14.00	332.00 - 333.00	+14.00				
VGO 0.5-0.6%	AAHMX00	+14.00	376.50 - 377.50	+14.00	AAHMZ00	+14.00	379.50 - 380.50	+14.00
VGO 2% max	AAHNB00	+14.00	356.00 - 357.00	+14.00	AAHND00	+14.00	359.00 - 360.00	+14.00

### Northwest Europe barges

			FOB Rotterdam	
98 RON gasoline 10 ppm	AAKOD00	+26.75	505.50 - 506.00	+26.75
Premium gasoline 10 ppm	PGABM00	+26.75	487.50 - 488.00	+26.75
Fuel grade ethanol T1	AAWUQ00	+14.00	359.50 - 360.50	+14.00
Fuel grade ethanol T2	AAVDT00	-19.00	449.00 - 450.00	-19.00
MTBE	PHALA00	+39.00	660.75 - 661.25	+39.00
Naphtha	PAAAM00	+23.25	433.00 - 433.50	+23.25
Jet	PJABA00	+33.50	492.50 - 493.00	+33.50
Diesel 10 ppm	AAJUS00	+33.25	481.25 - 481.75	+33.25
Gasoil 0.1%	AAVWT00	+33.50	460.25 - 460.75	+33.50
Biodiesel	AAWGY00	+40.00	820.00 - 825.00	+40.00
FAME 0	AAXL00	+42.00	772.00 - 777.00	+42.00
Fuel oil 1.0%	PUAAP00	+13.00	254.75 - 255.25	+13.00
Fuel oil 1.5%	AASXR00	+12.50	263.25 - 263.75	+12.50
Fuel oil 3.5%	PUABC00	+12.50	253.00 - 253.50	+12.50
Rotterdam bunker 380 CST	PUAYW00	+13.00	259.00 - 262.00	+13.00
VGO 0.5-0.6%	AAHNF00	+14.00	373.00 - 374.00	+14.00
VGO 2% max	AAHNI00	+14.00	352.50 - 353.50	+14.00

1) Naphtha FOB MED is basis East Med. 2) Cargoes CIF NWE Fuel Grade Ethanol in \$/CM 3) Barges FOB Rotterdam Fuel Grade Ethanol in Eur/CM

\* Platts ICE gasoil assessments reflect the closing value of the ICE gasoil contracts at precisely 16.30 London time.

### ICE futures

#### Platts ICE gasoil assessments\*

(16:30 London time)

Apr	AARIN00	467.50
May	AARIO00	475.75
Jun	AARIPO0	485.50

#### ICE gasoil settlements

Apr	467.50	Jul	495.25
May	475.75	Aug	505.00
Jun	485.50	Sep	514.75

#### ICE gasoil GWAVE (Previous day's values)

Apr	433.50
May	441.75

#### ICE Brent

May	AAYES00	53.31
June	AAYET00	54.68

**Prevailing NYMEX futures (16:30 London time)****\$/bbl**

Front month WTI crude	<a href="#">AASCR00</a>	53.61
Second month WTI crude	<a href="#">AASCS00</a>	55.46

**cents/gal**

Front month heating oil	<a href="#">AASCT00</a>	146.48
Second month heating oil	<a href="#">AASCU00</a>	147.72
Front month unleaded gasoline	<a href="#">AASCV00</a>	150.83
Second month unleaded gasoline	<a href="#">AASCW00</a>	152.85

**European clean product barge freight rates (\$/mt)****ARA**

Rotterdam - Rotterdam	<a href="#">TCAEIO0</a>	2.75
Rotterdam - Flushing	<a href="#">TCAEJO0</a>	4.50
Rotterdam - Ghent	<a href="#">TCAEK00</a>	5.00
Rotterdam - Antwerp	<a href="#">TCAELO0</a>	4.00

**Germany**

Rotterdam - Duisburg	<a href="#">TCAEM00</a>	8.25
Rotterdam - Cologne	<a href="#">TCAEN00</a>	10.75
Rotterdam - Karlsruhe	<a href="#">TCAEO00</a>	16.00
Antwerp - Duisburg	<a href="#">TCAEPO0</a>	9.00

**Switzerland**

Rotterdam - Basel	<a href="#">TCAEQ00</a>	17.75
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**Euro-denominated assessments Euro/mt****Cargoes CIF NWE/Basis ARA**

Naphtha	<a href="#">AAQCE00</a>	322.37 - 322.74
Jet	<a href="#">AAQCF00</a>	369.95 - 370.32

