

Argus Asia-Pacific Products

Asia-Pacific products prices and analysis

Issue 11A - 26

Thursday 10 February 2011

Prices at a glance

Singapore		\$/bl			
	Differential to Mops		Low	High	+/-
	low	high			
97R gasoline	-	-	110.25	110.45	+0.05
95R gasoline	+0.40	+0.60	109.15	109.35	+0.05
92R gasoline	+0.30	+0.50	106.80	107.00	+0.05
Naphtha	+0.50	+0.70	96.05	96.15	+0.95
Jet-kerosine	-0.05	+0.15	117.95	118.15	+1.10
Gasoil 0.5%	-0.65	-0.45	115.55	115.75	+1.30
Gasoil 0.25%	+0.80	+1.00	117.00	117.20	+1.25
Gasoil 0.05%	+0.90	+1.10	117.10	117.30	+1.25
Gasoil 0.005%	+2.10	+2.30	118.30	118.50	+1.55
Gasoil 0.001%	+2.40	+2.60	118.60	118.80	+1.55
HSFO 180cst (\$/t)	+9.50	+13.50	597.50	598.50	+6.25
HSFO 380cst (\$/t)	+11.25	+11.75	580.25	581.25	+6.75

South Korea		\$/bl			
	Differential to Mops		Low	High	+/-
	low	high			
Jet-kerosine	-0.20	+0.00	117.80	118.00	+0.80
Gasoil 0.5%	-1.05	-0.85	115.15	115.35	+1.30
HSFO 180cst (\$/t)	-	-	604.50	605.50	+6.25

Mideast Gulf		\$/bl			
	Differential to Mopag		Low	High	+/-
	low	high			
95R gasoline	+5.80	+6.00	107.25	107.45	+0.05
92R gasoline	+5.60	+5.80	104.90	105.10	+0.05
Naphtha LR1 (\$/t)	+18.00	+20.00	848.10	850.60	+9.25
Naphtha LR2 (\$/t)	-	-	851.15	853.65	+9.15
Jet-kerosine	+1.30	+1.50	115.80	116.00	+1.10
Gasoil 0.5%	+0.10	+0.30	113.30	113.50	+1.30
Gasoil 0.2%	+0.40	+0.60	113.60	113.80	+1.30
Gasoil 0.05%	+2.80	+3.00	116.00	116.20	+1.30
HSFO 180cst (\$/t)	-	-	584.20	585.20	+6.25
HSFO 380cst (\$/t)	+9.00	+11.00	566.95	567.95	+6.75

Japan		\$/bl			
	Differential to Mopj		Low	High	+/-
	low	high			
Naphtha (\$/t)	+7.50	+9.50	876.00	878.50	+8.75
Jet-kerosine	-	-	120.00	120.20	+1.10
Gasoil 0.005%	-	-	119.15	119.35	+1.30
HSFO 180cst (\$/t)	-	-	607.20	608.20	+6.25

Indonesia		\$/bl			
	Differential to Pertamina		Low	High	+/-
	low	high			
LSWR V-500	+4.40	+4.60	95.50	95.70	+0.60

South China		yuan/t		
	Low	High	+/-	
HSFO 180cst barge STS	4,680.00	4,700.00	-10.00	

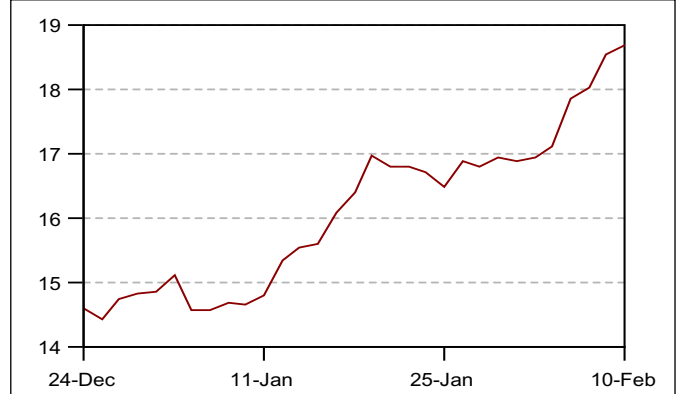
Overview

Product prices rose. Gasoil prices gained to the highest level since September 2008 on strength in the paper market. Singapore gasoline prices were mostly steady despite higher crude futures, while crack spreads slumped as stocks rose. Rising crude prices pushed up naphtha and jet-kerosine markets. Asia-Pacific HSFO prices rose on buying support in the physical market, but China's fuel oil market fell slightly. Utility demand sent LSWR higher.

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Gasoil crack spread



Gasoline

Singapore					\$/bl
	Differential to Mops		Low	High	+/-
	low	high			
97R gasoline	-	-	110.25	110.45	+0.05
95R gasoline	+0.40	+0.60	109.15	109.35	+0.05
92R gasoline	+0.30	+0.50	106.80	107.00	+0.05

Mideast Gulf					\$/bl
	Differential to Mopag		Low	High	+/-
	low	high			
95R gasoline	5.80	6.00	107.25	107.45	+0.05
92R gasoline	5.60	5.80	104.90	105.10	+0.05

Singapore gasoline prices were mostly steady despite higher crude futures. Crack spreads slumped amid growing stocks.

The 92R crack spread fell by \$1.05/bl, reversing yesterday's gain. The 92R reforming spread fell by \$0.95/bl as naphtha prices rose.

In the US, the Nymex Rbob crack spread continued to rally and hit \$19.40/bl yesterday, the highest level since July 2007.

Singapore onshore light distillates stocks rose to the highest level in about four months. Stocks including gasoline, naphtha and reformat rose to 10.95mn bl during the week ended 9 February, up by 16.3pc from a week earlier and the highest level since mid-October last year.

