

European Marketscan

Volume 40 / No 85 / May 1, 2008

European products

\$/mt

Mediterranean cargoes

	Data code	FOB Med (Italy)			Data code	CIF Med (Genova/Lavera)		
Premium gasoline 50 ppm	AAOPW00	-27.75	926.50 - 927.50	-27.75	AAOPX00	-28.00	943.00 - 944.00	-28.00
Naphtha (1)	PAAA100	-23.25	847.50 - 848.00	-23.25	PAAAH00	-23.75	873.00 - 873.50	-23.75
Jet	AAIDL00	-25.75	1121.25 - 1122.25	-25.75				
Diesel 50 ppm (2)	AAOQC00	-28.00	1068.50 - 1069.50	-28.00	AAOQD00	-28.50	1088.50 - 1089.50	-28.50
Gasoil 0.2%	POAAB00	-24.00	1036.00 - 1037.00	-24.00	POAAA00	-24.00	1065.25 - 1066.25	-24.00
Gasoil 0.1%	AAVJ100	-26.75	1054.25 - 1055.25	-26.75	AAVJ000	-26.75	1078.50 - 1079.50	-26.75
Fuel oil 1.0%	PUAAK00	-8.50	544.75 - 545.75	-8.50	PUAAJ00	-9.00	562.75 - 563.75	-9.00
Fuel oil 3.5%	PUAAZ00	-5.75	475.25 - 476.25	-5.75	PUAAY00	-6.25	493.25 - 494.25	-6.25
Jet FOB Med premium	AAIDN00		15.00 - 16.00					

Northwest Europe cargoes

		FOB NWE				CIF NWE/Basis ARA		
Premium gasoline 50 ppm	AAIJH00	-26.75	920.25 - 921.25	-26.75	AAIJJ00	-26.25	935.00 - 936.00	-26.25
Premium gasoline Non Oxy	AAVJE00	-26.75	935.00 - 936.00	-26.75				
Premium gasoline 10 ppm	AAOPY00	-26.75	923.25 - 924.25	-26.75	AAOPZ00	-25.75	938.50 - 939.50	-25.75
Fuel Grade Ethanol					AAYS000	-11.00	539.00 - 540.00	-11.00
Regular gasoline 50 ppm	AAIJL00	-26.75	902.00 - 903.00	-26.75				
Naphtha (Jun)					PAAAJ00	-23.00	892.50 - 893.00	-23.00
Naphtha					PAAAL00	-24.00	885.00 - 885.50	-24.00
Jet	PJAAV00	-22.50	1139.25 - 1140.25	-22.50	PJAAU00	-26.25	1151.00 - 1152.00	-26.25
ULSD 10 ppm					AAVBG00	-29.25	1088.50 - 1089.50	-29.25
Diesel 10 ppm	AAKWR00	-30.00	1073.75 - 1074.75	-30.00	AAKWPO0	-30.75	1090.00 - 1091.00	-30.75
Diesel 10 ppm UK					AAVBH00	-29.50	1094.00 - 1095.00	-29.50
Diesel 50 ppm	AAOQA00	-28.00	1057.00 - 1058.00	-28.00	AAOQB00	-29.00	1077.25 - 1078.25	-29.00
Russian gasoil 0.2%					AAOQZ00	-39.00	1029.75 - 1030.75	-39.00
Gasoil 0.2%	POAAD00	-32.00	1004.00 - 1005.00	-32.00	POAAC00	-32.00	1025.75 - 1026.75	-32.00
Gasoil 0.1%	AAVWR00	-28.00	1027.00 - 1028.00	-28.00	AAVWS00	-28.00	1048.75 - 1049.75	-28.00
Fuel oil 1.0%	PUAAM00	-9.00	535.00 - 536.00	-9.00	PUAAL00	-9.00	549.75 - 550.75	-9.00
Fuel oil 3.5%	PUABB00	-16.00	443.75 - 444.75	-16.00	PUABA00	-16.00	460.75 - 461.75	-16.00
Straight run 0.5-0.7%	PKABA00	-16.50	650.50 - 652.50	-16.50				
VGO 0.5-0.6%	AAHMX00	-16.50	758.50 - 760.50	-16.50	AAHMZ00	-16.50	768.50 - 770.50	-16.50
VGO 2% max	AAHNB00	-16.50	716.50 - 718.50	-16.50	AAHND00	-16.50	726.50 - 728.50	-16.50