**Barges FOB Rotterdam**

Premium gasoline	<a href="#">AAQCH00</a>	359.62 - 359.99
Diesel 10 PPM	<a href="#">AAQCI00</a>	355.01 - 355.38
Gasoil 0.1%	<a href="#">AAYWY00</a>	339.52 - 339.89
Fuel oil 3.5%	<a href="#">AAQCK00</a>	186.63 - 187.00

**Cargoes FOB NWE**

Fuel oil 1.0%	<a href="#">AAQCG00</a>	195.49 - 195.85
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**Conventional cargoes NY harbor (Euro/gallon)**

Unleaded 87	<a href="#">AAPYV00</a>	104.26 - 104.99
Unleaded 89	<a href="#">AAPYW00</a>	108.68 - 109.42
Unleaded 93	<a href="#">AAPYX00</a>	115.32 - 116.06
No. 2	<a href="#">AAPYY00</a>	106.58 - 107.32

Euro/US\$ forex rate: 1.3556. Platts Euro denominated European & US product assessments are based on market values and a Euro/US\$ forex rate at 4:30 PM local London time.

**Foreign exchange rates: March 23**

Dollar/Swiss franc	1.1285
GB pound/dollar	1.4475
Dollar/yen	97.23
Euro/dollar	1.3556
Dollar/Ruble	33.2780

Source: Comstock

**Correction**

CORRECTION: Ethanol FOB Rdam T2 was corrected for Friday, March 20. The correction is due to an incorrect assessment of MOC trades.

FOB T2 RDAM

Eur/Cm

ETHANOL FUEL GRADE X468.00-469.00X

**Market Update**

NYMEX May crude futures settled \$1.73 higher at \$53.80/barrel Monday, as strong gains in equity markets supported prices across the petroleum complex. The Dow Jones Industrial Average rallied 382 points to an intra-day high of 7,664.8, triggered by the release of the Treasury's plan to remove toxic assets from the banks' balance sheets. The Dow's gains were extended upon the release of an unexpected 5.1% rise in US existing home sales in February. The front of the crude curve widened despite the rally in crude prices. The May/June spread settled at minus \$1.93/b after settling Friday's session at minus \$1.73/b. Product markets settled higher, led by a strong performance in heating oil. NYMEX April heating oil settled 8.73 cents higher at \$1.4707/gal. "Heating oil strength is befuddling," Kyle Cooper, energy analyst at IAF Advisors, said. "Cash markets for distillates are weak," he added. April RBOB settled 3.11 cents higher at \$1.4881/gal.

**Gasoline**

Gasoline barge trading activity was slow for much of Monday. Sources said players were waiting to sell at April prices, when summer product fully comes into play. Platts assessed European benchmark FOB Rotterdam barges at \$487.75/mt, up \$26.75/mt from Friday as crude rallied. Possible trading levels for CIF Thames cargoes were pegged by traders at the cost of freight from ARA to the Thames at around \$9-11/mt. Shell were offering a CIF basis Thames cargo without enticing any buyers. Components were holding high values deterring buyers picking up material, though blenders were eying N+A and cat gas, traders

**Gasoline transactions**

Gasoline MOC 10ppm barge deals: Gunvor-MS \$495/mt 1kt FW (w/s); Gunvor-MS \$494/mt 1kt FW (w/s); STR-MS \$494/mt 1kt FW (w/s); STR-MS \$494/mt 1kt FW (w/s);

Gasoline MOC Cargo deals: BP-ORL trades at USD 500 PMT FOB West Med basis Cagliari 25-30kt in buyer's option, EN228 summer grade 60 KPa, 10 ppm sulfur max, for loading 3-7 April, CP differentials at market rate. There will be a premium if port of sale means freight saving to buyer, there will be a discount if port of sale means freight cost to buyer. Density to be escalated around 0.755.

Gasoline non-MOC 10ppm barge deals: MS-Hess \$462/mt 1kt AR; MS-Hess \$462/mt 1kt AR; Gunvor-Trafigura \$490/mt 26-31 (W); BP-Trafigura \$489/mt 26-31 AR (W); MS-Hess \$486/mt 1kt AR; MS-Trafigura \$485/mt 3kt AR; BP-Cargill \$486/mt 1kt AR

said. In the Mediterranean availability of cargoes was reported to be relatively balanced with spot output from refineries expected to be balanced for April on the indication of programs released for April, sources said. "Refineries are running well, there are a few inquires for prompt cargoes, mainly to the AG," one trader said. "Freight is very low too, it is very cheap to [transport] product to be honest," another trader said. The Mediterranean market was pegged in mild contango for summer product at around \$3/mt inter-month. During the Platts Market on close assessment process, ORL bid for a cargo West Med basis Cagliari 25-30,000 mt cargo attracting BP as a seller at \$500/mt.