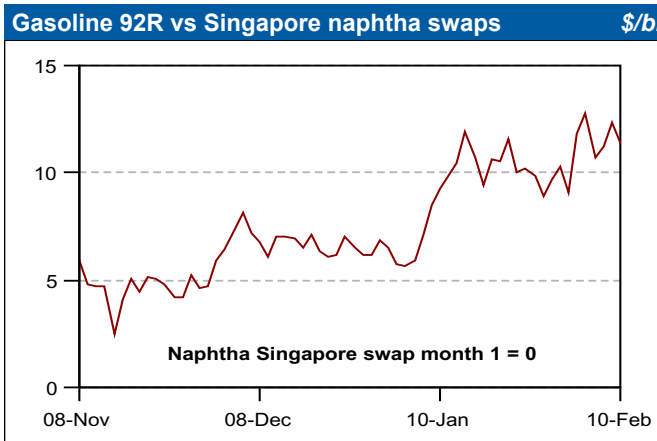
Indian refiner BPCL sold 20,000t of 88R gasoline to trader Trafigura at a discount of \$3/bl to Mops on a fob Kochi basis. The cargo, which contains 300ppm sulphur, will load 20-22 February. This is the first time BPCL has ever exported gasoline. The refiner typically imports low-sulphur fuel. The 88R cargo became available only as a one-off item.

Sri Lankan refiner Ceypetco closed a tender to buy 170,000 bl of 92R gasoline for 24-25 February delivery and 130,000 bl of 90R gasoline for 27-28 February. The lowest offers came from India's Reliance Industries at a \$2.40/bl premium to Mops for 92R and \$2.26/bl premium to Mops for 90R, both on a cfr Colombo basis. Ceypetco's most recent purchase was in early December, when it bought 170,000 bl of 90R at a \$4.27/bl premium to Mops for 27-28 December delivery and some 95R gasoline at a \$3.22/bl premium for 26-27 December delivery.

Singapore reforming spread			
	Today	Previous	+/-
97R gasoline	14.90	15.85	-0.95
95R gasoline	13.80	14.75	-0.95
92R gasoline	11.45	12.40	-0.95

Vietnamese importer Thalexim bought through private negotiations two 5,000t lots of 92R gasoline at a \$2.50/bl premium to Mops for 8-12 and 18-22 March delivery on a cfr Cat Lai basis. The premium is higher than fellow Vietnamese importer SaigonPetro's latest purchase in early February, when SaigonPetro paid a \$2.25/bl premium to Mops for 10,000t of 92R for 22-26 February delivery.

Two 92R cargoes traded in the cash market today. Arcadia sold to BP at \$107.40/bl for 25 February-1 March but BP withdrew the bid after the deal. Vitol bought from Shell's trading arm Sietco at \$106.40/bl for 8-12 March, but Sietco withdrew the offer after the deal. Glencore offered a 95R cargo at \$109.80/bl for 1-5 March but attracted no buyers. Two 97R cargoes traded yesterday at \$110.20-110.30/bl for 8-12 March.



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Naphtha

Singapore					\$/t
	Differential to Mops		Low	High	+/-
	low	high			
Naphtha	+0.50	+0.70	96.05	96.15	+0.95

Japan					\$/t
	Differential to Mopj		Low	High	+/-
	low	high			
Naphtha	+7.50	+9.50	876.00	878.50	+8.75

Mideast Gulf					\$/t
	Differential to Mopag		Low	High	+/-
	low	high			
Naphtha LR1	+18.00	+20.00	848.10	850.60	+9.25
Naphtha LR2	-	-	851.15	853.65	+9.15

Japan open-specification naphtha forward prices				\$/t
	Low	High	+/-	
16 March - 31 March	880.50	881.50	+8.50	
01 April - 15 April	877.50	878.50	+8.50	
16 April - 30 April	876.00	877.00	+9.00	

Singapore naphtha swaps			\$/bl
	Low	High	+/-
February	95.40	95.60	+1.00
March	95.35	95.55	+1.00
April	95.40	95.60	+1.00

Naphtha prices rose by \$8.50-9/t along with higher Brent futures. Consumer demand held steady.

The first-half April crack spread rose by \$0.55/t to \$113.70/t. The second-half March/second-half April backwardation narrowed for the first time in five sessions, tightening by \$0.50/t to \$4.50/t.

Japanese petrochemical producer Idemitsu bought through private negotiations 25,000t of spot naphtha at a \$6.75/t premium to Mopj for delivery in second-half March. Idemitsu in late January bought 75,000t of naphtha at a \$7/t premium to Mopj for first-half March delivery.

Fellow Japanese petrochemical producer Maruzen and Taiwan's Formosa Petrochemical may have also sought spot supplies through private negotiations.

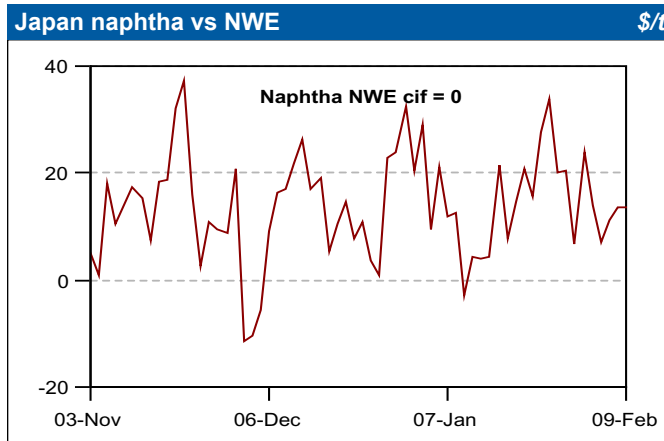
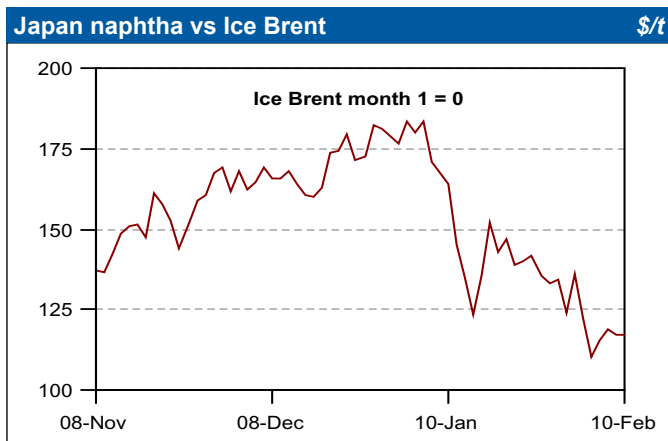
Around 400,000-550,000t of European naphtha has been provisionally booked to arrive in Asia in March, as traders took advantage of lower freight rates. The latest vessel to load was the Cape Endeavour that carried 75,000t of naphtha on 8 February from the UK to Japan. The arbitrage flow defied a narrow east-west price differential, which today reached \$17/t, far below the \$30/t usually considered the minimum level for the arbitrage to be viable. But lower freight rates for LR2-sized cargoes compen-

sated for the narrow differential. The rate for an LR2 vessel fell by around 6pc over the past month to about \$2.25mn yesterday.