Northwest Europe barges

		FOB Rotterdam		
98 RON gasoline 10 ppm	AAKOD00	-26.75	946.00 - 947.00	-26.75
Premium gasoline 10 ppm	PGABM00	-26.75	931.50 - 932.50	-26.75
Regular gasoline 10 ppm	AAKOF00	-26.00	937.50 - 938.50	-26.00
Fuel Grade Ethanol	AAVYD00	-4.00	540.50 - 541.50	-4.00
MTBE	PHAKZ00	-17.50	989.25 - 989.75	-17.50
Naphtha	PAAAM00	-24.00	881.00 - 881.50	-24.00
Jet	PJABA00	-20.00	1153.00 - 1154.00	-20.00
Diesel 10 ppm	AAJUS00	-45.25	1078.00 - 1078.50	-45.75
Gasoil 0.2%	POAAG00	-37.25	1023.75 - 1024.25	-37.25
Gasoil 0.1%	AAVWT00	-31.00	1047.00 - 1047.50	-31.00
Biodiesel	AAWGY00	-7.00	1425.00 - 1435.00	-7.00
FAME 0	AAVXL00	-7.00	1370.00 - 1380.00	-7.00
Fuel oil 1.0%	PUAAP00	-18.25	545.25 - 546.25	-18.25
Fuel oil 1.5%	AASXR00	-13.00	505.50 - 506.00	-13.00
Fuel oil 3.5%	PUABC00	-16.00	463.75 - 464.25	-16.00
Rotterdam bunker 380 CST	PUAYW00	-16.00	470.00 - 474.00	-15.00
VGO 0.5-0.6%	AAHNF00	-16.50	768.50 - 770.50	-16.50
VGO 2% max	AAHNI00	-16.50	720.50 - 722.50	-16.50

ICE futures

Platts ICE gasoil assessments*

(16:30 London time)

May	AARIN00	1047.00
Jun	AARIQ00	1023.00
Jul	AARIP00	1014.00

ICE gasoil settlements

May	1046.75	Aug	1009.50
Jun	1022.75	Sep	1007.00
Jul	1013.50	Oct	1004.25

ICE gasoil GWAVE (Previous day s values)

May	1082.00
Jun	1055.50

ICE Brent

Jun	AAYES00	109.33
Jul	AAYET00	109.13

1) Naphtha FOB MED is basis East Med. 2) 50 ppm ULSD FOB and CIF Med reflect diesel (EN590) with max 50 ppm sulfur, in line with EU regulations in effect from Jan 1, 2005. 3) Cargoes CIF NWE Fuel Grade Ethanol in \$/CM 4) 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.

European products monthly averages \$/mt

Mediterranean

	FOB Med (Italy)	CIF Med Genova/Lavera)
Premium gasoline 50 ppm	949.01 - 950.01	961.77 - 962.77
Naphtha	869.77 - 870.27	892.32 - 892.82
Jet	1129.24 - 1130.24	
Diesel 50 ppm	1064.95 - 1065.95	1082.25 - 1083.25
Gasoil 0.2%	1018.98 - 1019.98	1043.45 - 1044.45
Gasoil 0.1%	1033.42 - 1034.42	1053.75 - 1054.75
Fuel oil 1.0%	550.80 - 551.80	566.38 - 567.38
Fuel oil 3.5%	481.27 - 482.27	496.85 - 497.85
Jet FOB Med premium	15.82 - 16.82	