## Naphtha

A lack of overall direction was keeping the Northwest European naphtha market in a state of "limbo" Monday as sources were trying to work out current arbitrage movements and local end-user demands. "Sentiment is torn between lack of demand from end-users and blenders in NWE and the bullish tone of arb cargoes going east," said one source Monday. The CIF NWE naphtha flat price firmed \$23.25/mt, to be assessed at \$437.25/mt in line with crude related runs on flat price swaps that were also up over \$20/mt, according to Platts data. "Petchem end-users in Europe are suffering as outright naphtha price is squeezing their margins, hence very little buying interest in Europe, a source said. With tenders announced and closing in the Mediterranean Monday, sentiment deemed the two cargoes offered by EGPC from Alexandria and two from Suez giving some direction if the product is placed in Asia. Furthermore, anticipation surrounded Kuwait's KPI April tender for 25,000 mt of full range naphtha out of Milazzo, closing Tuesday. Despite bid premiums in naphtha weakening for prompt product, sources close to KPI expected a desirable premium from the eventual buyer. Front-month naphtha crack swaps firmed \$0.25/barrel to be assessed at minus \$5.10/b. Meanwhile the inter-month spread between April and May widened \$1.50/mt, leaving the front-end contango at \$4/mt while structure further down the curve was looking weaker. The arbitrage remains the focus of attention, offering some strength to fundamentals. Flat price hikes however had kept this spread marginal—and European end-users at bay—sources said.

### Naphtha transactions

No deals reported.

## Jet

Monday saw the jet market continuing in much the same vein seen the previous week, as premiums continued to crawl back into relatively high positions. After bottoming out at April plus \$20.50/mt March 16, cargo premiums gained another \$1.75/mt at the beginning of the week as Shell's bid for 30,000 mt into Shellhaven on April 8-12 dates reached April plus \$34/mt plus a floating element before Trafigura finally sold to it. Beyond that buying interest, one trader summed up the market succinctly. "The arb is shut, but there's no incremental demand and there

are enough barrels sitting offshore to make it very difficult," was the bleak outlook. The steadily stronger tone through last week, along with similarly imponderable improvements seen in diesel and gasoil—middle distillates also beset by strong supply and weak demand fundamentals—prompted some fears that the improving crack would bolster local refinery production. "It could be that cracks improved on run cuts," another trader noted, but any impact could be short-lived. "I still see plenty of product coming our way," he continued. Alongside the Shell bid, Vitol returned with two cargo offers, April 2-6 into Le Havre at April plus \$35/mt, and into Milford Haven at April plus \$37/mt for April 13-17 dates. On barges, BP and Shell bracketed the bids and offers, BP bidding for a barge on March 31-April 4 dates at April plus \$25/mt at the close, while Shell's offer for March 26-30 dates reached to April plus \$24/mt when it was lifted by BP with the subsequent re-offer lifted by Hetco at plus \$25/mt. Shell remained offered over at April plus \$25.50/mt at the close. "There are not too many people selling," another trader said, adding: "Jet looks stronger and tight on prompt dates."

### Jet transactions

Jet MOC cargo deal: Trafigura-Shell, April ICE gasoil plus \$34/mt, 27kt, balance at CCM-4 pricing 14-15/4, 30kt +/-10% sellers option, full/part cargo sellers option, Jet A1 EU qualified Defstan 9191 latest issue JFS-CLLI, arrival April 8-12 CIF Shellhaven with NWE c/p options. Vessel to be Shell/BP/Total approved. GT+C as per last deal done with seller, but if no precedent then Shell GT+C to apply. ISPS compliant;

Jet MOC barge deals: Shell-BP, April + \$24/mt, FOB Rotterdam, 2kt, March 26-30; Shell-Hetco, April + \$25/mt, FOB Rotterdam, 2kt, March 26-30;

## Gasoil

"The only thing that's helping out is that the Germans are still buying," one trader said Monday, as Northwest Europe in particular once again faced the prospect of a chronically oversupplied 0.1% heating oil market. Despite the oversupply, traders noted the improvement in middle distillate cracks, with some warily eyeing that improvement in case a recovery in margins again would lead to a pick up in refinery output. "It could be that cracks have improved after run cuts," and the fear of strikes at key facilities, another trader noted, but any general improvement looked to be short-lived. "I still see plenty of product coming our way and gasoil season is over," the trader continued. The situation in the Mediterranean remained comparatively buoyed by resurgent buying interest, with both BP and Total appearing in the Platts Market on Close assessment process to look for Spanish B and C 0.1% gasoil. BP's bid looked the more aggressive, reaching April plus \$3/mt for its basis Castellon prompt bid. On the sell side, Gunvor's offer was at April plus \$8/mt for the same April 2-6 dates. Buying interest into Turkey was also heard for Turkish specification 0.1%, alleviating some fears that demand from the region has fully succumbed to the deteriorating economic climate. Of the 0.2% market, which has seen such interest of late, nothing was seen in either the Mediterranean or NWE, with one source seeing blending and desulfurization still the main driver behind that interest. On barges, Hetco, BP, Trafigura and Frisol shared the selling,