Indian refiner IOC issued a tender to sell 35,000t of heavy full-range naphtha for 11-13 March loading on a fob Dahej basis and 30,000t of full-range naphtha for 10-12 March loading on a fob Kandla basis. The tender closes on 17 February and bids will remain valid until the end of the next day. IOC is due to sell two similar cargoes for early-March loading at Dahej and Kandla.

IOC's most recent Kandla cargo fetched a \$10.30/bl premium to its own pricing formula from Vitol for 20-22 February loading. Its most recent Dahej cargo fetched a \$15/t premium from Itochu for 22-24 February loading.

One first-half April cargo traded in the forward market. Koch Sarl bought from Glencore at \$878/t. Two similar cargoes traded at \$869-870/t. Singapore April paper swaps rose by \$1/bl to \$95.50/bl.



Jet-kerosine

Singapore		\$/bl			
	Differential to Mops		Low	High	+/-
	low	high			
Jet-kerosine	-0.05	+0.15	117.95	118.15	+1.10

South Korea		\$/bl			
	Differential to Mops		Low	High	+/-
	low	high			
Jet-kerosine	-0.20	+0.00	117.80	118.00	+0.80

Mideast Gulf		\$/bl			
	Differential to Mopag		Low	High	+/-
	low	high			
Jet-kerosine	+1.30	+1.50	115.80	116.00	+1.10

Japan		\$/bl		
	Low	High	+/-	
Jet-kerosine	120.00	120.20	+1.10	

Asia-Pacific jet-kerosine prices rose for the second consecutive day on crude and paper gains. Differentials for March-loading northeast Asian cargoes slipped amid expectations of easing seasonal demand.

No physical deal was done during afternoon window trading in Singapore. Shell bid for 250,000 bl at parity to Mops for 25 February to 1 March loading while US-based bank Morgan Stanley bid 105,000 bl at Mops -\$0.30/bl for 1-5 March loading. Chevron posted the lowest offer for 100,000 bl at Mops +\$0.15/bl for 25 February- 1 March loading.

Taiwanese refiner Formosa Petrochemical could have sold 300,000 bl of March-loading jet fuel at around a \$0.10/bl premium to Singapore spot quotes fob Mailiao. The refiner was thought to have last sold a similar volume for early-February loading at \$0.30-0.40/bl premium. The same buyer might have bought both cargoes, possibly headed for Hong Kong.

Fellow Taiwanese refiner CPC might have sold late last month around 250,000-300,000 bl of jet fuel at a premium of around \$0.30/bl to spot Singapore quotes on a fob Kaohsiung basis for March-loading. The lower premium achieved by Formosa might reflect easing seasonal demand for kerosine, which is used as a heating fuel during winter in parts of northeast Asia. Premiums for Korea-loading kerosine reached \$6/t last week amid bitterly cold winter weather but should ease by next month with the arrival of spring. Japanese and Korean refiners have been producing low-sulphur kerosine in recent months at the expense of jet fuel.

The refinery turnaround season starting in Asia from March onwards could tighten regional supplies and continue to support the market. Onshore inventories of middle distillates in Singapore remain relatively high. Stocks of gasoil and jet-kerosine rose by 16.27pc in the week ending 9 February from a week earlier to 13.736mn bl, the highest in 10 weeks. Gasoil could have accounted for the bulk of the increase.

Japan's jet fuel stocks fell to a near 10-month low of 4.854mn

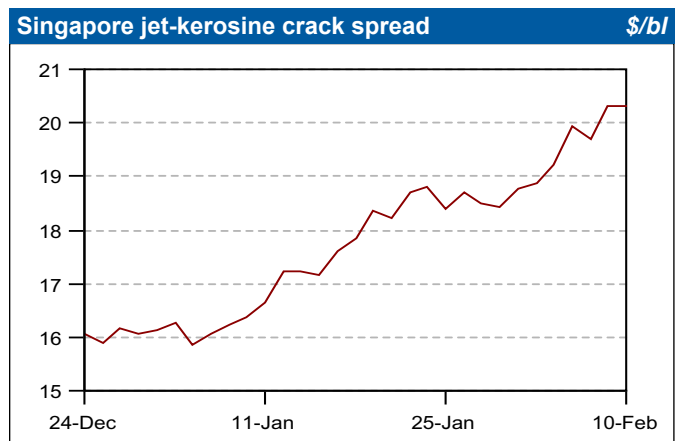
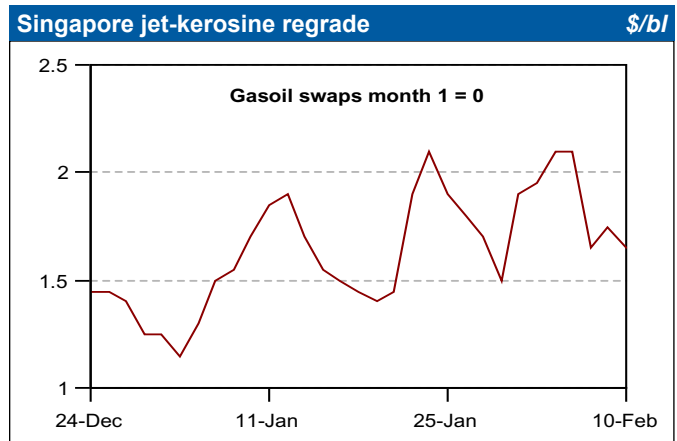
Singapore jet-kerosine swaps		\$/bl		
	Low	High	+/-	
February	118.05	118.25	+1.15	
March	117.85	118.05	+1.05	
April	117.95	118.15	+1.05	
Q2 2011	118.15	118.35	+1.05	
Q3 2011	119.15	119.35	+1.05	
Q4 2011	120.25	120.45	+1.10	

bl as of 5 February, in line with a 22.5pc decrease in weekly output to 907,704 bl in the same week.

