

OVERVIEW

- July Nymex WTI today fell \$1.15/bl to \$68.27/bl after a US government report showed crude inventories rose last week. Nymex RBOB fell by 0.33¢/USG to \$2.5546/USG and ultra-low sulphur diesel fell by 3.78¢/USG to \$2.3577/USG.
- US gasoline and diesel inventories rose last week as demand fell, according to Energy Information Administration (EIA) data. Gasoline exports decreased on the week by 3.1pc to 957,000 b/d. US diesel exports increased on the week by 42pc to 1.25mn b/d.
- US Gulf coast CBOB prices widened their discount to other grades amid rising inventories and on the final day for prompt trading on Colonial Pipeline's 35th cycle. RBOB gasoline markets for dead prompt timing traded higher and the forward structure remained in backwardation.
- US Gulf coast distillate cash prices took back gains as Nymex futures softened. US Atlantic coast diesel markets were mixed directionally while jet fuel differentials rebounded.
- Physical ethanol prices firmed across most regions in response to a bullish weekly Energy Information Administration (EIA) report.
- Investigations into complaints of extortion by businesses in Mexico have grown by 48pc since late 2018, Mexico's business chamber Coparmex said.

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MARKET SUMMARY

Price	¢/USG			
	New York	Houston	Chicago	Los Angeles
CBOB/suboctane	260.460	223.960	244.460	274.960
RBOB	263.210	250.210	280.210	274.960
87 conv	261.960	242.960	244.460	
Ethanol	258.250	259.125	245.500	271.000
Jet fuel	230.770	217.270	213.270	243.770
ULSD	237.020	229.895	228.270	231.270
Bunker fuel \$/t	452.500	402.500		477.500

Differential to Nymex	¢/USG			
	New York	Houston	Chicago	Los Angeles
CBOB/suboctane	+5.000	-31.500	-11.000	+19.500
RBOB	+7.750	-5.250	+24.750	+19.500
87 conv	+6.500	-12.500	-11.000	
Jet fuel	-5.000	-18.500	-22.500	+8.000
ULSD	+1.250	-5.875	-7.500	-4.500
Bunker fuel \$/t	+3.368	-4.548		+7.326

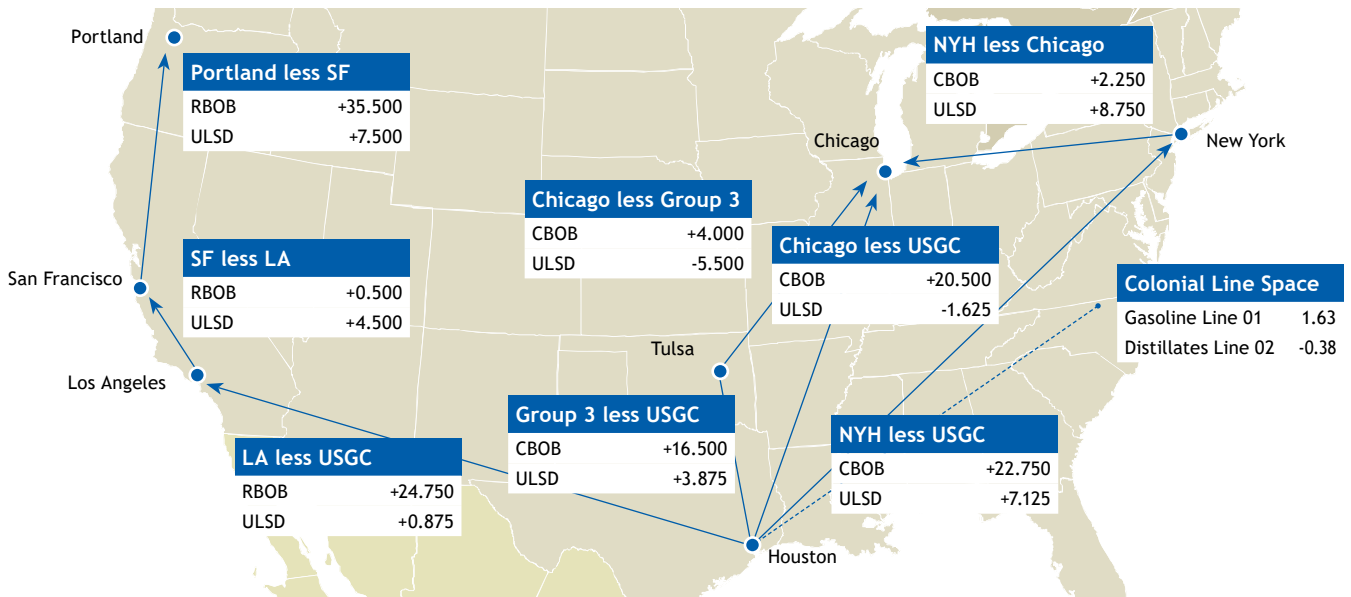
Change on day	¢/USG			
	New York	Houston	Chicago	Los Angeles
CBOB/suboctane	+0.295	-3.455	-5.330	-1.830
RBOB	-0.455	+1.545	-10.580	-1.830
87 conv	+3.920	+1.045	-5.330	
Ethanol	+2.750	+0.675	+0.675	nc
Jet fuel	-0.780	-5.280	-3.780	-10.780
ULSD	-3.780	-3.430	-4.780	-8.280
Bunker fuel \$/t	nc	nc		nc

CME Nymex futures	¢/USG	
Month	RBOB	ULSD
Jul	255.46	235.77
Aug	245.03	234.19
Sep	237.12	233.97
Oct	216.24	233.93
Nov	208.55	233.39
Dec	204.28	232.62

*Tables include hyperlinks to those values maintained in the Argus database.

ARGUS MARKET MAP

¢/USG



LATEST NEWS

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87M vs 83.7 Rbob Colonial

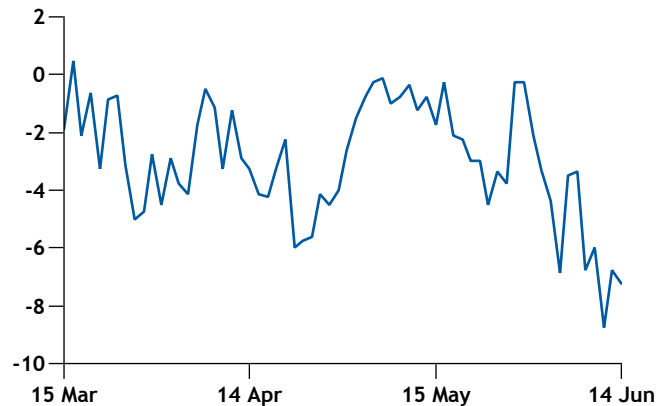
¢/USG

Infrastructure

- Maintenance at Valero Port Arthur refinery

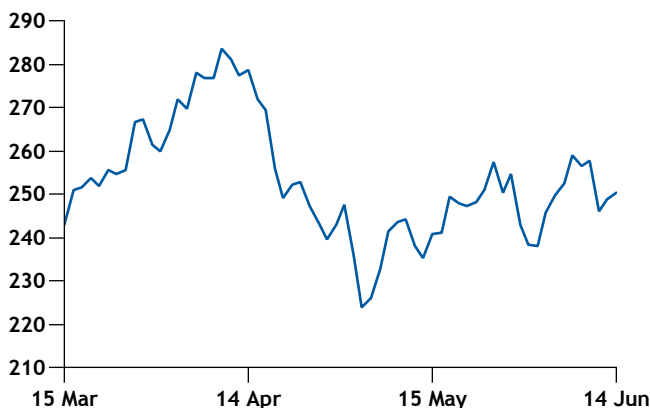
Industry

- US road fuel stocks up, demand down: EIA
- US jet fuel stocks up slightly on imports
- ANS crude output declines, USWC runs fall
- Weaker product cracks may cap refining runs
- Exxon keeps transparency group board seat
- US details 'game changing' clean energy policy
- US ethanol stocks and production fall: EIA
- Ethanol lifts global biofuel output in April



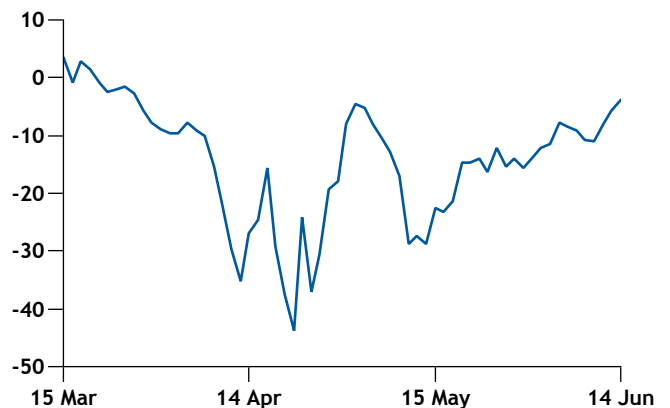
83.7 Rbob Colonial cash

¢/USG



Colonial ULSD vs Group Three ULSD

¢/USG



GASOLINE

Atlantic coast

RBOB gasoline markets for dead prompt timing traded higher on Wednesday, and the forward structure remained in backwardation.

Regular RBOB gasoline with 14-16 June timing was bid at July Nymex +10.00¢/USG against offers at +12.00¢/USG, pulling dead prompt differentials higher by 1.5¢/USG.

A Buckeye RBOB package with 18 June, 21 June and 24 June timing was confirmed at July Nymex +7.50¢/USG. Trades were heard for 20 June timing from July Nymex +7.25¢/USG to +7.75¢/USG with offers going out at +8.50¢/USG this afternoon. June any's were steady with bids at flat to the July Nymex and offers at +5.00¢/USG.

Regular CBOB for Buckeye and barge was assessed either side of July Nymex +5.00¢/USG for 7.8 RVP barrels, up 0.63¢/USG on the day. CBOB with 9.0 RVP notched a 1.25¢/USG increase with ranges assessed from July Nymex -10.00¢/USG to -7.50¢/USG.

Colonial offline regular A-grade CBOB was heard done at -19.75¢/USG versus the July Nymex on cycle 33. Newly prompt cycle 31 was assessed either side of July Nymex -12.50¢/USG, down 2.25¢/USG from the prior day's session.

Gulf coast

US Gulf coast CBOB prices widened their discount to other grades on Wednesday amid rising inventories and on the final day for prompt trading on Colonial Pipeline's 35th cycle.

A2 CBOB traded from July Nymex -30.25¢/USG to -32.75¢/USG, down by 3.13¢/USG to the lowest since 6 March. Outright prices shed 3.45¢/USG to \$2.239/USG as declining differentials added to modest Nymex losses.

The market remained in backwardation with prompt rolls to cycle 36 reported at +1.25¢/USG and +1.15¢/USG. Additionally, a deal for cycle 36 CBOB was struck at July Nymex -33¢/USG.

Colonial F1 RBOB traded from July Nymex -5¢/USG to -5.25¢/USG, and a regrade deal was done with F1 fetching a 26¢/USG premium to A2 CBOB. This saw F1 differentials rise by 1.88¢/USG to a midpoint of July Nymex -5.25¢/USG. RBOB's premium to CBOB widened by 5¢/USG to 26.25¢/USG, notching the largest spread between the two grades since 23 June 2022.