## Asia products

\$/bbl

## Singapore

	FOB Singapore	Apr Paper	May Paper
Gasoline 97 unleaded	+60.44 - 60.48+		
Gasoline 95 unleaded	+58.19 - 58.23+		
Gasoline 92 unleaded	+57.44 - 57.48+		
Gasoline 92 unleaded		+56.58/56.62+	+56.58/56.62+
Naphtha	+48.99 - 49.03+	+48.43 - 48.47+	+47.58 - 47.62+
Reforming Spread	NA - NA	-8.13 - 8.17	-8.98 - 9.02
Naphtha Japan		442.75/443.25	441.00/441.50
Kerosene	+59.16 - 59.20+	+59.68 - 59.72+	+60.73 - 60.77+
Gasoil 0.05% sulfur	+59.82 - 59.86+		
Gasoil 0.25% sulfur		+58.67 - 58.71+	
Gasoil Reg 0.5% sulfur	+57.76 - 57.80+	+58.28 - 58.32+	+58.93 - 58.97+
MTBE (\$/mt)	+573.00 - 575.00+		
Fuel oil 180 CST 2% (\$/mt)	+260.75 - 260.79+		
HSFO 180 CST (\$/mt)	+255.75 - 255.79+	+258.83 - 258.87+	+263.43 - 263.47+
HSFO 380 CST (\$/mt)	+252.43 - 252.47+		
LSWR Mixed/Cracked *	+36.88 - 36.92+		

\* FOB Indonesia

## Arab Gulf / Japan

	FOB Arab Gulf	C+F Japan	Premium/Discount
Gasoline unleaded		+58.85 - 58.89+	
Naphtha LR2 (\$/mt)	+426.54 - 431.29+		
Naphtha (\$/mt)	+420.57 - 425.32+	+443.50 - 448.25+	
Naphtha MOPJ Strip		441.13 - 441.63	4.00 - 5.00
Naphtha 1st 1/2 May (\$/mt)		+453.25 - 453.75+	
Naphtha 2nd 1/2 May (\$/mt)		+447.75 - 448.25+	
Naphtha 1st 1/2 Jun (\$/mt)		+443.50 - 444.00+	
Kerosene	+57.36 - 57.40+	+60.14 - 60.18+	
Gasoil 0.05% sulfur	+58.71 - 58.75+		
Gasoil 0.25% sulfur	+57.16 - 57.20+		
Gasoil	+55.86 - 55.90+	+60.61 - 60.65+	
HSFO 180 CST (\$/mt)	+244.26 - 244.30+	+264.67 - 264.71+	

\* FOB Jebel Ali

## US products effective March 20

cts/gal

## New York spot CIF cargoes

Unleaded-87 0.3% 13.5 RVP	+133.70 - 134.70+
Unleaded-89 0.3% 13.5 RVP	+138.70 - 139.70+
Unleaded-93 0.3% 13.5 RVP	+146.20 - 147.20+
Jet	+141.34 - 142.09+
Low sulfur jet	+145.09 - 146.09+
ULS Kero	+160.34 - 161.34+
No. 2	+134.84 - 135.59+
Low sulfur No. 2	+136.59 - 137.09+
No. 6 0.3% HP (\$/bbl)	47.20 - 47.40
No. 6 0.3% LP (\$/bbl)	50.20 - 50.40
No. 6 0.7% (\$/bbl)	+40.00 - 40.20+
No. 6 1.0% (\$/bbl)	+39.90 - 40.10+
No. 6 2.2% (\$/bbl)	39.05 - 39.25
No. 6 3.0% (\$/bbl)	39.05 - 39.25
No. 6 1.0% paper 1st month (\$/bbl)	+40.00 - 40.10+
No. 6 1.0% paper 2nd month (\$/bbl)	-40.10 - 40.20-
No. 6 1.0% paper next quarter (\$/bbl)	-40.30 - 40.40-

## Boston cargoes

Low sulfur jet	+147.09 - 148.09+
ULS Kero	+162.34 - 163.34+
No. 2	+136.84 - 138.09+
Low sulfur No. 2	+139.59 - 140.09+
No. 6 2.2% (\$/bbl)	39.30 - 39.50

NY/Boston numbers include duty

although Hetco took the lion's share of trades, remaining re-offered on its prompt offer at April minus \$8/mt. A few buyers were seen in the MOC process, with only Shell, Petrofina and DS tabling bids, while Mercuria, Gulf and Vector waiting to pick off some of the choice offers.