Northwest Europe cargoes

	FOB NWE	CIF NWE/Basis ARA
Premium gasoline 50 ppm	949.14 - 950.14	965.81 - 966.81
Premium gasoline Non Oxy	964.61 - 965.61	
Premium gasoline 10 ppm	953.57 - 954.57	967.99 - 968.99
Regular gasoline 50 ppm	929.48 - 930.48	
Fuel Grade Ethanol		NA - NA
Naphtha paper		909.19 - 909.69
Naphtha physical		902.49 - 902.99
Jet	1142.67 - 1143.67	1155.17 - 1156.17
ULSD 10 ppm		1082.97 - 1083.97
Diesel 10 ppm	1069.60 - 1070.60	1083.45 - 1084.45
Diesel 10 ppm UK		1087.61 - 1088.61
Diesel 50 ppm	1053.68 - 1054.68	1070.80 - 1071.80
Russian gasoil 0.2%		1023.57 - 1024.57
Gasoil 0.2%	1000.19 - 1001.19	1017.90 - 1018.90
Gasoil 0.1%	1021.57 - 1022.57	1039.27 - 1040.27
Fuel oil 1.0%	541.51 - 542.51	554.34 - 555.34
Fuel oil 3.5%	467.81 - 468.81	483.99 - 484.99
Straight run 0.5-0.7%	664.77 - 666.77	
VGO 0.5-0.6%	753.23 - 755.23	763.23 - 765.23
VGO 2% max	722.09 - 724.09	732.09 - 734.09

Northwest Europe barges

	FOB Rotterdam
98 RON gasoline 10 ppm	985.56 - 986.53
Premium gasoline 10 ppm	961.57 - 962.57
Regular gasoline 10 ppm	969.66 - 970.68
Fuel Grade Ethanol	NA-NA
MTBE	1012.57 - 1013.15
Naphtha	898.49 - 898.99
Jet	1148.64 - 1149.64
Diesel 10 ppm	1078.26 - 1078.78
Gasoil 0.2%	1019.63 - 1020.26
Gasoil 0.1%	1032.40 - 1032.90
Biodiesel	1444.73 - 1454.73
Fuel oil 1.0%	563.57 - 564.57
Fuel oil 1.5%	516.01 - 516.51
Fuel oil 3.5%	486.98 - 487.48
Rotterdam bunker 380 CST	492.86 - 496.14
VGO 0.5-0.6%	761.73 - 763.73
VGO 2% max	728.39 - 730.39

1) Naphtha FOB MED is basis East Med. 2) 50 ppm ULSD FOB and CIF Med reflect diesel (EN590) with max 50 ppm sulfur, in line with EU regulations in effect from Jan 1, 2005. 3) Cargoes CIF NWE Fuel Grade Ethanol in \$/CM 4) Barges FOB Rotterdam Fuel Grade Ethanol in Eur/CM

Market Update

June crude futures on NYMEX fell \$3 to \$110.46/barrel Thursday in a broad-based selloff across the commodity sector as a recovery in the US dollar caused longs to liquidate positions. The US Dollar Index on ICE rallied 81 points to an intra-day high of 73.328, a six-week high. The Thursday selloff was an extension of a slide that started Wednesday following the release of the weekly US oil data that showed implied demand faltering. Total US petroleum demand at 20.679 million b/d was just 0.5 percentage points above year-ago levels on a four-week moving average with weakness concentrated in gasoline and jet fuel. Traditionally, the second quarter is the weakest demand period as the need for winter fuels wanes. Chart-based considerations encouraged long liquidation as well with several layers of support having been broken.

Gasoline

The benchmark gasoline 10ppm barge price in ARA fell \$26.75/mt Thursday to be assessed at \$932/mt, following a massive dive in crude oil prices and waning gasoline demand. The gasoline physical crack eased 80 cents on the day to \$2.55/barrel as the market expected weak demand during the upcoming driving season and increased availability in May. Also, funds were selling off gasoline contracts, applying further pressure. "Funds are very long on gasoline," said one trader. Chevron said that it had stopped exports from its 210,000 b/d Pembroke refinery in south Wales in order to concentrate on supplying the local market following a problem with a steam unit Tuesday. "Exports have been ceased until we have a better idea how long it will take for the refinery to be up and running," a company spokesperson said. "We have to stop exports so that we can supply the local market." At least two cargoes of gasoline destined for the US were rescheduled, according to shipping and trading sources. "They will be sold locally," one source said. Chevron was also reported to be sourcing product from the UK and Portugal. "[They are] looking for cargoes they are long ships for," a trader said. The unscheduled Pembroke refinery closure did not affect the UK gasoline market as the refinery is heavily export-oriented to the US and there was good nationwide product availability to cover any shortage. "I think the Thames impact is nil," said one trader. "It has a larger impact in the NYH [New York Harbor] market than Thames." Moreover, gasoline availability in the UK had been healthy recently. "Even two refinery shutdowns [Pembroke