Mixed movement in regional inventory levels may have buoyed the wider spread between CBOB and RBOB. US Gulf

Atlantic coast				¢/USG
	Basis	Differential	Price	±
New York waterborne				
87 conv inc duty 9.0	Jul	+6.06/+6.94	261.52-262.40	+1.92
87 conv ex duty 9.0	Jul	-13.50/-12.62	241.96-242.84	+1.90
Reg CBOB inc duty 7.8	Jul	+5.84/+7.16	261.30-262.62	+0.29
Reg CBOB ex duty 7.8	Jul	-13.72/-12.40	241.74-243.06	+0.27
Reg RBOB inc duty 7.4	Jul	+8.94/+9.56	264.40-265.02	-0.46
Reg RBOB ex duty 7.4	Jul	-10.62/-10.00	244.84-245.46	-0.48
89 conv inc duty 9.0			276.40-277.28	+1.14
Prem RBOB inc duty 7.4	Jul	+48.19/+48.81	303.65-304.27	-0.34
93 conv inc duty 9.0	Jul	+48.56/+49.44	304.02-304.90	-0.33
Boston waterborne				
Reg RBOB 7.4	Jul	+9.75/+10.25	265.21-265.71	-0.46
Colonial Linden				
87 conv M Cycle 31 9.0	Jul	+6.00/+7.00	261.46-262.46	+1.92
89 conv Cycle 31 9.0			276.34-277.34	+1.13
93 conv V Cycle 31 9.0	Jul	+48.50/+49.50	303.96-304.96	-0.33
Reg CBOB Cycle 31 9.0	Jul	-13.00/-12.00	242.46-243.46	-2.58
Reg RBOB Cycle 31 7.4	Jul	+6.00/+7.00	261.46-262.46	-1.33
New York barge				
Reg CBOB dead prompt 7.8	Jul	+4.50/+5.50	259.96-260.96	+0.29
Reg CBOB prompt 7.8	Jul	+4.50/+5.50	259.96-260.96	+0.29
Reg CBOB dead prompt 9.0	Jul	-10.00/-7.50	245.46-247.96	+0.92
Reg CBOB prompt 9.0	Jul	-10.00/-7.50	245.46-247.96	+0.92
Reg RBOB dead prompt 7.4	Jul	+10.00/+12.00	265.46-267.46	+1.17
Reg RBOB prompt 7.4	Jul	+7.25/+8.25	262.71-263.71	-0.46
Prem CBOB dead prompt 7.8	Jul	+39.50/+40.50	294.96-295.96	-0.33
Prem CBOB prompt 7.8	Jul	+39.50/+40.50	294.96-295.96	-0.33
Prem CBOB dead prompt 9.0	Jul	+32.50/+33.50	287.96-288.96	-0.33
Prem CBOB prompt 9.0	Jul	+32.50/+33.50	287.96-288.96	-0.33
Prem RBOB dead prompt 7.4	Jul	+46.00/+48.00	301.46-303.46	-0.33
Prem RBOB prompt 7.4	Jul	+46.00/+48.00	301.46-303.46	-0.33
Buckeye				
Reg CBOB dead prompt 7.8	Jul	+4.50/+5.50	259.96-260.96	+0.29
Reg CBOB prompt 7.8	Jul	+4.50/+5.50	259.96-260.96	+0.29
Reg CBOB dead prompt 9.0	Jul	-10.00/-7.50	245.46-247.96	+0.92
Reg CBOB prompt 9.0	Jul	-10.00/-7.50	245.46-247.96	+0.92
Reg RBOB dead prompt 7.4	Jul	+10.00/+12.00	265.46-267.46	+1.17
Reg RBOB prompt 7.4	Jul	+7.25/+8.25	262.71-263.71	-0.46
Prem CBOB dead prompt 7.8	Jul	+39.50/+40.50	294.96-295.96	-0.33
Prem CBOB prompt 7.8	Jul	+39.50/+40.50	294.96-295.96	-0.33
Prem CBOB dead prompt 9.0	Jul	+32.50/+33.50	287.96-288.96	-0.33
Prem CBOB prompt 9.0	Jul	+32.50/+33.50	287.96-288.96	-0.33
Prem RBOB dead prompt 7.4	Jul	+46.00/+48.00	301.46-303.46	-0.33
Prem RBOB prompt 7.4	Jul	+46.00/+48.00	301.46-303.46	-0.33
Laurel				
Reg CBOB 9.0	Jul	-10.00/-7.50	245.46-247.96	+0.92
Prem CBOB 9.0	Jul	+32.50/+33.50	287.96-288.96	-0.33

CME Nymex RBOB				
Price	Crack spread			
Month	¢/USG	±	Month	\$/bl
Jul	255.46	-0.33	Jul	+39.02
Aug	245.03	-1.41	Aug	+34.45
Sep	237.12	-1.52	Sep	+31.10

GASOLINE

coast CBOB stocks rose by 1.1pc to 35.683mn bl last week, US Energy Information Administration (EIA) data showed, while Gulf coast RBOB stocks fell by 2.7pc to 11.892mn bl. Total Gulf coast gasoline inventories rose to a three-week high of 84.996mn bl, up by 2.2pc from the prior week.

M2 87 conventional gasoline on Colonial changed hands at July Nymex -12.5¢/USG, lifting differentials up by 1.38¢/USG on cycle 35. M2's premium to A2 CBOB was the widest since last November at 19¢/USG, increasing by 4.5¢/USG in daily comparison.

Colonial V2 93 conventional gasoline traded at July Nymex +25.5¢/USG to send differentials down by 3¢/USG to a three-day low.

Prices for Line 1 gasoline space on Colonial fell by 1.13¢/USG with trades from +1¢/USG to +2.25¢/USG, the lowest since 12 April.

Midcontinent

US midcontinent gasoline prices fell on Wednesday on combined decreases to cash differentials and Nymex futures, amid the close of the second trading cycle of June in the Chicago area.

Group Three V grade suboctane gasoline traded in a range of 12¢/USG to 18¢/USG below the July Nymex, easing cash differentials down by 3.25¢/USG on the day. V grade prices were down by 3.58¢/USG to \$2.40/USG with slight Nymex losses compounding falling cash differentials. The arbitrage to Group Three remained open at a 16.50¢/USG premium to the US Gulf coast.

Any June V grade traded at 22¢/USG under the Nymex, marking 7¢/USG of backwardation from the prompt assessment.

Chicago's West Shore/Badger RBOB was offered as low as 25¢/USG over the Nymex, sending cash differentials down by 10.25¢/USG and narrowing its premium to CBOB to 35.75¢/USG. Lower offers had eased RBOB values lower across the session, but despite declining offers, no trades emerged.

Chicago's Buckeye Complex CBOB traded at an 11¢/USG discount to the Nymex, sinking cash differentials by 5¢/USG on the day. CBOB prices at Buckeye Complex were down by 5.33¢/USG to \$2.44/USG. The arbitrage opportunity for shipping to Chicago from the US Gulf coast remained open, with Buckeye Complex notching a 20.50¢/USG premium to the other region.

West Shore/Badger and Wolverine pipelines CBOB remained

Gulf coast				¢/USG	
	Basis	Differential	Price	±	
Colonial					
87 conv M 9.0 Cycle 35	Jul	-12.75/-12.25	242.71-243.21	+1.05	
Weighted average		-12.50	242.96		
87 conv M 9.0 Cycle 36	Jul	-14.00/-13.40	241.46-242.06	+0.85	
Reg RBOB F 7.4 Cycle 35	Jul	-5.50/-5.00	249.96-250.46	+1.55	
Weighted average		-5.25	250.21		
Reg RBOB F 7.4 Cycle 36	Jul	-6.75/-6.15	248.71-249.31	+1.35	
Reg CBOB A 9.0 Cycle 35	Jul	-32.75/-30.25	222.71-225.21	-3.46	
Weighted average		-31.91	223.55		
Reg CBOB A 9.0 Cycle 36	Jul	-34.00/-31.40	221.46-224.06	-3.66	
89 conv 9.0			256.01-256.51	-0.32	
Prem CBOB D 9.0 Cycle 35	Jul	-1.85/+0.65	253.61-256.11	-3.43	
93 conv V 9.0 Cycle 35	Jul	+25.25/+25.75	280.71-281.21	-2.83	
93 conv V 9.0 Cycle 36	Jul	+24.00/+24.60	279.46-280.06	-3.03	
Prem RBOB 7.4 Cycle 35	Jul	+31.90/+32.40	287.36-287.86	+1.57	
Prem RBOB 7.4 Cycle 36	Jul	+30.65/+31.25	286.11-286.71	+1.37	
Colonial Line Space					
Gasoline Line 01 Cycle 35			1.00/2.25	-1.13	
Weighted average			1.63		
Waterborne*					
Reg CBOB A 9.0	Jul	-31.00/-28.50	224.46-226.96	-3.46	
87 conv M 9.0	Jul	-11.00/-10.50	244.46-244.96	+1.05	
89 conv 9.0			257.76-258.26	-0.32	
Prem CBOB 9.0	Jul	-0.10/+2.40	255.36-257.86	-3.43	
93 conv V 9.0	Jul	+27.00/+27.50	282.46-282.96	-2.83	
Waterborne ex-RVO*					
Reg CBOB A 9.0	Jul	-48.80/-46.30	206.66-209.16	-3.48	
87 conv M 9.0	Jul	-28.80/-28.30	226.66-227.16	+1.03	
89 conv 9.0			239.96-240.46	-0.34	
93 conv V 9.0	Jul	+9.20/+9.70	264.66-265.16	-2.85	
Texas CBOB					
Reg Texas CBOB 6.6			245.49	+0.65	
Prem Texas CBOB 6.6			281.72	+0.67	

at cost prices - see www.argusmedia.com/methodology for more information

at parity with Buckeye Complex on valuations received from market participants.

West coast

Los Angeles CARBOB cash differentials fell on Wednesday while San Francisco levels were unchanged.

Prompt June Los Angeles regular CARBOB was bid at July Nymex +15¢/USG and offered at July Nymex +24¢/USG, drawing the cash differential midpoint down by 1.5¢/USG from the previous session. Cash prices decreased by 1.8¢/USG to end the day at \$2.75/USG.