## Gas Oil transactions

Gasoil MOC barge deals: BP-DS at April -\$7/mt, 1.1 kt, fob ARA, 1-5 Apr; Hetco-Mercuria at April -\$9/mt, 2kt, FOB ARA, 26-30Mar; BP-Gulf at April -\$8/mt 1.7kt Fob ARA, 26-30 Mar; Hetco-Shell at April -\$8/mt, 2KT, FOB ARA, 26-30Mar; BP-Shell at April -\$8/mt 2KT, FOB ARA, 26-30Mar; Hetco-Fina at April -\$8/mt, 2kt, FOB ARA, 26-30Mar; Hetco-Mercuria at April -\$8/mt, 2kt, FOB ARA, 26-30Mar; Hetco-Shell at April -\$8/mt, 2kt, FOB ARA, 26-30Mar; Hetco-Vector at April -\$8/mt, 2kt, FOB ARA, 26-30Mar; Trafigura-Fina at April -\$7/mt,1kt, FOB ARA, 26-30/Mar; Hetco-Shell at April -\$8/mt, 2kt, FOB ARA, 26-30Mar; Hetco-DS bid at April -\$6/mt, 1.1 kt, fob ARA, 1-5 Apr; Frisol-Shell at April -\$8/mt, 2 kt, fob ARA 26-30 Mar; Hetco-STR at April -\$7/mt, 2 kt, fob ARA, 1-5 Apr

## Diesel

Diesel 10ppm differentials in the Mediterranean were holding firm on the back of a pick up in demand into Turkey, sources said Monday. "Turkey is getting a new life and is in the market again for 0.1% gasoil and 10ppm diesel, after very weak imports last month," a trader said. In 2008, Turkey's demand for diesel jumped from around 185,000 b/d March and April to around 245,000 b/d by June, a seasonal high point in demand, according to the International Energy Agency, while gasoil demand firmed 20,000 b/d to 105,000 b/d over the same period. However, cargo differentials were likely to be capped by ample arbitrage supply from the US, sources noted. "I don't see it popping. US cargoes are putting a lid on differentials," a trader said. "There are still a lot of cargoes coming from the US and storage is full," another trader said. Diesel 10 ppm barge differentials in Northwest Europe were assessed unchanged at plus \$14/mt, still under pressure from bloated stocks and heavy re-supply, sources said. In addition, German buyers, although not typically big importers, remain on the sidelines. "German demand is not great," a trader said. Rotterdam-Karlsruhe barge freight rates have plunged 65% in the last two months to \$16/mt, in reaction to soft internal demand for middle distillates, improving water levels and easing congestion. Diesel 10ppm cargo differentials in NWE basis Le Havre strengthened \$2/mt to \$23.25/mt, helped by demand into

## US products

cts/gal

## FOB Gulf Coast

Unleaded 87 7.8 RVP	+136.35 - 136.55+
Unleaded 89 7.8 RVP	+140.15 - 140.35+
Unleaded 93 7.8 RVP	+145.85 - 146.05+
MTBE	+164.00 - 165.00+
Alkylate *	17.00 - 18.00
Naphtha	+128.85 - 129.05+
Jet 54	+136.09 - 136.59+
Jet 55	+137.09 - 137.59+
ULS Kero	+137.59 - 138.09+

No. 2	+131.34 - 131.84+
Low sulfur No. 2	+133.34 - 133.84+
Slurry Oil	-34.90 - 35.00-
No. 6 1.0% 6°API (\$/bbl)	-39.45 - 39.55-
No. 6 3.0% (\$/bbl)	-37.95 - 38.05-
No. 6 3.0% paper 1st month (\$/bbl)	-37.90 - 38.00-
No. 6 3.0% paper 2nd month (\$/bbl)	-38.35 - 38.45-
No. 6 3.0% paper next quarter (\$/bbl)	-38.40 - 38.50-

\*Premium to US Gulf Coast pipeline gasoline

France to make up for extensive maintenance at Total's refining system in March. Vitol bought two 20,000 mt cargoes from Hetco in the Platts Market on Close Assessment process, the first French winter CIF basis Le Havre, at high CIF Platts minus \$3.50/mt for 13-17 April loading dates, the second French summer CIF basis Amsterdam at April plus \$18/mt for loading April 2-6.