February jet-kerosine paper swaps were valued at \$18.157/bl at the close of Asian trade, up by \$1.15/bl for the second consecutive day. The February regrade or spread between jet-kerosine and gasoil was range-bound at \$2.30/bl. The February/March intermonth spread widened from \$0.10/bl to \$0.20/bl in backwardation, suggesting firming demand for prompt cargoes.

Mideast Gulf premiums were assessed stable at \$1.40/bl amid expectations of tightening supplies as refineries in the region headed for maintenance shutdowns in the coming months.

State-owned Pakistan State Oil sought two 16,500t cargoes for March delivery and another optional cargo for April delivery. The tender closes on 17 February. PSO was believed to have last bought up to 66,000t of January and February jet fuel delivery cargoes at around \$3.50-3.60/bl on a cfr Karachi basis.



Gasoil

Singapore		\$/bl			
	Differential to Mops		Low	High	+/-
	low	high			
Gasoil 0.5%	-0.65	-0.45	115.55	115.75	+1.30
Gasoil 0.25%	+0.80	+1.00	117.00	117.20	+1.25
Gasoil 0.05% (50ppm)	+0.90	+1.10	117.10	117.30	+1.25
Gasoil 0.005% (50ppm)	+2.10	+2.30	118.30	118.50	+1.55
Gasoil 0.001% (10ppm)	+2.40	+2.60	118.60	118.80	+1.55

South Korea		\$/bl			
	Differential to Mops		Low	High	+/-
	low	high			
Gasoil 0.5%	-1.05	-0.85	115.15	115.35	+1.30

Mideast Gulf		\$/bl			
	Differential to Mopag		Low	High	+/-
	low	high			
Gasoil 0.5%	+0.10	+0.30	113.30	113.50	+1.30
Gasoil 0.2%	+0.40	+0.60	113.60	113.80	+1.30
Gasoil 0.05% (500ppm)	+2.80	+3.00	116.00	116.20	+1.30

Japan		\$/bl		
	Low	High	+/-	
Gasoil 0.005% (50ppm)	119.15	119.35	+1.30	

Asia-Pacific gasoil prices rose on Thursday to the highest since September 2008, extending the previous day's gains amid firmer London gasoil futures.

Singapore's online trading window generated two deals. Totsa bought a 150,000 bl cargo of 0.5pc sulphur gasoil from Hin Leong for 28 February-4 March loading at \$115.50/bl. A 10ppm sulphur gasoil cargo for 3-7 March was traded at balance-February average +\$2.70/bl.

Gasoil's crack spread or premium relative to Dubai crude values for March stayed at its highest in 25 months, firming to \$18.68/bl from \$18.55/bl a day earlier.

Sri Lankan state-owned refiner Ceylon Petroleum (Ceypetco) has two import tenders outstanding for combined gasoil and gasoline cargoes for late-February delivery. The tenders that included two 0.25pc sulphur gasoil cargoes totalling 310,000 bl attracted the lowest offers from Indian refiner Reliance Industries (RIL). RIL offered the cargoes at premiums of around \$0.30-0.45/bl to spot Singapore quotes on a cfr Colombo basis for delivery on 24-25 February and 27-28 February. Ceypetco in December paid a higher premium of around \$0.73/bl to the same quotes for a mid-January cargo.

Prospects to divert surplus gasoil to Europe from Asia were limited amid an unviable east-west spread on paper. But the Mindoro was provisionally booked to load 90,000t of gasoil from South Korea on 23 February to take to Europe. The vessel could have been chartered by Brazil's Petrobras.

Singapore inventories of middle distillates comprising gasoil

Singapore gasoil swaps		\$/bl		
	Low	High	+/-	
February	115.85	116.05	+1.25	
March	116.20	116.40	+1.15	
April	116.45	116.65	+1.10	
Q2 2011	116.75	116.95	+1.15	
Q3 2011	117.60	117.80	+1.20	
Q4 2011	118.30	118.50	+1.15	

Gasoil arbitrage		\$/t
East-west February spread		-6.99
East-west March spread		-4.35
Singapore February vs Ice gasoil March		-1.74
Singapore February vs Ice gasoil April		+1.01

and jet-kerosine rose by 1.9mn bl to 13.73mn bl in the week ending 9 February, the highest since 1 December when stocks were at 14.18mn bl.

India's Essar is undertaking an expansion of its Vadinar refinery from 14mn t to 18mn t. The expansion is likely to be completed by December this year. Essar currently exports more than 40pc of the refinery output – mostly naphtha, gasoline and fuel oil. Gasoil exports from the refinery have been sporadic and mostly take place at the end of monsoon season in September or October when Indian domestic demand is low. The company might have regular gasoil export volumes during 2012 after the expansion is completed, although the volumes are likely to taper off from 2013 as domestic demand grows. The first quarter is usually peak demand season for gasoil in India as indicated by state-owned refiner BPCL's latest import tender for March cargoes.

Egypt's EGPC was thought to have cancelled its tender to import two cargoes of 0.1pc sulphur gasoil of 35,000t each for delivery into the port of Suez in the second half of March and June. Ongoing civil unrest in Egypt probably dented selling interest, as industry participants had expected.

Yemen's ARC was thought to have sought through a tender around 50,000t of 0.5pc sulphur gasoil for delivery during 21-23 March. The tender closes on 14 February.

A tender by South Africa's PetroSA to import around 16,000t of 500ppm sulphur gasoil may have attracted offers close to \$7/t to spot Mideast Gulf quotes on a cfr basis for 17-20 March delivery.

Balance-month February gasoil paper swaps were valued at \$115.95/bl by the close of trade in Asia, climbing by \$1.25/bl from Wednesday. The intermonth February/March spread narrowed by \$0.10/bl to a contango of \$0.35/bl as sentiment firmed.