July Los Angeles CARBOB saw a bid-ask range of August Nymex +26¢/USG to +32¢/USG, placing the assessment at August Nymex +29¢/USG, or unchanged from the prior session. Outright prices ticked lower by 1.4¢/USG to conclude at \$2.74/

GASOLINE

fob USGC cargo					¢/USG
Basis	Differential	Price	±		
	¢/USG	\$/m ³	¢/USG	¢/USG	
87 Conv M	Colonial	+1.50/+2.00	678.82-680.14	256.96-257.46	-0.33
Colonial Pipeline 87 Conv M Weight Average Strip				239.23	

Delivered Florida				¢/USG
	Origin	Price	±	
Port Everglades, Florida				
Reg CBOB A 9.0	USGC	235.02	-3.45	
Prem CBOB D 9.0	USGC	265.92	-3.43	
Tampa, Florida				
Reg CBOB A 9.0	USGC	233.66	-3.46	
Prem CBOB D 9.0	USGC	264.56	-3.43	

Delivered South America				\$/m ³
	Origin	Price	±	
Montevideo, Uruguay				
87 conv ex-RVO	USGC	628.44	+2.70	
Eurobob Oxy	ARA	649.33	+19.18	
Buenos Aires, Argentina				
87 conv ex-RVO	USGC	630.14	+2.71	
Eurobob Oxy	ARA	651.25	+19.21	
Pozos, Colombia				
87 conv	USGC	658.45	+2.73	
Barranquilla, Colombia				
87 conv	USGC	656.86	+2.75	
Cartagena, Colombia				
87 conv	USGC	656.91	+2.77	
Callao, Peru				
87 conv ex-RVO	USGC	679.70	-2.41	

USG. The structure of the forward curve remained in backwardation.

In San Francisco, prompt regular CARBOB had a bid-ask range of July Nymex +15¢/USG to +25¢/USG, placing the cash differential midpoint at the same value as the prior assessment. Losses in the underlying Nymex basis pulled cash prices down by 0.3¢/USG to \$2.70/USG.

Portland gasoline maintained its assessment of July Nymex +55.5¢/USG based on trades the previous day. Cash prices closed at \$3.11/USG, a decrease of 0.3¢/USG.

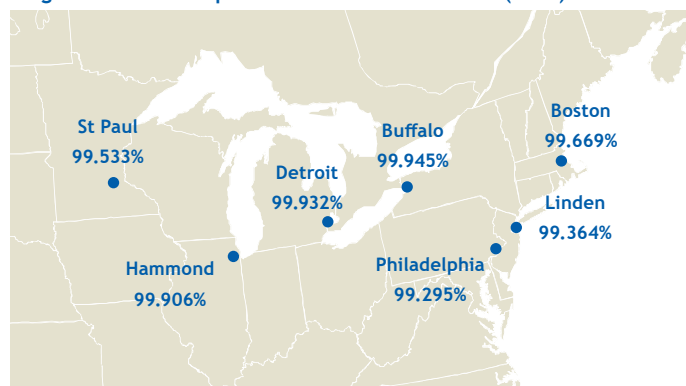
US west coast total gasoline stockpiles, including CARBOB, held steady at 29.6mn bl for the week ending 9 June, according to the Energy Information Administration (EIA) report. Refinery utilization rates in the region decreased to 89.7pc, down from 93.1pc in the prior week.

Midcontinent					¢/USG
	Basis	Differential	Price	±	
Group 3					
Suboctane V 9.0 prompt	Jul	-18.00/-12.00	237.46-243.46	-3.58	
Weighted average		-15.00	240.46		
Suboctane V 9.0 any Jun	Jul	-22.25/-21.75	233.21-233.71	-2.58	
91 conv A 9.0 prompt	Jul	+17.50/+18.00	272.96-273.46	-3.58	
West Shore/Badger					
Reg CBOB 9.0 2nd Jun	Jul	-11.25/-10.75	244.21-244.71	-5.33	
Reg CBOB 9.0 3rd Jun	Jul	-15.25/-14.75	240.21-240.71	-3.83	
87 conv 9.0 2nd Jun	Jul	-11.25/-10.75	244.21-244.71	-5.33	
87 conv 9.0 3rd Jun	Jul	-15.25/-14.75	240.21-240.71	-3.83	
89 conv 9.0			270.90-271.40	-5.33	
91 conv 9.0 2nd Jun	Jul	+65.00/+65.50	320.46-320.96	-5.33	
91 conv 9.0 3rd Jun	Jul	+61.00/+61.50	316.46-316.96	-3.83	
Reg RBOB 7.4 2nd Jun	Jul	+24.50/+25.00	279.96-280.46	-10.58	
Reg RBOB 7.4 3rd Jun	Jul	+24.50/+25.00	279.96-280.46	-10.58	
Prem RBOB 7.4 2nd Jun	Jul	+72.00/+72.50	327.46-327.96	-5.33	
Chicago BCX					
Reg CBOB 9.0 2nd Jun	Jul	-11.25/-10.75	244.21-244.71	-5.33	
Reg CBOB 9.0 3rd Jun	Jul	-15.25/-14.75	240.21-240.71	-3.83	
91 conv 9.0 2nd Jun	Jul	+65.00/+65.50	320.46-320.96	-5.33	
Reg RBOB 7.4 2nd Jun	Jul	+24.50/+25.00	279.96-280.46	-10.58	
Prem RBOB 7.4 2nd Jun	Jul	+72.00/+72.50	327.46-327.96	-5.33	
Chicago Wolverine					
Reg CBOB 9.0 2nd Jun	Jul	-11.25/-10.75	244.21-244.71	-5.33	
91 conv 9.0 2nd Jun	Jul	+65.00/+65.50	320.46-320.96	-5.33	
Detroit					
Reg CBOB 7.0			273.78	-9.63	
Prem CBOB 7.0			350.03	-9.63	

West coast					¢/USG
	Basis	Differential	Price	±	
Los Angeles					
Reg CARBOB 5.99 Jun	Jul	+15.00/+24.00	270.46-279.46	-1.83	
Weighted average		+19.50	274.96		
Reg CARBOB 5.99 Jul	Aug	+26.00/+32.00	271.03-277.03	-1.41	
Prem CARBOB 5.99 Jun	CARBOB	+29.75/+30.25	304.71-305.21	-1.83	
Suboctane 9.0 Jun	Jul	+15.00/+24.00	270.46-279.46	-1.83	
Reg AZRBOB 5.7 Jun	CARBOB	+6.75/+7.25	281.71-282.21	-1.83	
Prem AZRBOB 5.7 Jun	CARBOB	+36.75/+37.25	311.71-312.21	-1.83	
San Francisco					
Reg CARBOB 5.99 Jun	Jul	+15.00/+25.00	270.46-280.46	-0.33	
Prem CARBOB 5.99 Jun	CARBOB	+19.75/+20.25	295.21-295.71	-0.33	
San Francisco waterborne					
Reg CARBOB 6.0 Jun	Jul	+16.50/+26.50	271.96-281.96	-0.33	
Reg CARBOB ex-RVO 6.0 Jun	Jul	-1.30/+8.70	254.16-264.16	-0.35	
Portland					
Suboctane 7.8 Jun	Jul	+55.00/+56.00	310.46-311.46	-0.33	

GASOLINE

Argus Gasoline Temperature Correction Factors (TCFs)

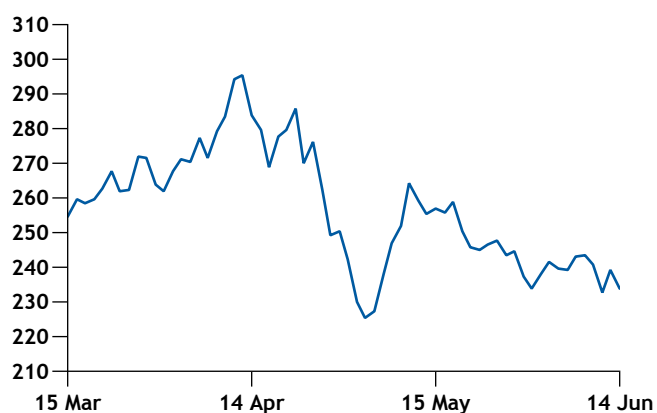


TCFs shown are for a specific terminal in that city. See [TCF Methodology](#) for details. For a given amount of fuel, the Argus TCF is the volume at 60° F divided by the volume at the real in-tank temperature. See [all TCFs](#).

Spot crack spreads				\$/bl
Region	Basis	Yield	Spread	±
USAC	Brent	3-2-1	33.17	-0.35
USGC sweet	WTI Houston	3-2-1	30.36	+0.89
USGC sour	Mars	3-2-1	31.70	+1.29
Chicago	WCS	6-3-2-1	37.01	-0.55
Group Three	WTI Cushing	3-2-1	31.79	-0.61
USWC	ANS	5-3-1-1	28.92	-0.10

Group Three ULSD cash

¢/USG



Gulf coast deals			
Grade	Timing	Price	Volume
Colonial A2	cycle 35	-32.75	50
	cycle 35	-32.75	50
	cycle 35	-32.50	25
	cycle 35	-32.50	25
	cycle 35	-32.25	25
	cycle 35	-32.00	30
	cycle 35	-31.50	25
	cycle 35	-31.25	25
	cycle 35	-31.00	25
	cycle 35	-30.50	25
Colonial F1	cycle 35	-30.25	25
	cycle 35	-5.25	25
	cycle 35	-5.25	25
	cycle 35	-5.00	25
Colonial M2	cycle 35	A2 +26.00	50
	cycle 35	-12.50	25
Colonial V2	cycle 35	+25.50	25
Colonial line01	cycle 35	+1.00	25
	cycle 35	+2.25	25

Atlantic coast deals			
Grade	Timing	Price	Volume
reg RBOB Buckeye (7.40)	18 Jun	Jul +7.50	25
	21-22 Jun	Jul +7.50	25
	24-25 Jun	Jul +7.50	25

Midcontinent deals			
Grade	Timing	Price	Volume
reg CBOB BCX (9.00)	C2 Jun	Jul -11.00	10
	C2 Jun	Jul -11.00	15
suboctane V MPL Group 3 (9.00)	Any Jun	Jul -22.00	50
	prompt	Jul -18.00	10
	prompt	Jul -18.00	10

Assessment rationale

Chicago's West Shore/Badger CBOB gasoline market was assessed using valuations received from market participants to set the low, high and midpoint.

The US Gulf coast regular CBOB market met the volume minimums needed to calculate the VWA in accordance with the methodology.

Colonial F1 RBOB deals set the high price, while a regrade deal from Colonial A2 CBOB set the low price.

DISTILLATES

Atlantic coast

US Atlantic coast diesel markets were mixed on Wednesday as jet fuel differentials rebounded.

Buckeye ultra-low sulphur diesel (ULSD) ranges were shown from July Nymex +0.50¢/USG to +1.00¢/USG, dragging the midpoint lower by 0.38¢/USG. New York barge offers loading 15-20 June were shown at July Nymex +1.50¢/USG, though in the absence of a counter, the midpoint was unchanged. Laurel ULSD ranges were shown bid at July Nymex +0.50¢/USG against offers at +1.00¢/USG, down 0.13¢/USG.

Newly prompt cycle 31 Colonial offline ULSD delivered in Linden, New Jersey, changed hands at July Nymex +1.00¢/USG. Prompt cash differentials rose by 0.25¢/USG on the day.

Buckeye ultra-low sulphur heating oil (ULSH) with 20-30 June pump dates saw offers at July Nymex -13.50¢/USG, though this level failed to entice a bid. Colonial offline 67-grade ULSH for cycle 31 was offered at July Nymex -13.50¢/USG. Cycle 32 ULSH saw a bid-ask range from July Nymex -15.25¢/USG to -13.50¢/USG, and a cycle 32 and 33 package traded at July Nymex -15.00¢/USG.