## Diesel transactions

ULSD MOC barge deals: Shell-Mabanaft Bv, April +\$13/mt 2kt ulsd 10ppm intermed, FOB ARA 26-30 March; BP-Mabanaft Bv, April +\$15/mt 2kt ulsd 10ppm intermed, FOB Rdam/Antwerp, 02-06 April; STR-Vitol, April +\$15.50/mt, 10ppm barges, Flushing-Antwerp-Rotterdam, april 3-7, 1-2kt; Shell-Mabanaft Bv, April +\$15/mt, 1-3 kt ulsd 10ppm intermed, FOB Rdam/Antwerp, 02-06 April; Shell-Mabanaft Bv, April +\$13/mt, 1.1kt ulsd 10ppm intermed, FOB ARA 26-30 March; CHEVRON BV-Vector, April +\$13/mt, 2KT, FARA, 26-30 MAR, INTERMEDIATE GRADE 10PPM ULSD BARGE; STR-Omneo, April +\$13.50/mt, 10ppm barges, Rotterdam, march 26-30, 2kt

ULSD MOC cargo deals: HETCO UK-Vitol, DIESEL 10PPM NWE HI CIF - 3.50 PRICING 13-17 APRIL DATES INCLUSIVE, FRENCH SUMMER 10PPM DIESEL 20KT±10% S/O, CIF BASIS LE HAVRE 13-17 APRIL, DISCH OPTIONS HBG-BDX RANGE + NSPAIN, VESSEL TO BE ACCEPTABLE TO BUYER. ALL ELSE AS PER FLEXI TERMS AND CONDITIONS. BP GT&C'S TO APPLY; Hetco UK-Vitol, at APRIL +\$18/mt, 20kt +/-10% in seller's option, French Winter Grade 10ppm ULSD, CIF basis Amsterdam, 2-6 April, CP options Hamburg to North Spain, BP Gt&C on MV APOLLO /SUB

## Biodiesel

The European market discovered some definition Monday with a smattering of activity on B100 product after a previous wide bid-offer spread in the market. BP confirmed buying 3,000 mt of April loading B100 FAME 0 at a premium of \$307/mt to April gasoil futures which were assessed by Platts at \$467.50/mt. Another trade was widely reported at high as April gasoil futures plus \$310/mt though further details remained private. For B99 product, some tentative buying interest was reported at around April gasoil plus \$280/mt, though with futures values rallying strongly, buyers appeared to shy away towards the close. Feedstocks also rallied according to sources, though their value

has lagged that of gasoil in recent days, said sources. "Oilseeds are of course up too," said one trader, "but they haven't kept up with the gasoil pace so bio is getting expensive to make."

## Biodiesel transactions

No deals reported.

## Fuel oil

There was little change in the overall structure of the fuel oil complex Monday, with fundamentals still pointing towards length in the European market on the back of weak Eastern demand, but a lack of blending in Rotterdam still providing support to levels. That support remained evident in trading, where prompt dates continue to trade at a premium to later loading, this despite a contango in the forward structure. "No one is really blending and it's not for a lack of ullage," said one trader, continuing: "In part it's a question of ullage but unless people are forced to blend then I don't see too many candidates out there to offer heavy volumes." During the Platts Market on Close assessment process, a total of 28,000 mt traded with Total and Gunvor the main sellers. Weak US and Singapore markets

## Fuel Oil transactions

HSFO MOC barge deals: Gunvor-Chemoil 2kt at \$252/mt BE; Gunvor-Nioco 2 kt at \$253/mt FE; Gunvor-Verbeke 2 kt \$254/mt FE; Gunvor-Chemoil 2 kt \$253/mt 30/3 dates; Totsa-Verbeke 2 kt \$254/mt FE; Totsa-Verbeke 2 kt \$254/mt FE; Gunvor-Chemoil 2 kt \$253/mt 30/3 dates; Gunvor-Chemoil 2 kt at \$253/mt BE; Gunvor-ABC 2 kt \$ 253/mt FE; Gunvor Litasco 2 kt \$254/mt FE; Totsa Litasco 2kt \$254/mt FE; Gunvor-Koch 2 kt \$253/mt 30/3 dates; Totsa-Litasco 2kt at 255/mt FE; BP-Chemoil 2kt 253/mt BE; Post 16:30 Totsa-Litasco 2 kt \$255/mt FE; Totsa-Litasco 2 kt \$255 /mt FE; Gunvor-Koch 2 kt at \$253/mt 30-03dates