Gasoline transactions

Gasoline MOC barge deals: NIC-StatoilHydro, \$934/mt, 10ppm, 1kt, FOB AR, fw.
 Gasoline non-MOC barge deals: NIC-Glencore, \$956/mt, 10ppm, 1kt, FOB AR, fw; Shell-Glencore, \$954/mt, 10ppm, 1kt, FOB AR, fw; Vitol-Chevron, \$946/mt, 10ppm, 1kt, FOB AR, fw; Morgan Stanley-BP, \$930/mt, 10ppm, 1kt, FOB AR, fw; Trafigura-Cargill, \$928/mt, 10ppm, 1kt, FOB AR, fw; Trafigura-Morgan Stanley, \$926/mt, 10ppm, 1kt, FOB AR, fw.

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

Front month WTI crude	AASCR00	111.33
Second month WTI crude	AASCS00	110.58

cents/gal

Front month heating oil	AASCT00	309.53
Second month heating oil	AASCU00	310.88
Front month unleaded gasoline	AASCV00	283.42
Second month unleaded gasoline	AASCW00	282.87

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

Rotterdam - Rotterdam	TCAEI00	3.50
Rotterdam - Flushing	TCAEJ00	7.75
Rotterdam - Ghent	TCAEK00	6.50
Rotterdam - Antwerp	TCAELO0	5.75

Germany

Rotterdam - Duisburg	TCAEM00	8.50
Rotterdam - Cologne	TCAEN00	15.25
Rotterdam - Karlsruhe	TCAEO00	22.50
Antwerp - Duisberg	TCAEP00	9.00

Switzerland

Rotterdam - Basel	TCAEQ00	24.25
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Euro-denominated assessments Euro/mt**Cargoes CIF NWE/Basis ARA**

Premium gasoline	AAQCD00	604.98 - 605.63
Naphtha	AAQCE00	572.63 - 572.95
Jet	AAQCF00	744.74 - 745.39

Barges FOB Rotterdam

Premium gasoline	AAQCH00	602.72 - 603.36
Diesel 10 PPM	AAQCI00	697.51 - 697.83
Gasoil 0.2%	AAQCJ00	662.41 - 662.73
Gasoil 0.1%	AAYWY00	677.45 - 677.77
Fuel oil 3.5%	AAQCK00	300.06 - 300.39

Cargoes FOB NWE

Fuel oil 1.0%	AAQCG00	346.17 - 346.81
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Conventional cargoes NY harbor (Euro/gallon)

Unleaded 87	AAPYV00	178.21 - 178.85
Unleaded 89	AAPYW00	182.35 - 182.87
Unleaded 93	AAPYX00	188.56 - 188.88
No. 2	AAPYU00	199.31 - 199.63

Euro/US\$ forex rate: 1.5455. 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: May 01

Dollar/Swiss franc	1.0481
GB pound/dollar	1.9745
Dollar/yen	103.98
Euro/dollar	1.5455
Dollar/Ruble	23.7820

Source: Comstock

and Grangemouth in Scotland] don't do anything for the market as there is plenty of oil to cover it," said another trader. "It shows how ugly this market is." In the Mediterranean, gasoline was moving to the Persian Gulf as easing clean freight rates West of Suez had made the voyage viable for shipowners.