Jet fuel differentials rebounded in the northeast, following Buckeye 18-20 June jet trades struck from July Nymex ULSD -5.50¢/USG to -4.50¢/USG. Cash differentials climbed 3¢/USG higher. Colonial 54-grade jet fuel rolled to prompt cycle 31 timing, and the midpoint shed 3¢/USG on preexisting backwardation to -6.50¢/USG versus the July Nymex. The Colonial jet fuel arbitrage between the US Gulf coast and New York remained open on paper at 5.42¢/USG, down from 6.92¢/USG the prior day.

US Atlantic coast jet fuel production eased lower to 74,000 b/d last week, down from 79,000 b/d in the prior Energy Information Administration (EIA) report. Regional inventories drew down by 0.2mn bl on the week to 12.0mn bl, according to EIA data. There were no recorded jet fuel imports into PADD 1 over the period.

CME Nymex ultra low-sulfur diesel				
Price	Crack spread			
Month	¢/USG	±	Month	\$/bl
Jul	235.77	-3.78	Jul	+30.75
Aug	234.19	-3.70	Aug	+29.90
Sep	233.97	-3.68	Sep	+29.78

Atlantic coast				¢/USG
	Basis	Differential	Price	±
New York waterborne				
Heating oil	Jul	-48.00/-47.50	187.77-188.27	-3.78
ULSD	Jul	+1.00/+1.50	236.77-237.27	-3.78
Jet	Jul	-5.25/-4.75	230.52-231.02	-0.78
Kerosine	Jul	-4.75/-4.25	231.02-231.52	-0.78
ULSK	Jul	+10.00/+20.00	245.77-255.77	-3.78
Boston waterborne				
ULSHO	Jul	-9.75/-9.25	226.02-226.52	-4.53
New York barge				
Heating oil prompt	Jul	-48.00/-47.50	187.77-188.27	-3.78
Heating oil any Jun	Jul	-70.00/-69.50	165.77-166.27	+2.42
ULSHO	Jul	-14.00/-13.50	221.77-222.27	-4.53
ULSD prompt	Jul	+1.00/+1.50	236.77-237.27	-3.78
ULSD any Jun	Jul	+1.00/+1.50	236.77-237.27	-3.78
Jet	Jul	-5.50/-4.50	230.27-231.27	-0.78
Kerosine	Jul	-5.00/-4.00	230.77-231.77	-0.78
ULSK	Jul	+10.00/+20.00	245.77-255.77	-3.78
Buckeye				
ULSHO	Jul	-14.00/-13.50	221.77-222.27	-4.53
ULSD	Jul	+0.50/+1.00	236.27-236.77	-4.16
Jet	Jul	-5.50/-4.50	230.27-231.27	-0.78
Kerosine	Jul	-5.00/-4.00	230.77-231.77	-0.78
Laurel				
ULSHO	Jul	-14.00/-13.50	221.77-222.27	-4.53
ULSD	Jul	+0.50/+1.00	236.27-236.77	-3.91
Jet	Jul	-5.50/-4.50	230.27-231.27	-0.78
Colonial Linden				
ULSHO Cycle 31	Jul	-15.25/-13.50	220.52-222.27	-3.78
HO 77 Cycle 31	Jul	-48.00/-47.50	187.77-188.27	+7.97
ULSD Cycle 31	Jul	+0.75/+1.25	236.52-237.02	-3.91
Jet 54 Cycle 31	Jul	-7.00/-6.00	228.77-229.77	-2.78

Gulf coast				¢/USG
	Basis	Differential	Price	±
Colonial				
ULSHO 67 Cycle 35	Jul	-23.55/-22.80	212.22-212.97	
Heating oil 77 Cycle 35	Jul	-100.00/-	135.77-137.77	-3.78
Weighted average		-99.00	136.77	
Heating oil 77 Cycle 36	Jul	-100.00/-	135.77-137.77	-3.78
ULSD 62 Cycle 35	Jul	-6.00/-5.75	229.77-230.02	-3.43
Weighted average		-5.89	229.88	
ULSD 62 Cycle 36	Jul	-6.30/-6.00	229.47-229.77	-3.68
Jet 54 Cycle 36	Jul	-19.00/-18.00	216.77-217.77	-5.28
Weighted average		-18.50	217.27	
Jet 54 Cycle 37	Aug	-17.67/-16.67	216.52-217.52	-5.53
Kerosine 55 Cycle 36	Jul	-18.75/-17.75	217.02-218.02	-5.28
Kerosine 55 Cycle 37	Aug	-17.42/-16.42	216.77-217.77	
Colonial Line Space				
Distillates Line 02 Cycle 35			-0.50/-0.25	
Waterborne*				
Heating oil	Jul	-98.25/-96.25	137.52-139.52	-3.78
ULSD 62	Jul	-4.25/-4.00	231.52-231.77	-3.63
ULSD 62 ex-RVO	Jul	-22.05/-21.80	213.72-213.97	-3.65
Jet 54	Jul	-17.25/-16.25	218.52-219.52	-5.28
Kerosine 55	Jul	-17.00/-16.00	218.77-219.77	-5.28

at cost prices - see www.argusmedia.com/methodology for more information

DISTILLATES

fob USGC cargo					¢/USG
	Basis	Differential	Price	±	
		¢/USG	\$/m ³	¢/USG	¢/USG
Jet fuel A	Colonial	+4.00/+8.00	583.48-594.04	220.87-224.87	-5.68
Diesel 45 cetane	Colonial	+1.00/+1.50	608.92-610.24	230.50-231.00	-3.71
Diesel EN 590	Colonial	+1.75/+2.25	610.90-612.22	231.25-231.75	-3.71
Diesel S10	Colonial	+1.25/+1.75	609.58-610.90	230.75-231.25	-3.71
Colonial Pipeline ULSD Weight Average Strip				229.50	
Colonial Pipeline Jet fuel Weight Average Strip				216.87	

Delivered Florida				¢/USG
	Origin	Price	±	
Port Everglades, Florida				
ULSD 62	USGC	240.95	-3.63	
Jet 54	USGC	228.33	-5.28	
Tampa, Florida				
ULSD 62	USGC	239.60	-3.63	
Jet 54	USGC	226.97	-5.28	

Delivered South America				\$/m ³
	Origin	Price	±	
Santos, Brazil				
ULSD ex-RVO	USGC	597.95	-9.66	
Jet	USGC	609.17	-13.99	
Rio de Janeiro, Brazil				
Jet	USGC	608.62	-13.98	
Paranagua, Brazil				
ULSD ex-RVO	USGC	600.72	-9.74	
Itaqui, Brazil				
ULSD ex-RVO	USGC	593.79	-9.86	
Jet	USGC	601.12	-13.98	
Suape, Brazil				
ULSD ex-RVO	USGC	592.94	-9.69	
Jet	USGC	605.10	-14.02	
Montevideo, Uruguay				
ULSD ex-RVO	USGC	599.54	-9.69	
Buenos Aires, Argentina				
ULSD ex-RVO	USGC	601.44	-9.67	
Pozos, Colombia				
ULSD	USGC	625.97	-9.65	
Barranquilla, Colombia				
ULSD	USGC	624.07	-9.62	
Jet	USGC	589.78	-13.99	
Cartagena, Colombia				
ULSD	USGC	624.12	-9.61	
Callao, Peru				
ULSD ex-RVO	USGC	600.42	-9.66	
Jet	USGC	611.40	-13.99	

Includes AFRMM of 8% for Brazilian ports

Midcontinent					¢/USG
	Basis	Differential	Price	±	
Group 3					
ULSD X prompt	Jul	-2.25/-1.75	233.52-234.02	-5.41	
Weighted average		-2.00	233.77		
ULSD X any Jun	Jul	-2.25/-1.75	233.52-234.02	-5.41	
Jet Q prompt	Jul	-12.75/-12.25	223.02-223.52	-3.78	
West Shore/Badger					
ULSD 2nd Jun	Jul	-7.75/-7.25	228.02-228.52	-4.78	
ULSD 3rd Jun	Jul	-7.25/-6.75	228.52-229.02	-4.28	
Jet 2nd Jun	Jul	-22.75/-22.25	213.02-213.52	-3.78	
Jet 3rd Jun	Jul	-22.75/-22.25	213.02-213.52	-3.78	
Chicago BCX					
ULSD BCX 2nd Jun	Jul	-7.75/-7.25	228.02-228.52	-8.28	
ULSD BCX 3rd Jun	Jul	-7.25/-6.75	228.52-229.02	-7.78	
Chicago Wolverine					
ULSD 2nd Jun	Jul	-7.75/-7.25	228.02-228.52	-5.03	

West coast					¢/USG
	Basis	Differential	Price	±	
Los Angeles					
Carb ULSD Jun	Jul	-4.75/-4.25	231.02-231.52	-8.28	
Weighted average		-4.50	231.27		
EPA ULSD Jun	Jul	-5.25/-4.75	230.52-231.02	-8.28	
Jet Jun	Jul	+3.00/+13.00	238.77-248.77	-10.78	
Weighted average		+8.00	243.77		
LAX					
Jet Jun	Jul	+1.00/+11.00	236.77-246.77	-10.78	
San Francisco					
Carb ULSD Jun	Jul	-0.75/-0.25	235.02-235.52	-3.78	
EPA ULSD Jun	Jul	-0.75/-0.25	235.02-235.52	-3.78	
Jet Jun	Jul	+3.00/+13.00	238.77-248.77	-10.78	
San Francisco waterborne					
Carb ULSD Jun	Jul	+0.75/+1.25	236.52-237.02	-3.78	
Carb ULSD ex-RVO Jun	Jul	-17.05/-16.55	218.72-219.22	-3.80	
Portland					
ULSD Jun	Jul	+6.75/+7.25	242.52-243.02	-3.78	

Gulf coast

US Gulf coast distillate cash prices took back gains on Wednesday as Nymex futures softened.

Jet fuel cash prices fell by 5.28¢/USG to a two-session low of \$2.17/USG.

Cash differentials for newly prompt cycle 36 jet fuel weakened by 1.50¢/USG from the prior day's assessed midpoint with several trades done at July Nymex -18.50¢/USG.

The jet forward cycle roll failed to trade during the market session. Bids and offers were reported at flat to the prompt cycle and +0.50¢/USG, keeping the jet forward structure mostly backwarddated.

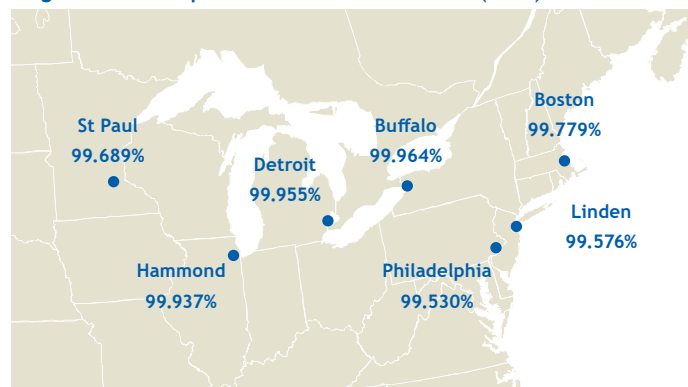
Prices for ultra-low sulphur diesel (ULSD) in the Gulf fell to \$2.30/USG, down by 3.63¢/USG on the day.