Fuel oil and bunkers

Singapore		\$/t			
	Differential to Mops		Low	High	+/-
	low	high			
HSFO 180cst	+9.50	+13.50	597.50	598.50	+6.25
HSFO 380cst	+11.25	+11.75	580.25	581.25	+6.75

Mideast Gulf		\$/t			
	Differential to Mopag		Low	High	+/-
	low	high			
HSFO 180cst	-	-	584.20	585.20	+6.25
HSFO 380cst	+9.00	+11.00	566.95	567.95	+6.75

South Korea		\$/t			
	Low	High	+/-		
HSFO 180cst	604.50	605.50	+6.25		

Japan		\$/t			
	Low	High	+/-		
HSFO 180cst	607.20	608.20	+6.25		

Singapore fuel oil swaps		\$/t		
	Low	High	+/-	
February	594.00	595.00	+7.00	
March	581.50	582.50	+5.50	
April	574.75	575.75	+4.75	
Q2 2011	571.25	572.25	+4.75	
Q3 2011	566.50	567.50	+4.50	
Q4 2011	566.75	567.75	+4.50	

three cargoes or 240,000t of 380cst HSFO from New Mangalore for loading from March to May, after selling an early-March cargo at a premium of \$6-\$7/t to spot prices. Elsewhere India's state-owned IOC sold 15,000t of 180cst for loading 28 February from Haldia to an oil major for delivery to Singapore.

Regional bunker prices moved up on firmer cargo values.

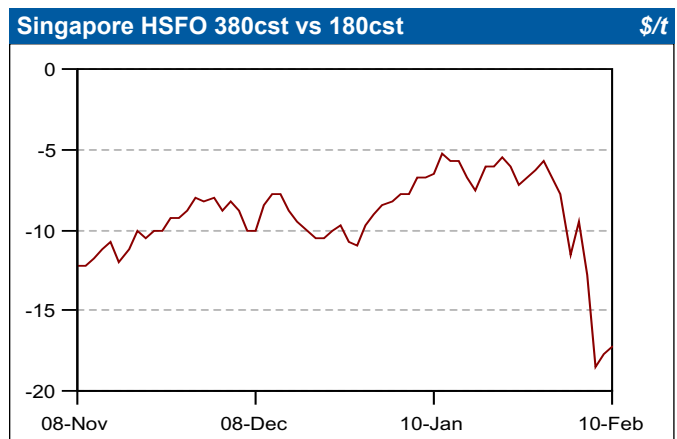
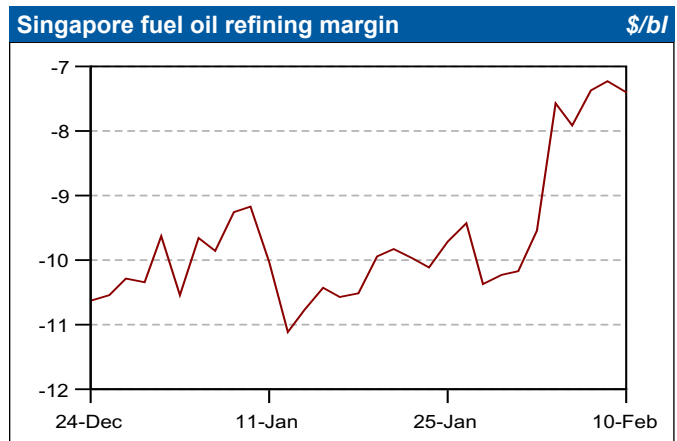
Asia-Pacific HSFO prices rose by \$6-\$7/t on Thursday on buying support for physical cargoes and paper swaps. Bullish sentiment was fuelled in part by tight supplies and a shortage of blending components that forced traders to pay higher premiums to spot prices in order to secure cargoes. Singapore fuel oil stocks for the week ended 9 February fell by 3.28mn bl to 15.8mn bl, the lowest since July 2009, according to port data.

In the cash market, 40,000t of 180cst HSFO was traded at an outright price of \$598/t for loading 25 February – 1 March. This was the highest fixed price deal for 180cst since 29 August 2008. Shell bought two cargoes of 380cst HSFO at Mops+\$11/t and Mops+\$10.50/t for loading 25 February – 1 March and 8-12 March respectively. A total volume of 240,000t of HSFO had been traded in the cash market since 1 February. The inter-month spread between February and March widened to \$12.50/t while the March/April differential expanded to \$6.75/t on concerns over tight supplies despite an estimated 3.5mn t of arbitrage shipments expected in March. The viscosity spread between 180cst and 380cst grades held at around \$17/t to \$17.50/t due to an acute shortage of blending components.

In arbitrage news, Singapore utility PetroSeraya fixed the VLCC Ioanna to load 270,000t of HSFO from Venezuela on 28 February for delivery to Singapore. Chinese state oil firm PetroChina booked the Sirius Star to load a similar cargo from the Caribbean for delivery to Asia-Pacific. Both these cargoes could arrive at Singapore in early- to mid-April.

In the Mideast Gulf, Saudi Aramco offered 75,000t of 380cst HSFO for loading on 26-28 February from its Rabigh refinery. It had earlier sold three cargoes or 240,000t of 180cst HSFO from Jubail for loading in March and April at a premium of around \$10-\$11/t to spot prices fob basis.

Indian refiner MRPL is expected to award a tender to sell



China fuel oil

South China fuel oil (fob)		yuan/t	
	Low	High	+/-
HSFO 180cst barge STS	4,680.00	4,700.00	-10.00
	Differential to Mops		+/-
	low	high	
M100 C+F east China (\$/t)	+67.00	+69.00	+1.00
M100 C+F south China (\$/t)	+68.00	+70.00	+1.00

China's fuel oil market fell slightly on Thursday. Tight spot supply supported the market. South China HSFO 180cst was assessed 10 yuan/t lower at Yn4,690/t.

Fuel oil stocks at nominated storage terminals to meet physical delivery increased by 4,500t to 544,500t. Benchmark May contracts on the Shanghai Futures Exchange rose by Yn60/t to close at Yn4,801/t.

Fuel oil from Singapore loading mid-February to Huangpu was offered at Mops +\$11-13/t in a quiet market.