Naphtha

European open-spec trading activity remained subdued Thursday with many traders in Europe and Asia away from their desks due to national holidays. The outright price of naphtha in Northwest Europe was assessed at \$885.25/mt. Traders noted there was little structural change in the market, with a few cargoes in NWE still looking for homes. While petrochemical demand remained absent, gasoline market also offered little support despite slightly firmer crack values on the day. Traders struggled to clear Europe's tanks of finished grade and little improvement was anticipated. "[The gasoline] market is expecting weak demand [during the summer season], [and] supply to increase as refineries come back from turnarounds," one market source said. Normally, Europe is structurally oversupplied with gasoline and relies on demand from other regions, traditionally the US, to absorb its excess. This year, however, implied gasoline demand and consumption in the US appear down following the economic slowdown and record pump prices. While moving material out of the region could provide some support to an oversupplied market, with the Asian market closed, talk of arbitrage cargoes was muted. "Nothing is moving today. With the cracks down, the East-West spread looks wider, but it is not really the best day to assess the market on a lack of liquidity," a trader said. May crack swaps softened to minus \$8.90/barrel as sources commented that a small level of trades in the paper market led to increased volatility. During the Platts Market on Close assessment process, four offers remained valid at the close, with none resulting in a trade.

Naphtha transactions

No deals reported.

Jet

With the holiday season continuing in much of Northwest Europe Thursday, those players still at work reported a more subdued level of activity in the NWE jet fuel market. "The market is dead...with most of Europe out," said one source, adding: "I am not seeing any extra [buying] before the bank holiday but, saying that, I am not sure it would really kick in until next week when people are back and see what drawdown on stocks there has been." Another source described the NWE jet market as slightly short, adding: "WAF demand is reasonable...taking the overhang of Caribbean/Gulf Coast arbitrage cargoes, and the arb is shut from the Persian Gulf." He suggested jet fuel buying had been steady but added: "I would say the demand spikes in order are Christmas/New Year, Easter, July/August and Spring half-term." The shutdown steam unit at Chevron's 210,000 b/d Pembroke

refinery in south Wales was due partially back online Thursday, but Chevron needed to source jet fuel, sources said. "Chevron are desperate for 20kt prompt jet with the Pembroke shutdown...and I don't think they'll find it easily," said one trader, although this was dismissed by Chevron, who said it was meeting contract requirements to UK and Ireland customers. In the Platts Market on Close assessment process for CIF cargoes Thursday, there were four bids from BP, including a 40kt bid into Fawley, while there was just one offer from Vitol. During the FOB barge price assessment process, there was just one bid for 2 kt FOB Rotterdam from BP, which traded twice.

Jet transactions

Two deals reported: Vitol-BP 2kt FOB Rotterdam 6-10/May at May + \$109/mt;
Vitol-BP 2kt FOB Rotterdam 6-10/May at May + \$110/mt.

Gasoil

European gasoil values tumbled Thursday with ICE gasoil futures shedding over \$26/mt, while the premiums and discounts to the screen being paid for grades of gasoil also shrinking. Hetco offered a cargo of 0.1% gasoil into Germany to buy at the close for back-end dates at May ICE gasoil minus \$5/mt, but without being lifted. This was in stark contrast to those traders who viewed the market as being fundamentally short of oil in the north, with cargoes of 0.1% gasoil leaking to the Mediterranean despite expensive freight. "The Med is so short of 0.1% it needs to come from somewhere because Black Sea supply isn't enough and local refineries aren't showing much available," said one trader. There were also reports of less 0.2% being made available from the Black Sea with the removal of the equivalent of two cargoes while not tipping the balance, in the face of no arb into the Med it had sharpened the scramble for oil. Litasco was a buyer of 0.2%, bidding up to June ICE gasoil plus \$43/mt for a free-origin cargo of Russian gasoil without being filled with companies still seeing short positions in the east Med yet to be satisfied. There was one deal on 0.1% barges with BP selling a cargo to Hetco for May ICE gasoil plus \$1/mt.

Gas Oil transactions

Gasoil MOC 0.1% barge deals: BP-Hetco, May ICE gasoil plus \$1/mt, 2kt, FOB Amsterdam/Rotterdam/Antwerp, 8-12 May

Diesel

The softer tone persisted Thursday, as trading sources saw the expected arrival of US arbitrage cargoes while the onset of the May holidays across Europe and Russia took many participants away from their desks. "I think the thing with diesel that's made the biggest difference is the arb from the States is capping numbers," a trader said, and that had taken the sting out of premiums. The source noted 7 or 8 ships set to make the trans-Atlantic voyage, with most pointed at Mediterranean outlets. Of the material heading in that direction, another source saw the weight of resupply capping but not relieving premia in the region.