DISTILLATES

DEF bulk, 09 Jun 23	¢/USG		
	Low	High	±
fof Atlanta	110.00	125.00	nc
fof Chicago	115.00	130.00	nc
fof Dallas	110.00	120.00	nc
fof Denver	120.00	130.00	nc
fof Los Angeles	130.00	140.00	nc
fof Philadelphia	125.00	135.00	nc

Gulf coast deals			
Grade	Timing	Price	Volume
Colonial 54	cycle 36	-18.50	25
	cycle 36	-18.50	25
	cycle 36	-18.50	25
	cycle 36	-18.50	25
	cycle 36	-18.50	25
	cycle 36	-18.50	25
Colonial 62	cycle 35	-6.00	25
	cycle 35	-6.00	25
	cycle 35	-6.00	50
	cycle 35	-5.95	25
	cycle 35	-5.95	25
	cycle 35	-5.90	25
	cycle 35	-5.90	25
	cycle 35	-5.90	25
	cycle 35	-5.90	25
	cycle 35	-5.90	25
	cycle 35	-5.85	25
	cycle 35	-5.85	25
	cycle 35	-5.80	25
	cycle 35	-5.80	25
	cycle 35	-5.75	25
	cycle 35	-5.75	25
	cycle 35	cycle 36 +0.25	25
	cycle 36	-6.15	50

Argus Diesel Temperature Correction Factors (TCFs)



TCFs shown are for a specific terminal in that city. See [TCF Methodology](#) for details. For a given amount of fuel, the Argus TCF is the volume at 60° F divided by the volume at the real in-tank temperature. See all TCFs.

Trades for newly prompt cycle 35 ULSD were done from July Nymex -6.00¢/USG to -5.75¢/USG, strengthening daily differentials by 0.15¢/USG.

The ULSD forward curve remained in backwardation with an outright trade for the forward cycle, cycle 36, done at July Nymex -6.15¢/USG and the prompt cycle roll traded at +0.25¢/USG, backwards.

Midcontinent

US midcontinent diesel and jet fuel prices fell on depleted cash differentials and losses in the July Nymex on Wednesday.

Group Three ultra-low sulphur diesel (ULSD) traded at a 2¢/USG discount to the July Nymex, dropping cash differentials by 1.63¢/USG. ULSD prices at Group Three fell by 5.41¢/USG to \$2.34/USG.

Chicago's Buckeye Complex ULSD changed hands at a 7.5¢/USG discount to the Nymex with cash differentials falling by 4.5¢/USG. Meanwhile, Chicago's West Shore/Badger and Wolverine pipelines received valuations at flat to Buckeye Com-

plex ULSD from market participants, easing cash differentials down by 1¢/USG and 1.25¢/USG, respectively.

Prices for Buckeye Complex ULSD dropped by 2.1pc to \$2.28/USG.

Bearish Nymex futures reduced Group Three jet fuel prices by 3.78¢/USG to \$2.23/USG amid unchanged cash differentials, reversing the previous session's gains.

Chicago's West Shore/Badger jet fuel prices depleted by 3.78¢/USG to \$2.13/USG alongside steady cash differentials and losses in the Nymex futures contract.

West coast

Los Angeles jet fuel and diesel cash differentials fell on Wednesday while San Francisco diesel was unchanged.

June Los Angeles jet fuel traded at July Nymex +3¢/USG and +13¢/USG, bringing down the cash differential midpoint by 7¢/USG from the last assessment. Cash prices declined by 10.8¢/USG to end the session at \$2.49/USG.

US west coast jet fuel production increased the week ended 9 June, according to the latest Energy Information Administration (EIA) report. Output on the west coast rose to 439,000 b/d, up from 432,000 b/d, as fuel imports climbed to

DISTILLATES

50,000 b/d, up from 40,000 b/d in the previous week, according to EIA data. West coast jet fuel stockpiles rose to 8.8mn bl, up from 8.5mn bl.

Prompt Los Angeles EPA ultra-low sulphur diesel (ULSD) was reported to have traded the prior day, easing down cash differentials by 4.5¢/USG from the last assessment. Cash prices decreased by 8.3¢/USG to close the day at \$2.31/USG. Los Angeles in-state CARB ULSD was assessed at July Nymex -4.5¢/USG based on the 0.5¢/USG spread between EPA ULSD and CARB ULSD. Cash prices moved lower by 8.3¢/USG to end the session at \$2.31/USG.

San Francisco prompt EPA ULSD and CARB ULSD were unchanged on the day in the absence of fresh information. Decreases in the underlying Nymex basis brought cash prices down by 3.8¢/USG to close at \$2.35/USG for both products.

Portland ULSD was unchanged while cash prices fell by 3.8¢/USG to close at \$2.43/USG.

Production of ULSD on the US west coast fell by 4.4pc to 520,000 b/d for the week ended 9 June, according to EIA data. US west coast imports of ULSD decreased to 12,000 b/d, down from 13,000 b/d. ULSD stocks rose to 11.6mn bl, up from 11.2mn bl.

Assessment rationale

The Colonial Linden ULSD market was set either side of a trade reported at July Nymex ULSD contract -1.00¢/USG.

The USAC Buckeye ULSD market did not trade. Bid/offer levels shown from July Nymex ULSD contract +0.50¢/USG to +1.00¢/USG respectively, were used to set the day's range.

The US Gulf coast ULSD market was set even with the low and high trades.

The USAC barge ULSD market did not trade. Offer levels at July Nymex ULSD contract +1.50¢/USG were used to set the days' high, though in the absence of a bid, the previous midpoint was unchanged.

The USAC Colonial Linden ULSH market did not trade. Offer levels shown at July Nymex ULSD contract -13.50¢/USG were used to set the high, though in the absence of a prompt bid the midpoint was unchanged.

Atlantic coast deals

Grade	Timing	Price	Volume
Diesel ULSD 62 CPL	cycle 30	Jul +1.00	175
	cycle 31	Jul +1.00	25
Heating oil 67 CPL	cycle 32	Jul -15.00	25
	cycle 32	Jul -15.00	25
Jet fuel Buckeye	18-20 Jun	Jul -5.50	25
	18-20 Jun	Jul -4.50	25

Midcontinent deals

Grade	Timing	Price	Volume
Diesel ULSD BCX	C2 Jun	Jul -7.50	15
	C2 Jun	Jul -7.50	25
Diesel ULSD MPL Group 3	prompt	Jul -2.00	25
	prompt	Jul -2.00	25
	prompt	Jul -1.75	4

West coast deals

Grade	Timing	Price	Volume
Jet fuel LA	Jun	Jul +3.00	10
	Jun	Jul +13.00	10

The USAC barge ULSH market did not trade. Offer levels show at July Nymex ULSD contract -13.50¢/USG were used to set the high and the midpoint 0.25¢/USG below that.

The USAC Buckeye jet market was assessed based on the high and low trades of the day.

USAC barge jet did not trade. With no new information detected, barge jet remained assessed at parity with Buckeye jet.

DATA AND DOWNLOADS

[USWC-Pacific Imports/Exports of conventional products, renewable fuel and feedstocks >> click here](#)

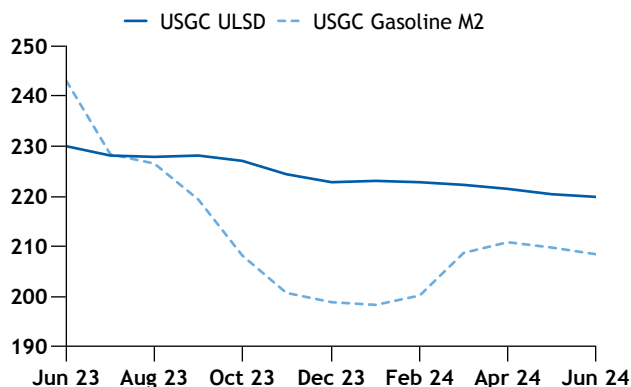
CLEAN PRODUCT FORWARD CURVES

Physical				¢/USG	
Timing	Basis	Differential	Price	±	
87 conv M Colonial Linden					
Cycle 31	Jul	+6.00/+7.00	261.46-262.46	+3.92	
Cycle 32	Jul	+4.00/+5.00	259.46-260.46	+3.92	
Cycle 33	Jul	+2.00/+3.00	257.46-258.46		
Reg CBOB A Colonial Linden					
Cycle 31	Jul	-13.00/-12.00	242.46-243.46	-1.83	
Cycle 32	Jul	-15.00/-14.00	240.46-241.46	-3.33	
Cycle 33	Jul	-20.00/-19.50	235.46-235.96		
Reg RBOB New York barge					
Prompt	Jul	+7.25/+8.25	262.71-263.71	-0.46	
10 days forward	Jul	+7.25/+7.75	262.71-263.21	+0.55	
15 days forward	Jul	+4.75/+5.25	260.21-260.71	-1.21	
20 days forward	Aug	+4.50/+5.00	249.53-250.03	-1.79	
Any Jun	Jul	+4.00/+5.00	259.46-260.46	-0.33	
Prem RBOB New York barge					
Prompt	Jul	+46.00/+48.00	301.46-303.46	-0.33	
10 days forward	Jul	+46.00/+48.00	301.46-303.46	-0.33	
15 days forward	Jul	+46.00/+48.00	301.46-303.46	-0.33	
20 days forward	Aug	+46.00/+48.00	291.03-293.03	-1.41	
87 conv Colonial M					
Cycle 35	Jul	-12.75/-12.25	242.71-243.21	+1.05	
Cycle 36	Jul	-14.00/-13.40	241.46-242.06	+0.85	
Cycle 37	Aug	-4.82/-4.12	240.21-240.91	+0.65	
Cycle 38	Aug	-6.07/-5.27	238.96-239.76	+0.45	
Reg CBOB Colonial A					
Cycle 35	Jul	-32.75/-30.25	222.71-225.21	-3.46	
Cycle 36	Jul	-34.00/-31.40	221.46-224.06	-3.66	
Cycle 37	Aug	-24.82/-22.12	220.21-222.91	-3.86	
Cycle 38	Aug	-26.07/-23.27	218.96-221.76	-4.06	
Heating oil New York barge					
Prompt	Jul	-48.00/-47.50	187.77-188.27	-3.78	
10 days forward	Jul	-58.00/-57.50	177.77-178.27	-2.03	
15 days forward	Jul	-68.00/-67.50	167.77-168.27	-0.28	
20 days forward	Aug	-76.42/-75.92	157.77-158.27	+1.47	
Any Jun	Jul	-70.00/-69.50	165.77-166.27	+2.42	
ULSH Colonial Linden					
Cycle 31	Jul	-15.25/-13.50	220.52-222.27	-3.78	
Cycle 32	Jul	-15.25/-13.50	220.52-222.27	-3.78	
Cycle 33	Jul	-15.25/-13.50	220.52-222.27		
ULSD New York barge					
Prompt	Jul	+1.00/+1.50	236.77-237.27	-3.78	
10 days forward	Jul	+1.00/+1.50	236.77-237.27	-3.78	
15 days forward	Jul	+1.00/+1.50	236.77-237.27	-3.78	
20 days forward	Aug	+2.58/+3.08	236.77-237.27	-3.78	
Any Jun	Jul	+1.00/+1.50	236.77-237.27	-3.78	
ULSD Colonial Linden					
Cycle 31	Jul	+0.75/+1.25	236.52-237.02	-3.91	
Cycle 32	Jul	+0.75/+1.25	236.52-237.02	-3.66	
Cycle 33	Jul	+0.75/+1.25	236.52-237.02		