Run rates at independent refineries in Shandong remained steady at 39pc as of this week. Some refineries showed some interest in buying more fuel oil imports as prices for gasoline and diesel rose by Yn50-100/t for a second day on Thursday. Gasoline and diesel prices are expected to rise in late February, sustaining buying interest in the market.

An independent refinery showed interest in buying one cargo of Russian straight-run M100 for March after importing 100,000t of fuel oil from Venezuela for February.

Offers of Russian straight-run M100 for March were assessed up by \$1/t to +\$67-70/t over benchmark Mops.

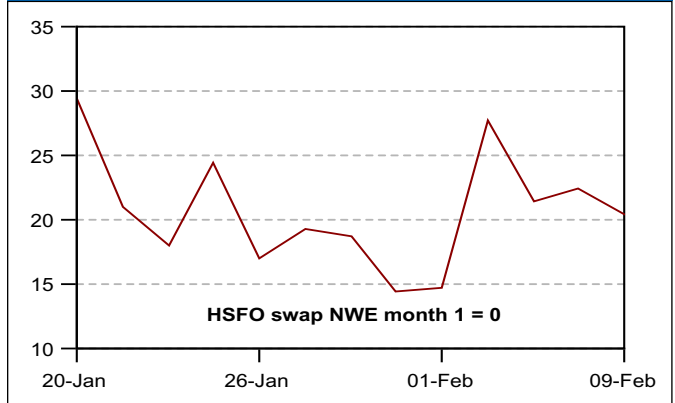
Buying interest for fuel oil from Venezuela for March lost ground on higher prices, without any deals done.

Straight-run fuel oil at refineries in Shandong was traded at Yn4,650-4,750/t with some deals done.

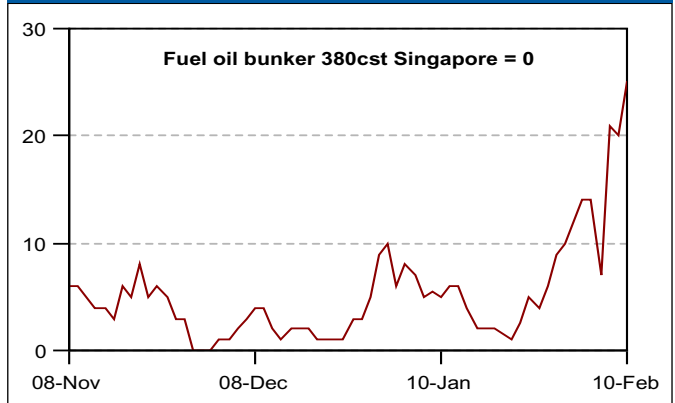
Bonded bunker market 380cst prices fell slightly. Traders suggested that higher prices have sidelined ship owners in line with low seaborne volumes. Tight supply in Hong Kong continued to bolster the market.

South China fuel oil (c+f)		\$/t	
	Low	High	+/-
February	608.00	610.00	+6.00
March	596.00	598.00	+4.00
April	589.00	591.00	+3.00

Singapore vs NWE fuel oil swaps \$/t



Fujairah vs Singapore 380cst bunkers \$/t



Bunkers and marine fuels

Bunkers 180cst		\$/t	
	Low	High	+/-
Singapore	611.00	613.00	+6.00
South Korea	624.00	626.00	+10.00
Fujairah	659.00	661.00	+14.00
Russian Far East	465.00	480.00	+0.00

Bunkers 380cst		\$/t	
	Low	High	+/-
Singapore	596.00	598.00	+3.00
South Korea	609.00	611.00	+10.00
Fujairah	621.00	623.00	+8.00
Hong Kong	605.00	607.00	-2.00
Shanghai	607.00	609.00	-1.00
Qingdao	611.00	613.00	-4.00

Marine gasoil		\$/t	
	Low	High	+/-
Singapore	855.00	865.00	+10.00
South Korea	895.00	905.00	+10.00
Fujairah	925.00	935.00	+0.00
Russian Far East	700.00	735.00	+0.00

Marine diesel		\$/t	
	Low	High	+/-
Singapore	845.00	855.00	+10.00
South Korea	885.00	895.00	+10.00
Fujairah	915.00	925.00	+0.00

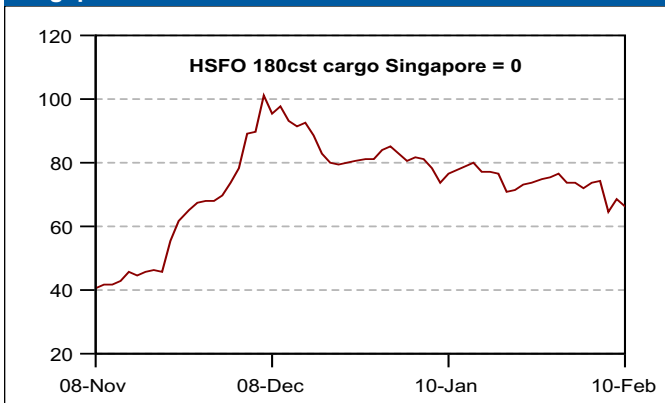
LSWR

Indonesia	Differential to Pertamina				\$/bl
	low		high		
	Low	High	Low	High	
LSWR V-500	+4.40	+4.60	95.50	95.70	+0.60

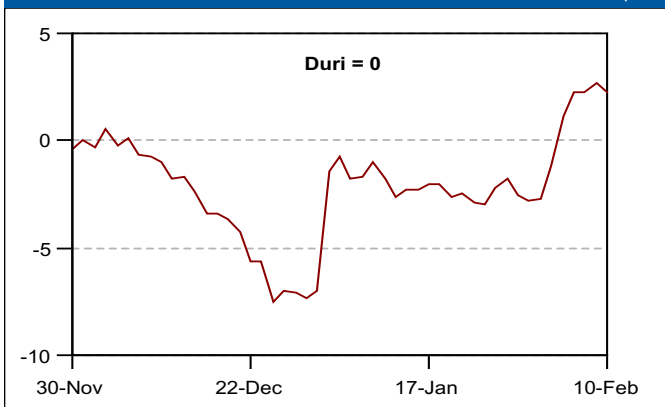
Indonesian low-sulphur waxy residue (LSWR) rose by \$0.60/bl on Thursday.