"It's difficult," the trader said of the Mediterranean market, "It's still expensive and it's still difficult to find material," citing demand heard from Spain and Italy. "It depends a bit on the north," the trader continued, as the Med would normally take some direction from there. However, local factors remained supportive of stronger premiums, as the ongoing disruption from strikes at French ports continued to prove an irritant. News that Chevron's 210,000 b/d Pembroke refinery was restarting, two days after a steam unit was closed, also eased some supply concerns, providing reassurance to the weaker tone. The Platts Market on Close assessment process saw more barge action than of late, with five trades taking place. NSP hoovered up the two bids on the table, selling to Fina first at May plus \$35/mt, then Mercuria at May plus \$39 early on. Of the remaining offers, Hetco's two offers were lifted by Morgan Stanley at May plus \$32/mt and May plus \$34/mt, sending the barge premium tumbling nearly \$20/mt. Vitol again dominated the 50ppm offering showing cargoes in NWE and the Mediterranean, while Litasco again had over 100,000 mt of 10ppm.

Diesel transactions

ULSD MOC barge deals: Petroplus-Fina 2.5kt 10ppm barge, fob FARA, 9-13/05, May + \$35/mt; Petroplus-Mercuria 10ppm barge, FOB Antwerp/Rotterdam 6th/10th May, 1kt May + \$39/mt; Hetco UK-NSP 10PPM diesel, FOB ARA, 6-10May, 2KT, May + \$35/mt; Hetco UK-Morgan Stanley, 10ppm diesel, FOB FARA, 6-10 May, 2.4kt, May + \$32/mt; Hetco UK-Morgan Stanley, 10PPM diesel, FOB ARA, 6-10 May, 2KT, May + \$34/mt

Biodiesel

Biodiesel values edged lower Thursday amid generally thin interest and similarly lacking activity, market sources said. A holiday across much of the continent dampened any buying interest. "With prices falling it's a shame there are few people in today as we could have seen some interest in the market." A UK buyer did however emerge in the market, according to sources, with 3,000 mt of virgin vegetable oil meeting EN14214 trading at \$1375/mt. The seller's details remained P&C. There was some discussion on May tonnes at a premium to June, sources said, although prompt oil remained thin on the ground. "The prompt is still pretty tight but should relax a little from the second half of May onwards," said one trader. "From what I have seen the first 10 days are pretty much dry, with ships arriving mid-month."

Biodiesel transactions

No deals reported.

Fuel oil

Northwest Europe and the Mediterranean had become engulfed in cracked high sulfur fuel oil [HSFO] as a lack of arbitrage to Eastern Asia forced open the possibility for unusual arbitrage routes, market sources said Thursday. This position locked in product across Europe and traders were forced into assessing

other more unusual options such as moving product both trans-Atlantic and from the Med into NWE. "I cannot make any sense out of it, freight rates are very high," one trader said. The trans-Atlantic move from NWE - commonly seen on straight run fuel oil but not the cracked version - was also hinted as a possibility for fuel oil suppliers dwarfed in product: "I think it may work for one or two cargoes," a trader said, "but the US gulf coast will be quickly saturated, there's not much depth to it." In response to the Dutch environment ministry's (VROM) ruling on slurry material imported into Rotterdam by Koch S&P, a company spokesperson said: "Commodities trader Koch Supply and Trading is surprised and perplexed by its [VROM's] initial ruling that the fuel oil component cargo constitutes waste," she said. "Further independent

testing designed specifically to identify phenol shows no detectable presence of this substance in the cargo," she added. A fuel oil cargo sold by Morgan Stanley into Rixo is to load out of Lavera, currently disrupted by strike action, market sources said. The 30,000 mt cargo of bunker specification material should load some time over the next two weeks, sources said. "It makes no sense to go there and pay demurrage," one trader said as strike action had hampered oil product loadings onto tankers in the past fortnight, sources said. "There is enough oil over here, and stocks are well supplied," a broker said on 1.5% supplies in ARA. One trade was reported for 2,000 mt between STR and Frisol.