Physical (continued)				¢/USG	
Timing	Basis	Differential	Price	±	
Jet New York barge					
Prompt	Jul	-5.50/-4.50	230.27-231.27	-0.78	
10 days forward	Jul	-9.00/-8.00	226.77-227.77	-0.28	
15 days forward	Jul	-12.50/-11.50	223.27-224.27	+0.22	
20 days forward	Aug	-14.42/-13.42	219.77-220.77	+0.72	
Jet Colonial Linden					
Cycle 31	Jul	-7.00/-6.00	228.77-229.77	-2.78	
Cycle 32	Jul	-10.50/-9.50	225.27-226.27	-2.28	
Cycle 33	Jul	-14.00/-13.00	221.77-222.77		
Kerosine New York barge					
Prompt	Jul	-5.00/-4.00	230.77-231.77	-0.78	
10 days forward	Jul	-8.50/-7.50	227.27-228.27	-0.28	
15 days forward	Jul	-12.00/-11.00	223.77-224.77	+0.22	
20 days forward	Aug	-13.92/-12.92	220.27-221.27	+0.72	
Heating oil Colonial 77					
Cycle 35	Jul	-100.00/-	135.77-137.77	-3.78	
Cycle 36	Jul	-100.00/-	135.77-137.77	-3.78	
Cycle 37	Aug	-98.42/-96.42	135.77-137.77	-3.78	
Cycle 38	Aug	-98.42/-96.42	135.77-137.77		
Heating oil Colonial 77 Linden					
Cycle 31	Jul	-48.00/-47.50	187.77-188.27	+7.97	
Cycle 32	Jul	-58.00/-57.50	177.77-178.27	+9.72	
Cycle 33	Jul	-68.00/-67.50	167.77-168.27		
ULSD Colonial 62					
Cycle 35	Jul	-6.00/-5.75	229.77-230.02	-3.43	
Cycle 36	Jul	-6.30/-6.00	229.47-229.77	-3.68	
Cycle 37	Aug	-4.87/-4.57	229.32-229.62	-3.71	
Cycle 38	Aug	-4.87/-4.57	229.32-229.62	-3.71	
Cycle 39	Aug	-4.87/-4.57	229.32-229.62	-3.71	
Cycle 40	Aug	-4.87/-4.57	229.32-229.62		
Jet Colonial 54					
Cycle 36	Jul	-19.00/-18.00	216.77-217.77	-5.28	
Cycle 37	Aug	-17.67/-16.67	216.52-217.52	-5.53	
Cycle 38	Aug	-17.82/-16.82	216.37-217.37	-5.68	
Cycle 39	Aug	-17.82/-16.82	216.37-217.37	-5.68	
Cycle 40	Aug	-17.82/-16.82	216.37-217.37	-5.68	
Cycle 41	Aug	-17.82/-16.82	216.37-217.37		

Refined products swaps

¢/USG



– Argus US Refined Products Forward Curves

BIOFUELS AND BLENDING COMPONENTS

RINs	¢/RIN		±
	Low	High	
Renewable fuel (ethanol D6)			
Weighted average		144.36	
2021	148.00	149.50	+0.75
2022	148.50	150.00	+0.75
2023	143.50	145.00	+0.25
2024	138.50	139.50	nc
Biomass-based diesel (D4)			
2021	158.00	159.00	-0.50
2022	159.00	160.00	-0.50
2023	147.00	147.50	nc
2024	141.00	141.50	+0.25
Cellulosic biofuels (D3)			
2021	219.75	220.25	-0.50
2022	220.75	221.25	-0.50
2023	220.75	221.25	-0.50
Advanced biofuels (D5)			
2021	157.00	158.00	-0.50
2022	158.00	159.00	-0.50
2023	146.00	146.50	nc
Renewable volume obligation (RVO) ¢/USG			
2022		18.04	+0.05
2023		17.80	+0.02
RIN spreads			
	¢/RIN		¢/RIN
	Today	±	Prior day 5-day avg
Category spreads, 2021			
Biodiesel D4-ethanol D6	9.750	-1.250	11.000 10.750
Biodiesel D4-advanced biofuel D5	1.000	nc	1.000 1.000
Advanced biofuel D5-ethanol D6	8.750	-1.250	10.000 9.750
Category spreads, 2022			
Biodiesel D4-ethanol D6	10.250	-1.250	11.500 10.900
Biodiesel D4-advanced biofuel D5	1.000	nc	1.000 1.000
Advanced biofuel D5-ethanol D6	9.250	-1.250	10.500 9.900
Category spreads, 2023			
Biodiesel D4-ethanol D6	3.000	-0.250	3.250 2.850
Biodiesel D4-advanced biofuel D5	1.000	nc	1.000 1.000
Advanced biofuel D5-ethanol D6	2.000	-0.250	2.250 1.850
Category spreads, 2024			
Biodiesel D4-ethanol D6	2.250	+0.250	2.000 2.100
Vintage spreads, 2022-2023			
Biodiesel D4	12.250	-0.500	12.750 12.000
Advanced biofuel D5	12.250	-0.500	12.750 12.000
Ethanol D6	5.000	+0.500	4.500 3.950
Vintage spreads, 2023-2024			
Biodiesel D4	6.000	-0.250	6.250 6.650
Ethanol D6	5.250	+0.250	5.000 5.900
Tier 3 (CCO) sulphur credits			
	\$/mn USG credits		
	Low	High	±
Standard	2000.00	2100.00	nc

Ethanol

Physical ethanol prices firmed across most regions on Wednesday, in response to a bullish weekly Energy Information Administration (EIA) report.

Total domestic ethanol inventories fell by 722,000 bl to

Ethanol	¢/USG		±
	Low	High	
Chicago			
Argo same-day	245.00	246.00	
Argo in-tank prompt	245.00	246.00	+0.67
Weighted average		245.37	
Argo in-tank any Jun	244.00	245.00	+1.17
Rule 11 rail prompt	245.00	246.00	-0.50
New York Harbor			
Barge any Jun	257.50	259.00	+2.75
New Jersey			
Sewaren in-tank prompt	259.75	260.25	+2.00
US Gulf coast/south			
Houston barge/rail	255.75	262.50	+0.68
Tampa rail	262.25	263.75	+0.68
Atlanta rail	253.25	255.75	+0.67
Dallas rail	253.50	260.75	+0.68
Nebraska			
Union Pacific rail	240.75	241.25	+6.00
BNSF rail	240.75	241.25	+6.00
Los Angeles			
Low-carbon intensity rail	269.50	272.50	nc
Brazil			
fob anhydrous \$/m ³	647.00	690.00	nc
fob anhydrous BRL/m ³	3,132.45	3,340.64	-8.76
del anhydrous \$/m ³	738.00	750.00	nc
del anhydrous BRL/m ³	3,573.03	3,631.13	-9.74
Biodiesel			
	Differential	Price	±
New York Harbor fob barge			
B100 Jul	+291.00/+294.00	526.77-529.77	-3.78
B99 Jul	-30.00/-27.00	205.77-208.77	-3.78
Houston rail/barge			
B100 Jul	+296.00/+306.00	531.77-541.77	+11.22
B99 Jul	-25.00/-15.00	210.77-220.77	+11.22
Chicago In-tank transfer Argo			
B100 Jul	+306.00/+311.00	541.77-546.77	-3.78
B99 Jul	-15.00/-10.00	220.77-225.77	-3.78
San Francisco fob			
B99 Jul	-55.00/-45.00	180.77-190.77	+3.72
Los Angeles fob			
B99 Jul	-55.00/-45.00	180.77-190.77	+3.72
Renewable diesel			
	Price		±
Los Angeles R99	261.18-270.18		-8.10
San Francisco R99	265.18-274.18		-3.60
50:50 split of retroactive blenders tax credit (BTC)			
	Credit		
BTC			0.00
Benzene credits			
	Low	High	±
CCO	50.00	110.00	nc
Sustainable aviation fuel (SAF)			
	Bid	Ask	±
SAF del US west coast	721.09	751.29	-32.55

BIOFUELS AND BLENDING COMPONENTS

nearly 22.2mn bl on the week, while US ethanol production dipped lower by 18,000 b/d to just over 1mn b/d according to the EIA.

Front month CBOT corn future decreased by 4.75¢/bushel to 607.75¢/bushel.

Chicago Rule 11 railcars weakened by 0.5¢/USG to 245.5¢/USG, as railcars shipping this week traded at 246¢/USG to set the high, while railcars shipping next week traded at 245¢/USG to set the low on the day.

Prompt in-tank transfers at Kinder Morgan's Argo terminal firmed by 0.7¢/USG to 245.5¢/USG following trades at 245¢/USG and 246¢/USG.

New York Harbor front month barges strengthened by 2.75¢/USG to 258.25¢/USG after barges were bid and offered at 257.5¢/USG and 259¢/USG.

Prompt in-tank transfers at Sewaren increased by 2¢/USG to 260¢/USG based on deals at that level.