Market sentiment remained bullish on steady demand from utilities for low-sulphur fuel oil in northeast Asia. South Korean power plants were still seeking fresh supplies of fuel oil for delivery in March. Taiwanese state-owned oil firm CPC bought one to two cargoes of 0.5pc LSFO for delivery in March. Japanese utilities had consumed a big chunk of its LSFO stockpiles in the past three weeks instead of importing due to soaring prices. LSFO stocks sunk to a nine-week low, boosting suppliers' optimism that buyers would return for fresh supplies. A Japanese trader could be loading a cargo of LSWR from Indonesia on the tanker Torm Neches on 16 February for delivery to Japan. Freight was fixed at \$680,000. Another similar cargo was booked to load on the Torm Clara on 10 February from Balikpapan for delivery to either South Korea or Japan. Indonesia had allocated five or six cargoes of LSWR for export in February.

Singapore HSFO vs Indonesia LSWR \$/t

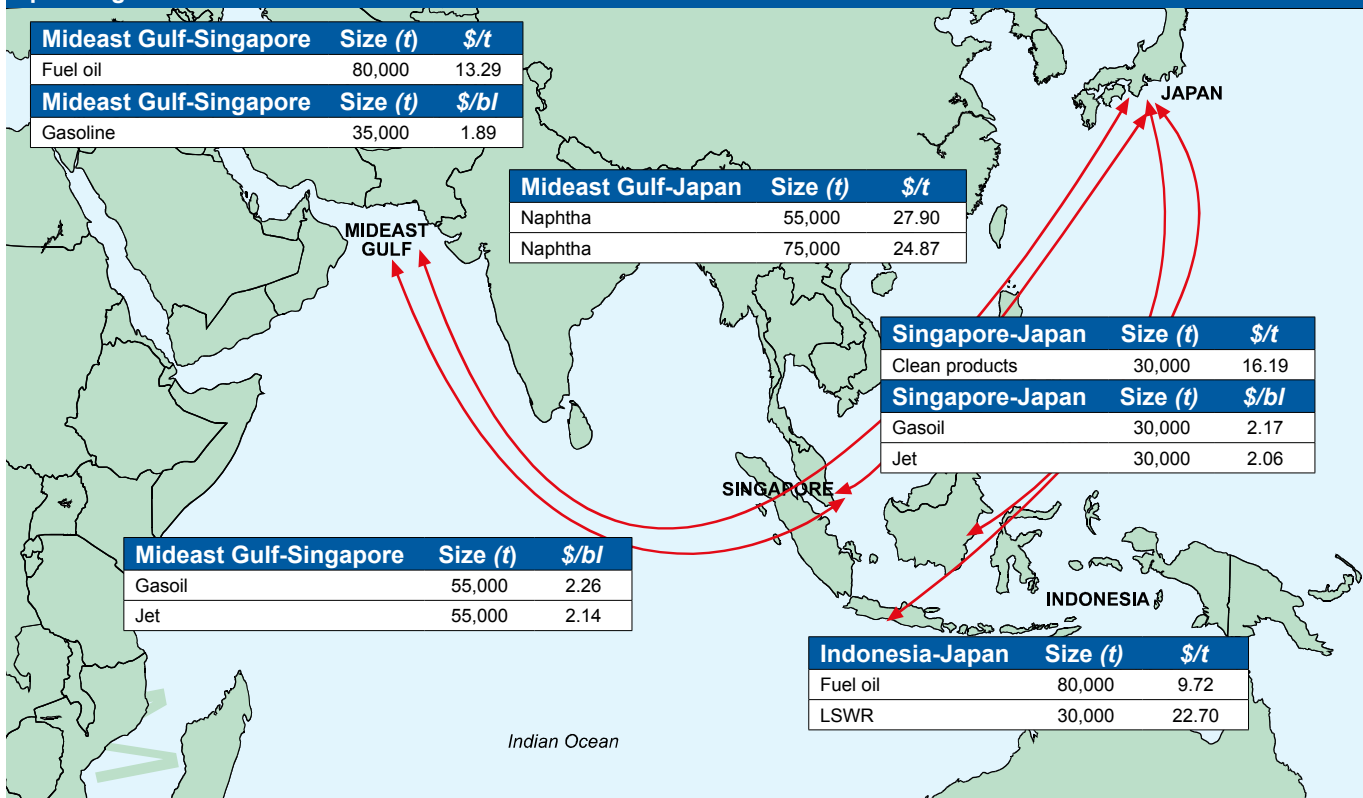


LSWR vs Duri crude \$/bl



Freight routes

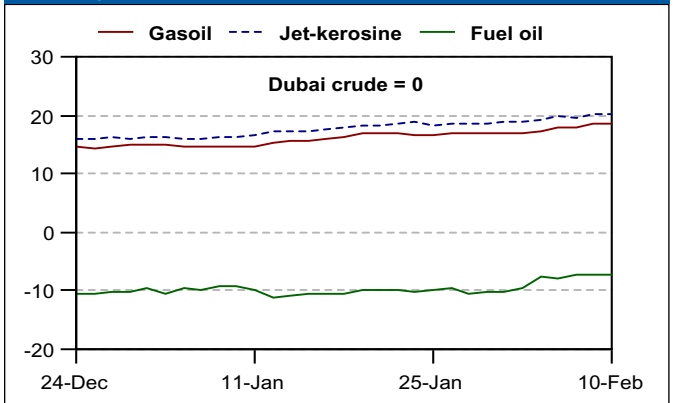
Spot freight rates



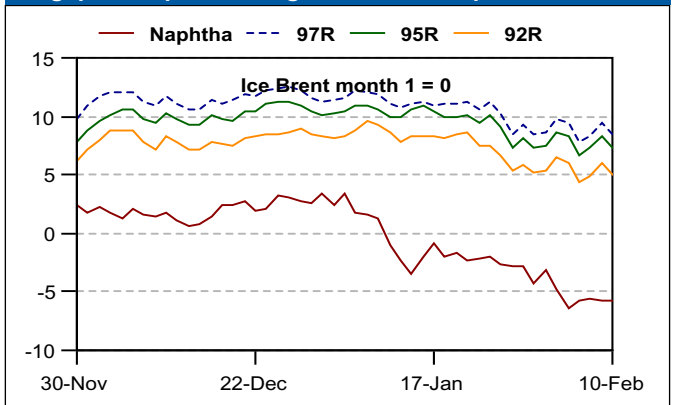
Crack spreads

Crack spreads		
Dubai swaps		\$/bl
Singapore fuel oil 180cst	Mar	-7.39
Singapore gasoil	Mar	+18.68
Singapore jet	Mar	+20.33
Ice Brent crude		\$/t
Japan naphtha c+f half month 1	16 Mar - 31 Mar	+120.43
Japan naphtha c+f half month 2	01 Apr - 15 Apr	+113.68
Japan naphtha c+f half month 3	16 Apr - 30 Apr	+112.18
Ice Brent crude		\$/bl
Singapore naphtha fob spot	-	-5.31
Singapore 97R gasoline	-	+8.94
Singapore 95R gasoline	-	+7.84
Singapore 92R gasoline	-	+5.49

Gasoil, jet-kero and fuel oil crack spreads \$/bl



Singapore naphtha and gasoline crack spreads \$/bl



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Deals done

Seller	Buyer	Product	Volume	Unit	Diff Basis	Price (\$)	Timing
Gunvor	BP	Fuel oil HS 180 cst cargo Singapore	40,000	t		598.00	25 Feb-01 Mar
Vitol	Shell	Fuel oil HS 380 cst cargo Singapore	20,000	t	Mops	+10.50	08 Mar-12 Mar
BP	Shell	Fuel oil HS 380 cst cargo Singapore	20,000	t	Mops	+11.00	25 Feb-01 Mar
Singapore Petroleum Co.	BP	Gasoil 0.001% Singapore	170,000	bl		Balance February +\$2.70/bl	03 Mar-07 Mar
Hin Leong	Total	Gasoil 0.5% Singapore	150,000	bl		115.50	28 Feb-04 Mar
Arcadia	BP	Gasoline 92r Singapore	50,000	bl		107.40	25 Feb-01 Mar
Unknown	Unknown	Gasoline 92r Singapore	10,000	t	Mops	+2.50	08 Mar-22 Mar
Bharat Petroleum (BPCL)	Trafigura	Gasoline 92r Singapore	20,000	t	Mops	-3.00	20 Feb-22 Feb
Sietco	Vitol	Gasoline 92r Singapore	50,000	bl		106.40	08 Mar-12 Mar
Glencore	Koch	Naphtha forward Japan c+f	25,000	t		878.00	01 Apr-15 Apr
Unknown	Idemitsu Intl	Naphtha open spec Japan c+f	25,000	t	Mopj	+6.75	16 Mar-31 Mar