US products effective April 30

cts/gal

New York spot CIF cargoes

Unleaded-87 0.3% 9.0 RVP	-282.63 - 283.63
Unleaded-89 0.3% 9.0 RVP	-289.03 - 289.83
Unleaded-93 0.3% 9.0 RVP	-298.63 - 299.13
Jet	-330.30 - 330.80
Low sulfur jet	-332.30 - 332.80
ULS Kero	-332.30 - 332.80
No. 2	-315.55 - 316.05
Low sulfur No. 2	-330.55 - 331.55
No. 6 0.3% HP (\$/bbl)	-90.35 - 90.55
No. 6 0.3% LP (\$/bbl)	-95.25 - 95.45
No. 6 0.7% (\$/bbl)	-82.70 - 82.90
No. 6 1.0% (\$/bbl)	-81.30 - 81.50
No. 6 2.2% (\$/bbl)	-79.30 - 79.50
No. 6 3.0% (\$/bbl)	-78.80 - 79.00
No. 6 1.0% paper 1st month (\$/bbl)	-80.45 - 80.55
No. 6 1.0% paper 2nd month (\$/bbl)	-81.05 - 81.15
No. 6 1.0% paper next quarter (\$/bbl)	-81.85 - 81.95

Boston cargoes

Low sulfur jet	-334.30 - 334.80
ULS Kero	-334.30 - 334.80
No. 2	-317.55 - 318.55
Low sulfur No. 2	-333.55 - 334.55
No. 6 2.2% (\$/bbl)	-79.55 - 79.75

NY/Boston numbers include duty

FOB Gulf Coast

Unleaded 87 7.8 RVP	-285.63 - 285.88
Unleaded 89 7.8 RVP	-292.23 - 292.48
Unleaded 93 7.8 RVP	-302.13 - 302.38
MTBE	283.00 - 284.00
Alkylate *	30.50 - 31.00
Naphtha	+272.63 - 272.88+
Jet 54	-327.80 - 328.30
Jet 55	-328.30 - 328.80
ULS Kero	-328.80 - 329.30
No. 2	-311.30 - 311.55
Low sulfur No. 2	-324.80 - 325.05
No. 6 1.0% 8°API (\$/bbl)	-76.50 - 76.60
No. 6 1.0% 6°API (\$/bbl)	-84.70 - 84.80
No. 6 3.0% (\$/bbl)	-76.55 - 76.65
No. 6 3.0% paper 1st month (\$/bbl)	-76.40 - 76.50
No. 6 3.0% paper 2nd month (\$/bbl)	-76.35 - 76.45
No. 6 3.0% paper next quarter (\$/bbl)	-76.95 - 77.05

*Premium to US Gulf Coast pipeline gasoline

Fuel Oil transactions

HSFO MOC barge deals: Wiljo OW 2 kt be usd 473; Mercuria Frisol 2 kt fe at 470; Gunvor Litasco fe 10 kt usd 468; Wiljo Frisol 2 kt be usd 472; Gunvor Frisol 2 kt fe 465; Gunvor Ow 2 kt fe 465; Totsa Frisol 2 kt be at 472; Gunvor Chevron 2kt fe 463; Gunvor Litasco 2 kt fe at 463; Nioc OW 2 kt be at 471; Gunvor Nioc 2 kt fe at 463; Cargill Frisol 2 kt be usd 471; Totsa Frisol 2 kt be at 470; Gunvor Litasco 2 kt fe at 463; Cargill Koch 2 kt be usd 470; Gunvor Wiljo 2 kt fe at 462; Gunvor Chevron 2 kt fe 461; Gunvor Wiljo 2kt usd 461 fe
LSFO 1.5% barge deal: Str Frisol 2 kt be 509 usd
LSFO barge deal: Mercuria TOS 2 kt 546 FW; Mercuria Tos second deal at 546 1 kt

VGO

VGO: Prices fell heavily Thursday as the prices of benchmark crude oils fell considerably. Meanwhile, prices were put around the current levels of around WTI plus \$5/barrel, sources said. "Buying is currently limited and there is no shortage of selling interest," one trader said. The arbitrage to the US was reported as closed for both low and high sulfur. Traders expected the arbitrage to remain challenging, provided the current weakness in products markets prevailed. "The chances of having the strength we saw in gasoline in recent years seems increasingly remote," one trader said. "It makes me wonder how strong we can realistically get in VGO prices."