Iowa Nebraska railcars rose by 6¢/USG to 241¢/USG after

MTBE		¢/USG
	Price	±
fob USGC	249.00-250.00	-1.25

Ethanol forward curves			¢/USG
	Chicago	New York	
Jun	244.00-245.00	257.50-259.00	
Jul	238.75-239.75	253.00-254.50	
Aug	233.25-234.25	247.50-249.00	
Sep	227.00-228.00	241.00-242.50	

Biofuel spreads		Differential
Ethanol crush \$/bushel		-0.03
Heating oil-soybean oil ¢/USG		-1.84

Futures			±
	Settlement		
CBOT corn ¢/bushel			
Jul 23	607.75		-4.75
Sep 23	545.00		-1.00
Dec 23	549.25		-2.00
Mar 24	558.25		-2.00
CBOT soybean oil ¢/lb			
Jul 23	55.96		+0.53
Aug 23	54.92		+0.35
Sep 23	54.29		+0.22
Oct 23	53.88		+0.20
CBOT soybeans ¢/bushel			
Jul 23	1,388.25		-11.00
CBOT soybean meal \$/t			
Jul 23	389.70		-7.80

Blendstocks				¢/USG
	Basis	Differential	Price	±
Alkylate				
NY barge ex duty	Jul	+44.00/+46.00	299.46-301.46	-0.33
Houston	87 NLT 9 RVP	+49.50/+51.50	292.46-294.46	-0.33
diff to Nymex RBOB	Jul	+37.00/+39.00	292.46-294.46	-0.33
Raffinate				
Houston	87 NLT 9 RVP	-32.50/-30.50	210.46-212.46	-0.33
diff to Nymex RBOB	Jul	-45.00/-43.00	210.46-212.46	-0.33
Reformate				
NY barge ex duty	Jul	+82.50/+83.50	337.96-338.96	-0.33
Houston	87 NLT 9 RVP	+94.50/+96.50	337.46-339.46	-0.33
diff to Nymex RBOB	Jul	+82.00/+84.00	337.46-339.46	-0.33

Carbon					
Vintage	Del	Bid	Ask	Price	±
California carbon allowances (CCA) \$/t					
2023	Jun 23	31.69	31.79	31.74	+0.14
2023	Dec 23	32.70	32.80	32.75	+0.12
2024	Dec 24	34.96	35.06	35.01	+0.11
Washington carbon allowances (WCA) \$/t					
	Jun 23	59.00	63.00	61.00	-1.00
2023	Dec 23	62.00	66.00	64.00	-1.00
CCA price ¢/USG					
		Winter		Summer	
Regular CARBOB		25.51	+0.11	25.58	+0.12
Month index May				24.62	+0.11
Midgrade CARBOB		25.51	+0.11	25.52	+0.12
Month index May				24.56	+0.11
Prem CARBOB		25.53	+0.11	25.47	+0.11
Month index May				24.52	+0.12
ULSD				32.49	+0.14
Month index May				31.28	+0.15
WCA price ¢/USG					
		Winter		Summer	
Regular gasoline		48.86	-0.80	50.03	-0.82
Month index May				50.03	
Midgrade gasoline		49.13	-0.81	50.10	-0.82
Month index May				50.10	
Prem gasoline		49.40	-0.81	50.16	-0.82
Month index May				50.16	
ULSD				62.44	-1.03
Month index May				62.44	
Quebec carbon price for gasoline, diesel C\$/l					
Gasoline				9.47	+0.04
Gasoline month index May				9.26	+0.06
Diesel				11.78	+0.05
Diesel month index May				11.52	+0.08
California low-carbon fuel standard (LCFS) credits \$/t					
LCFS		81.00	82.50	81.75	+0.25
VWA MTD				83.47	
Number of trades MTD				13	
Volume MTD				87,500	
Oregon LCFS credits \$/t					
LCFS		139.00	141.00	140.00	nc
Washington LCFS credits \$/t					
LCFS		104.00	111.00	107.50	+0.50
California LCFS premium per carbon intensity point ¢/USG					
Ethanol				0.67	+0.01
Biodiesel				1.03	nc
California LCFS cost for gasoline, diesel ¢/USG					
CARBOB				11.05	+0.03
ULSD				12.42	+0.04
Crude CI deficit Carbob				1.07	nc
Crude CI deficit diesel				1.21	nc

BIOFUELS AND BLENDING COMPONENTS

volumes shipping this week exchanged hands at that level late in the session.

Washington railcars with timing for this week slid back by 1.5¢/USG to 264¢/USG based on trades at that level surfacing with no mention of a CI score attached.

Brazil

Brazilian ethanol values were mixed on Wednesday as underlying fundamentals remained mostly unchanged in the waterborne market, while hydrous prices moved higher in Sao Paulo.

Spot trading activity was slow among Sao Paulo state producers as higher offers met resistance from regional distributors. Most buyers favored lower-priced cargoes from out-of-state suppliers, particularly at distribution terminals along the ethanol pipeline route. Based on traded volume, the Argus hydrous ethanol assessment increased by R76/m³ to R2,903/m³ ex-mill inc-tax.

The gap between buyers and sellers widened for fob Santos anhydrous ethanol, but the midpoint remained unchanged, as lower California low-carbon fuel standard (LCFS) credit prices countered gains from a stronger Brazilian real against the US dollar. Prices for exported sugarcane anhydrous ethanol settled at \$647-690/m³ fob Santos.

Meanwhile, cif Brazil cargoes held stable at \$738-750/m³ as Chicago Board of Trade (CBOT) ethanol paper markets moved sideways throughout the session.

RINs

Modest D6 gains drove up the Argus Renewable Volume Obligation (RVO) as RIN credit markets await the EPA's announcement next week.

The RVO rose by 0.02¢/USG to 17.80¢/USG.

Deals for 2023 ethanol D6 RINs occurred between 143.5¢/RIN and 145¢/RIN, 0.25¢/RIN higher on the day. 2024 vintage credits were bid at 138.5¢/RIN and offered at 139.5¢/RIN. Prior year credits were offered at a 5¢/RIN premium to current year counterparts.

Biomass-based diesel D4 RIN credits with 2023 vintage were steady from the previous session, as trades took place at 147¢/RIN and 147.5¢/RIN. Prior year credits were dealt at 159.5¢/RIN.

2023 cellulosic biofuel D3 RIN credits exchanged hands at 221¢/RIN, losing 0.5¢/RIN on the day.

Ethanol deals			
Grade	Timing	Price	Volume
Chicago Argo	19-29 Jun	245.00	5
	19-29 Jun	245.30	5
	19-29 Jun	245.80	5
Chicago Rule 11	15-20 Jun	246.00	4
	21-26 Jun	245.00	4
Nebraska UP	15-20 Jun	241.00	4
Sewaren in-tank	19-29 Jun	260.00	5
Washington	15-20 Jun	264.00	4

RINS deals			
Grade	Timing	Price	Volume
Biodiesel	2022	159.50	1600
	2023	147.00	350
	2023	147.50	500
	2023	147.50	1000
Ethanol	2023	143.50	1000
	2023	144.00	500
	2023	144.00	500
	2023	144.00	1000
	2023	144.00	1000
	2023	144.00	1000
	2023	144.50	500
	2023	144.50	500
	2023	144.50	500
	2023	144.50	1000
	2023	144.50	1000
	2023	145.00	500
2023	145.00	500	
2023	145.00	1500	

Assessment rationale

The RVO was calculated as per the [Argus methodology](#).

Biodiesel

California fob trucks and Houston barge B99 differentials further tightened with gains on Wednesday amid fresh market indications.

B99 fob barges in Houston with prompt timing were valued between Nymex ULSD -25¢/USG and Nymex ULSD -15¢/USG as buyer interest in USGC barges rose. B100 premiums in Houston increased by 15¢/USG to 301¢/USG. California B99 trucks firmed by 7.5¢/USG after fresh market values at Nymex ULSD

BIOFUELS AND BLENDING COMPONENTS

-55¢/USG and Nymex ULSD -45¢/USG set the low and high respectively. B99 differentials were flat across all other markets.

B100 premiums were steady in New York Harbor and Chicago in tandem with D4 RIN credits which were flat at 147.25¢/USG on the day.

July ultra-low sulphur diesel (ULSD) benchmark values fell by 3.8¢/USG to 235.8¢/USG, while blend margins, as measured by the heating oil-soybean oil (HOB0) spread weakened further by 8¢/USG to -184¢/USG, its lowest mark since 23 February. Front-month CBOT soybean oil futures ticked up by 0.5¢/lb, settling at 56¢/lb.

Assessment rationale

No B99 fob NYH barge deals were reported amid lack of trade activity for prompt volumes. Absent of new information, the assessment was unchanged.

Argentina

In Argentina, discounts for soybean oil shipments widened for a second session, bucking gains of futures contracts in Chicago.

Physical markets plummeted 1.5¢/lb to CBOT -13.4¢/lb. On the July front, differentials closed at CBOT -12.4¢/lb, moving lower by 0.5¢/lb.

Paper markets settled at 55.96¢/lb, up by 0.53¢/lb.

On the August and September strip, values fell 0.3¢/lb to CBOT -11.8¢/lb.

RED-certified biodiesel edged higher by \$8.2/t to \$1,335/t on a fob basis.

California carbon

California Low Carbon Fuel Standard (LCFS) credits compressed across the curve with trade in almost all transfer periods.

Spot credits fell by 25¢ to \$81.75/metric tonne, where credits traded in the first half of the session. Third quarter 2023 credits traded early in the day at \$83.50/t and \$83/t before they were heard traded at \$82/t. Fourth quarter credits traded at least twice at \$83/t, and first quarter 2024 credits traded at \$83.50/t in the final hour of the session.

Oregon and Washington clean fuel standard credits passed the session with little discussion and no trade heard.

US west coast inventories of reformulated gasoline including CARBOB remained little changed last week at 13.6mn, according to the latest Energy Information Administration

data. CARBOB consumption generates nearly 80pc of new LCFS deficits. West coast inventories of conventional gasoline blendstock used in Oregon and Washington rose by 6.5pc to 7mn bl, their highest level in roughly a month but still 6.1pc lower than the same week of 2022. The region includes Alaska and Hawaii. Oregon gasoline consumption generates nearly two thirds of the state's Clean Fuels Program deficits.

California Carbon Allowances (CCAs) rose slightly on Wednesday, while Washington Carbon Allowances (WCAs) declined for the second consecutive day.

December 2023 CCAs rose by 12¢ to \$32.75/metric tonne after trading 91 times for nearly 1.5mn t. Prompt-month CCAs increased by 14¢ to \$31.74/t after trading eight times for 650,000t.

December 2024 CCAs moved up by 11¢ to \$35.01/t after trading once for 100,000t.

WCAs for December 2023 delivery shed \$1 to \$64/t and traded 11 times for 290,000t. Prompt-month WCAs fell \$1 to \$61/t and did not trade.

At a workshop today, the California Air Resources Board said it wants to make its program more stringent and is considering new caps but will not take banked allowances out of accounts. The agency plans to evaluate 2030 allowance budgets that would require a 48pc or 55pc reduction in emissions, as well as the current mandate of a 40pc reduction from 1990 levels.

Blending components

Gasoline blendstock cash differentials along the US Gulf coast held steady for a second straight session on Wednesday as market participants were largely disengaged.

Reformate was heard to hold steady at July Nymex +79¢/USG.

Raffinate remained in the range of -45¢ to -43¢/USG, while alkylate was level from the previous day at +38¢/USG.

The July Nymex RBOB trading basis declined on Wednesday, moving lower by 0.33¢/USG.

Regional gasoline prices were up by 1.05¢/USG.

Inventories of regional components ended the week of 6 June at 28.6mn bl, marking a fifth straight weekly decline and settling 2.8pc lower from the previous week, according to data from the Energy Information Administration (EIA).

FEEDSTOCKS AND RESIDUAL FUEL OIL

Vacuum gasoil

VGO differentials to Brent crude were mostly weaker amid thin demand and limited price discovery on Wednesday.

Neither buyers or sellers were keen to engage and scattered activity left VGO prices disconnected at the Gulf coast.

The impact of recent refinery issues had been diminished as well amid thin market participation.

The Calcasieu Refining facility remained down after a lightning strike caused a fire at a storage tank on site on 3 June. The refinery is expected to be offline for up to two months.

A fluid catalytic cracker (FCC) outage at a Bayway, New Jersey, refinery did not have a direct impact on VGO trading as well.