Issued tenders

Issuer	Trade	Timing	fob/cfr location	Close	Valid
IOC	Sell 35,000t of heavy full-range naphtha	3-5 Mar	fob Dahej	08 Feb	09 Feb
IOC	Sell 30,000t of full-range naphtha	1-3 Mar	fob Kandla	08 Feb	09 Feb
Ceypetco	Buy 150,000 bl of 0.25pc and 0.05pc s gasoil	25-26 Feb	cfr Colombo	08 Feb	11 Feb
Ceypetco	Buy 170,000 bl of 92R mogas	25-26 Feb	cfr Colombo	08 Feb	11 Feb
MRPL	sell 80,000t of 380cst HSFO	18-22 Mar	fob New Mangalore	09 Feb	10 Feb
ONGC	Sell 25,000t of full-range naphtha	2-3 Mar	fob Mumbai	09 Feb	10 Feb
MRPL	Sell 35,000t of full-range naphtha	16-18 Mar	fob New Mangalore	09 Feb	10 Feb
BPCL	Buy 65,000t of 340ppm and 45ppm s gasoil	12-14 Mar; 18-20 Mar	cfr Kandla and Kochi	10 Feb	11 Feb
HPCL	Sell 25,000-30,000t of naphtha with 60pc para	25-27 Mar	fob Vizag	14 Feb	14 Feb
Tasweeq	Sell 30,000t of 90R gasoline	15-16 Mar	fob Masaieed	14 Feb	17 Feb
Tasweeq	Sell 50,000t of full range naphtha	2h Mar	fob Ras Laffan	14 Feb	17 Feb
Tasweeq	Sell up to 600,000t of plant condensate	April 2011-March 2012	fob Ras Laffan	14 Feb	17 Feb
IOC	Sell 30,000t of full-range naphtha	10-12 Mar	fob Kandla	17 Feb	18 Feb
IOC	Sell 35,000t of heavy full-range naphtha	11-13 Mar	fob Dahej	17 Feb	18 Feb
PSO	Buy 910,000t HSFO & 360,000t LSFO	Mar- Jun	cfr Fotco/Keamari	17 Feb	21 Feb
BPC	Sell 170,000 bl of heavy full-range naphtha	14-16 Mar	fob Chittagong	24 Feb	03 Mar

Methodology

Argus Asia-Pacific products price assessments represent the market over the course of the entire trading day. Argus believes that a fair and representative price will include trade throughout the day. If the market shows high intra-day volatility, Argus will weight the assessments towards trading activity at the end of the working day.

Price assessments rely on a wide variety of sources and platforms for information, including discussion with refiners, marketers, importers, traders and brokers, to reflect a daily consensus on the price of the day.

Argus works to verify all deal prices, counterparties, and volumes. Argus values transparency, so we publish as much price, volume, and specification information as we discover. This allows you to cross-check and verify the deals against the published prices.

The details of our methodology are available at www.argusmedia.com or by calling any Argus office.

Announcements



Argus Biomass Markets

Argus has launched weekly Argus Biomass Markets, which covers international wood pellet markets. It features the Argus Biomass Index, full trading commentary, spot and forward price assessments and the latest biomass news. It calculates generation economics for key European countries, showing clean dark spreads and comparisons with biomass spark spreads.

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