HSFO MOC cargo deal: Galaxy-Rixo trades 25,000mt-30,000mt of EU-qualified high sulphur bunker fo, density 991, visco 380, flash 66, pourp 30, sed. 0.15, hft potential 0.10, h2s 2 ip 399, ccr 18, water 0.50, sulphur 3.50, ash 0.10, vanadium 300, alu+si 80, cif basis Genoa 3-7 april 2009 with discharge options for all med (gib sts incl), 50 pct high cif med plus 2 pct at barges plus 13, pricing 1-15 April. Vessel to be approved by at least three majors among BP, Eni, Stasco, ExxonMobil, Chevtex, Totsa, Cepsa (sellers option)

meant there remained a distinct lack of outlets for any sellers wishing to push volumes out of Europe, though few traders appear to be eyeing such opportunities at present. In the Mediterranean HSFO market, traders continued to report some tightness in the prompt market for bunker specification product though M-100 barrels from the Black Sea were still struggling to be placed. During the MOC process, Galaxy sold a cargo to Rixo on a floating price basis for April 3-7 delivery basis Genoa. The contango in the LSFO market continues to encourage traders to store fuel and though a lack of material was flowing in to the region with the arbitrage fully shut in to Europe from North and South America. BP offered a cargo during the MOC process to no reported buying interest.

## VGO

VGO: Falling end-user demand and a well supplied vacuum gasoil market in Northwest Europe were leading to weaker values for material, trading sources said Monday. "The market is over-supplied," a source said. Continued poor complex refining margins meant refiners continued to reduce runs and reduce their demand for VGO, sources said. "I don't see any end-user demand," a trader said. The slight improvement of the gasoline crack in the US could give some support to VGO values, a trader said. The gasoline crack in the the US rose slightly Monday to \$10.59/barrel, a \$1.43/b rise from Friday.

### VGO transactions

No deals reported.

## North Sea crude

The differential of Forties crude fell Monday, pushed lower by a Shell offer of May cash minus \$1.35/barrel for a first-decade of April cargo which failed to tempt any buyers. The Forties differential was

assessed at Dated Brent minus \$0.365/b and Dated Brent at \$51.875/b. This widened the spread to the other sweet grades which have also been tumbling in value with Ekofisk heard to have traded near to flat with Dated Brent. CFDs also turned lower following the rally at the end of last week although traders still said they were pricing in expectation of some crude being taken into floating storage. Freight rates on Suezmax and VLCCs were hovering at near-record low levels as demand for vessels to load FOB stems dwindled, said traders. A second decade of April cargo of Oseberg was heard offered at Dated Brent plus \$0.30/b and more deferred cargo at Dated Brent plus \$0.60/b. "It looks to me like sweet grades are great value now and while there's a temptation to think they are nearing a bottom, margins are still dreadful so there will be caution," a trader said. A number of refineries that take sweet grades were also in maintenance and even though sweet grades look good value, if you are used to running Urals it's not so easy to switch to sweet grades, a trader said. Prompt refinery margins improved slightly but deferred margins remain weak with gasoline and diesel demand in the US and Europe respectively, impacting the forward crack curve.

## LSSR

A fall in demand for low sulfur straight run in Northwest Europe from refiners was leading to a weakening of values, trading sources said Monday. Despite continued negative topping margins, demand for material from refiners remained minimal, trading sources said. The "huge" premium LSSR commands over LSFO was "easing off", a trader said. Value for good quality LSSR was around May Brent minus \$3-4/barrel, another trader said.

### LSSR transactions

No deals reported.

## Subscriber notes

**SUBSCRIBER NOTE:** Platts is hosting a technical workshop to discuss ship-to-ship and ship-to-barge transfers and their applicability for Platts Northwest European and Mediterranean refined products assessments. Additionally, the workshop will include a discussion around issues in the FOB barge markets including short loadings caused by water levels, loading/delivery delays in the ARA region as well as a review of the current loading date ranges reflected in the Platts assessments. Platts will also address the schedule for the eWindow launch for European refined product markets. The meeting will start with coffee and an informal breakfast at 9:30 London Time in Platts' Canary Wharf office on April 3, 2009. Ahead of the workshop, Platts requests feedback on the issues raised above. Please send feedback to [europe\\_products@platts.com](mailto:europe_products@platts.com) and [pricegroup@platts.com](mailto:pricegroup@platts.com). To register for this forum please email [RSVP@platts.com](mailto:RSVP@platts.com)

**SUBSCRIBER NOTE:** Effective April 1, 2009 and following subscriber feedback, Platts will publish the 1630 value for the first full three months gasoil futures contract values on every publishing day, including on the day of expiry. Previously on the day of ICE gasoil futures

**Subscriber notes (continued)**

expiry, Platts has published the 1200 London time value of the expired ICE gasoil contract along side the first and second-month values. Platts will continue to publish the 1200 value of the expired ICE futures gasoil contract on the day of expiry in a separate section of European MarketScan. Comments please to [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com), [paul\\_hailey@platts.com](mailto:paul_hailey@platts.com).