VGO transactions

No deals reported.

North Sea crude

Dated Brent/BFOE lost a further \$2.64/barrel Thursday, bringing the total fall in the contract since the record high reached the previous Friday to \$9.145/b. The contract was assessed at \$107.345/b as the CFD structure and physical differentials continued to come under pressure. Forties offers were still abundant as Shell, StatoilHydro and Mercuria all showed cargoes in the Platts Market on Close assessment period. Mercuria and Shell withdrew their offers prior to the close leaving StatoilHydro offering the May 11-13 parcel down to Dated Brent minus \$1.20/b, \$0.05/b below the front-end trade concluded a day earlier. Sources said that over the last two days cargoes loading later

than the 10-21 day assessment period had traded. Traded levels were not disclosed although the last offer level on the May 26-28 stem was confirmed at Dated Brent plus \$0.10/b Thursday, which was in line with the implied paper value for the period. Sellers also outnumbered buyers in the paper market as a range of offers concentrated largely on the front three CFD weeks in the MOC process attracted sparse buying interest. The prompt contango structure steepened with the roll May 5-9 versus May 12-16 valued \$0.12/b lower at minus \$0.45/b. There was talk that despite positive cracking margins, refinery runs may have been reined in, in response to a struggling gasoline crack spread. With few barrels leaving the Northwest European region and the stoppage at Pembroke refinery adding to local offline capacity, price support was faint. "It's a difficult market for sellers," one trader said. A spokesman at Pembroke said that some systems at the refinery were expected to be started late Thursday with a phased start-up of other units planned over the next few days.

LSSR

Demand for low sulfur straight run was picking up in the US which could potentially provide support to the market in Europe as well, market players indicated Thursday. "It is picking up in the US," one source said, adding that European demand was still not visible. "[I'm] seeing the appetite increasing over there," another trader noted. Demand in Europe however remained thin, although supply was not perceived to be as plentiful any longer. Based on the US netback, market players suggested that the discount in Europe may start improving to levels above minus \$10/barrel.

LSSR transactions

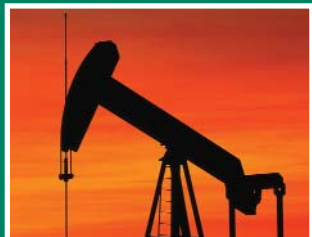
No deals reported.

Subscriber notes

GASOLINE SUBSCRIBER NOTE: Effective July 1, 2008 and due to changes in the flows of European regular gasoline, Platts proposes to discontinue the regular gasoline barge assessment. The existing 10ppm premium FOB gasoline barge will continue to be assessed. Comments please to andrew_bonnington@platts.com with a CC to simon_thorne@platts.com, jorge_montepeque@platts.com and methodologyissues@platts.com

GASOIL SUBSCRIBER NOTE: Effective January 2, 2009 and following EU regulations severely restricting the consumption of 0.2% sulfur gasoil, Platts proposes to discontinue the 0.2% sulfur gasoil barge assessments, basis ARA and the Northwest European and Mediterranean FOB and CIF cargo assessments. The existing 0.1% sulfur FOB barge assessment and the Northwest European and Mediterranean FOB and CIF cargo assessments will continue to be published. Comments please to jonathan_davies@platts.com with a CC to simon_thorne@platts.com, jorge_montepeque@platts.com and methodologyissues@platts.com

Securing Benchmarks & Supply: The Challenges for Crude Oil



May 13-14, 2008
Vienna, Austria

The Shift in the Sweet and Sour Balance

The changeability of crude grades is not only reconfiguring the processes and realities surrounding the security and readiness of global supply but also the future accuracy and representation of a transparent price discovery process. Current guidelines are not clear.

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- Energy Security and its Price Driving Potential
- Readiness of Supply
- The Changing Availability of Light Sweet Crude
- The Economics of Deliverables of Unconventional Oil Supply
- The Future Outlook

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