**GASOIL SUBSCRIBER NOTE:** Effective March 9, Platts has reflected summer grades of B&C Spanish gasoil on a pro-rated basis in the Mediterranean 0.1% sulfur gasoil cargo assessment, with summer spec having an increasing weighting in the assessment toward March 20. Winter grades will continue to be taken into account until March 20, after which only summer spec is being reflected. For further details regarding the pro-rating system or any comments regarding the proposal please contact [brian\\_murphy@platts.com](mailto:brian_murphy@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com).

**DIESEL CARGO SUBSCRIBER NOTE:** Since March 9, Platts has reflected summer grades of diesel on a pro-rated basis in the Diesel CIF NWE 10ppm, basis Le Havre, and Mediterranean CIF 10ppm, basis Lavera, cargo assessments, with summer spec having an increasing weighting in the assessment toward March 22. Winter grades were taken into account until March 20, after which only summer spec is being reflected. For further details regarding the pro-rating system or any comments regarding the proposal please contact [tim\\_worledge@platts.com](mailto:tim_worledge@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com).

**DIESEL SUBSCRIBER NOTE:** Since February 19, Platts has reflected UK summer spec diesel in its ULSD 10ppm CIF cargo, basis ARA, assessment with summer spec having an increasing weighting up until March 5. Winter spec was taken into account until March 5, after which only summer spec has been taken into account. For further details regarding the pro-rating system or any comments regarding the proposal please contact [tim\\_worledge@platts.com](mailto:tim_worledge@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com).

**DIESEL SUBSCRIBER NOTE:** Since March 1, Platts has reflected 10ppm German intermediate specification diesel in the ARA barge market with winter spec diesel being given less weighting up until March 10, after which date only intermediate spec has been reflected. From March 31, Platts will begin to reflect summer spec diesel within the ARA barge market with intermediate spec being given less weighting up until April 9 after which only summer spec will be taken into account. For further details regarding the pro-rating system or any comments regarding the proposal please contact [tim\\_worledge@platts.com](mailto:tim_worledge@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com).

**GASOLINE SUBSCRIBER NOTE:** Since March 9, Platts has reflected summer grades of gasoline on a pro-rated basis in the Northwest Europe and Mediterranean cargo assessments, with summer spec having an increasing weighting in the assessment toward March 22. Winter grades were taken into account until March 20, after which only summer spec is being reflected. Platts proposes, effective March 17, to start reflecting summer grades of gasoline on a pro-rated basis in the ARA barge market, with summer spec having an increasing weighting until March 26. From March 27, summer spec will be fully reflected. For further details regarding the pro-rating system or any comments regarding the proposal please contact [chris\\_vowden@platts.com](mailto:chris_vowden@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com)

**DIESEL SUBSCRIBER NOTE:** Since February 19, Platts has reflected UK summer spec diesel in its ULSD 10ppm CIF cargo, basis ARA, with the assessment with summer spec having an increasing weighting up until March 5. Winter spec was taken into account until March 5, since which point only summer spec has been considered. For further details regarding the pro-rating system or any comments regarding this please contact [tim\\_worledge@platts.com](mailto:tim_worledge@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com).

**DIESEL SUBSCRIBER NOTE:** Effective March 1, Platts has reflected 10ppm German intermediate specification diesel in the ARA barge market with winter spec diesel being given less weighting up until March 10, after which date only intermediate spec has been reflected. From March 31, Platts will begin to reflect summer spec diesel within the ARA barge market with intermediate spec being given less weighting up until April 9 after which only summer spec will be taken into account. For further details regarding the pro-rating system or any comments regarding the proposal please contact [tim\\_worledge@platts.com](mailto:tim_worledge@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com) with CC to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com).

**SUBSCRIBER NOTE:** Effective July 1, 2009 and in response to subscriber feedback Platts proposes reflecting German specification 0.1% gasoil with a maximum color rating of 2, clear and bright, a maximum density of 860g/ml and minimum flash of 57 in its Northwest European CIF and FOB cargo assessments. Comments please to [simon\\_thorne@platts.com](mailto:simon_thorne@platts.com), [andrew\\_bonnington@platts.com](mailto:andrew_bonnington@platts.com), [brian\\_murphy@platts.com](mailto:brian_murphy@platts.com), with a cc to [pricegroup@platts.com](mailto:pricegroup@platts.com)