Talk of ready low sulphur VGO barge availability exerted downward pressure on differentials this week, but there were no confirmed transactions for the sweet grade.

Earlier this week up to 200,000 bl of low sulphur VGO was heard available, with little accompanying details. Selling interest was mostly observed at the previous publication value at August Brent +\$12.25/bl, delivered basis Gulf coast.

However, buying interest for low sulphur VGO did not exceed the August Brent +\$12/bl mark and no business was reported.

On Wednesday, some of the volume heard offered earlier was believed withdrawn, but there was still selling interest lightly circulated at the current August Brent +\$12/bl quote.

Lower prices for some qualities of atmospheric tower bottoms (ATBs) added bearish pricing pressure on the sweet VGO grade.

There were offers for ATBs heard as low as August Brent +\$2/bl this week. However, the ATB price range was still wide, with splitter ATBs still pegged in the August Brent +\$10s/bl. There were several tiers of pricing for ATBs, depending on specifications and end-use markets.

Prices for barrels with higher metals, low recovery and

CME Nymex		
	Price	±
WTI crude \$/bl		
Jul	68.27	-1.15
Aug	68.46	-1.12
Sep	68.49	-1.10
Henry Hub natural gas \$/mmBtu		
Jul	2.342	+0.00
Aug	2.413	+0.01

Vacuum gasoil Gulf coast			
	Basis	Differential	Price
Differential to WTI \$/bl			
0.5% cargo	Aug	+16.74/+17.32	85.20-85.78
0.5% barge	Aug	+16.49/+16.99	84.95-85.45
1.0% cargo	Aug	+14.74/+15.74	83.20-84.20
1.0% barge	Aug	+14.49/+15.49	82.95-83.95
2.0% cargo	Aug	+12.99/+13.99	81.45-82.45
2.0% barge	Aug	+12.74/+13.74	81.20-82.20
Differential to Ice Brent \$/bl			
0.5% cargo	Aug	+12.00/+12.58	85.20-85.78
0.5% barge	Aug	+11.75/+12.25	84.95-85.45
1.0% cargo	Aug	+10.00/+11.00	83.20-84.20
1.0% barge	Aug	+9.75/+10.75	82.95-83.95
2.0% cargo	Aug	+8.25/+9.25	81.45-82.45
2.0% barge	Aug	+8.00/+9.00	81.20-82.20
Differential to 70:30 87 conv/heating oil ¢/USG			
0.5% cargo		-10.00/-8.61	202.86-204.24
0.5% barge		-10.59/-9.40	202.26-203.45
1.0% cargo		-14.76/-12.38	198.10-200.48
1.0% barge		-15.35/-12.97	197.50-199.88
2.0% cargo		-18.92/-16.54	193.93-196.31
2.0% barge		-19.52/-17.14	193.33-195.71
Differential to 70:30 87 conv/ULSD ¢/USG			
0.5% cargo		-37.93/-36.55	202.86-204.24
0.5% barge		-38.53/-37.34	202.26-203.45
1.0% cargo		-42.70/-40.31	198.10-200.48
1.0% barge		-43.29/-40.91	197.50-199.88
2.0% cargo		-46.86/-44.48	193.93-196.31
2.0% barge		-47.46/-45.08	193.33-195.71
70:30 formulas ¢/USG			
87 conv waterborne/heating oil		-0.40	212.38-213.33
87 conv waterborne/ULSD		-0.36	240.58-241.00

Naphtha barge Gulf coast			
	Basis	Differential	Price
Heavy (40 N+A) ¢/USG	87 NLT 9 RVP	-69.25/-59.25	175.46-185.46
Heavy (40 N+A) \$/t			624.64-660.24
Heavy (40 N+A) diff to Nymex RBOB ¢/USG	Jul	-80.00/-70.00	175.46-185.46
Full range ¢/USG	87 NLT 9 RVP	-76.25/-64.25	168.46-180.46
Full range \$/t			611.51-655.07
Full range diff to Nymex RBOB ¢/USG	Jul	-87.00/-75.00	168.46-180.46
LSR/LV ¢/USG	C5	0.00/+3.00	128.75-136.00
LSR/LV \$/t			512.43-541.28
Natural gasoline ¢/USG			128.75-133.00
Natural gasoline \$/t			540.75-558.60

Light cycle oil				¢/USG
	Basis	Differential	Price	±
0.5% sulphur	HO pipe	+71.20/+75.20	207.97-211.97	-3.29
2.0% sulphur	HO pipe	+70.20/+74.20	206.97-210.97	-3.29

FEEDSTOCKS AND RESIDUAL FUEL OIL

higher chlorides that may be acceptable for fuel oil blending pinning the lower end of the range.

The low sulphur VGO barge premium to low sulphur fuel oil (LSFO) stabilized at \$10.125/bl on Wednesday.

LSFO with 0.5pc sulphur and 20 API held at August Brent +\$1.5/bl by +\$2.25/bl, fob Houston, on Wednesday.

Low sulphur VGO cargo premiums to barges were lowered to \$0.25/bl in line with weaker values reported for high sulphur VGO cargoes moving into the Gulf coast.

Talk of high sulphur VGO cargoes in the August Brent +\$8s/bl range emerged on Wednesday. This was attributed to European import barrels, but no other details were revealed.

Meanwhile, fresh high sulphur VGO barge business was not visible on Wednesday. Last-done business for good quality high sulphur VGO had been in the August Brent +\$9s/bl earlier this week, but there had been less than generic barrels offered down to August Brent +\$8/bl as well.

Outright cash prices for VGO were lower alongside a weakened crude complex. August Brent crude shaved off \$1.09/bl to \$73.2/bl, \$0.03/bl above the September Brent and \$4.74/bl above the August Nymex WTI.

Argus VGO differentials to Nymex WTI moved to pricing against August index on Wednesday, three business days ahead of the July Nymex WTI expiry per written methodology.

Light cycle oil (LCO) discussions were inconclusive on Wednesday with buyers and sellers unable to reach agreement.

Selling interest was reported at a 2¢/USG discount to the ultra-low sulphur diesel (ULSD) less Renewable Volume Obligation (RVO) basis.

Buying interest was heard at ULSD-RVO less 6¢/USG on a fob Gulf coast basis.

Cash prices for ULSD and heating oil reversed Tuesday's uptrend with both products down by more than 3.5¢/USG on the day.

The ULSD premium to heating oil widened to 93.125¢/USG from 92.975¢/USG in the previous session.

The Argus RVO was assessed at 17.8¢/USG, up 0.02¢/USG from Tuesday's value.

Naphtha

Differentials for heavy virgin naphtha (HVN) continued to span a wide range depending on end-use markets.

HVN with lower sulphur and the potential to be sold as

Residual fuel oil		
	Price	±
Waterborne* \$/t		
NYH 0.5% fuel oil delivered	514.81-518.18	-7.34
USG 0.5% fuel oil fob	503.03-508.08	-7.34
New York waterborne \$/bl		
0.3% low pour	85.95-86.45	-1.09
0.3% high pour	85.95-86.45	-1.09
0.5%	76.45-76.95	-1.09
1.0%	68.22-68.40	-0.65
3.0%	69.95-70.20	+0.60
Gulf coast waterborne \$/bl		
0.5%	74.70-75.45	-1.09
3.0%	67.00-67.20	+0.73
RMG	66.45-66.70	+0.60
0.5% vs Brent \$/bl		
NYH	+3.25/+3.75	0.00
USGC	+1.50/+2.25	0.00
0.5% vs WTI \$/bl		
NYH	+8.18/+8.68	+0.06
USGC	+6.43/+7.18	+0.06

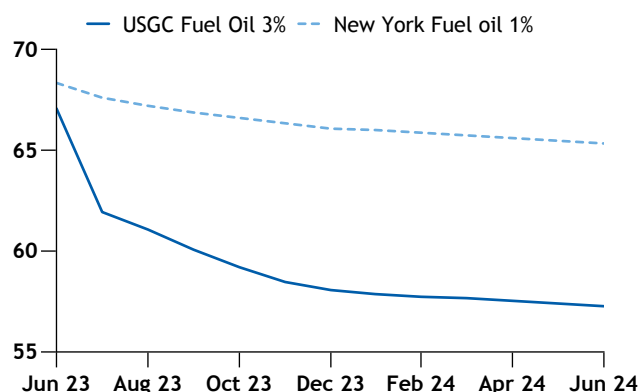
**The \$/bl and \$/t assessments for 0.5% sulphur fuel oil prices in the New York and US Gulf are assessed independent of each other. They are not directly correlated by fixed conversion factors due to density variables.*

Marine gasoil		¢/USG	
Jul	Differential	Price	±
New York 0.5%	-50.00/-49.50	185.77-186.27	-3.78

Bunker fuel		\$/t	
	Price	±	
380cst			
New York	450.00-455.00	0.00	
Philadelphia	460.00-465.00	0.00	
Houston	400.00-405.00	0.00	
Los Angeles	475.50-479.50	0.00	
Los Angeles 0.5%S	572.50-576.50	+5.00	
Seattle	432.00-437.00	-3.00	

Residual fuel oil swaps

¢/USG



– Argus US Refined Products Forward Curves

FEEDSTOCKS AND RESIDUAL FUEL OIL

gasoline blendstock had been fetching prices as much as 20¢/USG above generic reformer grades, although this range could not be substantiated by confirmed business.

The loss of Calcasieu Refining N+A naphtha production may have contributed to less availability of sub-octane alternative in the gasoline blend pool.

The Calcasieu refinery shut down after a fire destroyed a naphtha storage tank on 3 June. The facility is expected to be down through August.

Calcasieu naphtha is often sold as a raffinate substitute. Gulf coast gasoline demand, however, was deemed weak.

Recent reformer outages at a Texas City refinery and a Corpus Christi facility exerted bearish pressure on feedstock values.

A refiner offering less than generic HVN with approximately 500-600ppm sulphur and higher nitrogen content was widely heard to have transacted in the July Nymex RBOB -90s¢/USG range on Tuesday, but details were not revealed.

Export interest lingered for cargoes into Europe and the Asia Pacific, but arbitrage out of the Gulf coast was firmly closed.

Full-range N+A naphtha discussions had been elusive. Previous offers of 63 API material had not been reiterated this week, leaving prices for the grade poorly defined.

However, it was widely acknowledged that the full-range N+A naphtha discount to HVN has shrunk to roughly 5-7¢/USG from a broad 15¢/USG range observed last month.

Light virgin naphtha (LVN) demand was described as weak, with poor petrochemical margins bolstering propane as a cheaper alternative to naphtha.

Warmer temperatures also diminished demand for light naphtha as diluent, and weakened gasoline demand added to the fray.

Firm LVN bids were scarce on Wednesday, keeping liquidity at bay. High sulphur Targa available next week off the line at KMI Pasadena was offered at a 2¢/USG premium to natural gasoline (C5), without a bid.

Light sweet naphtha available for flexible June timing was offered at C5 +9¢/USG, also without bids.

Explorer injects for June was talked between June C5 flat to +3¢/USG, but there were no confirmed deals.

July Explorer injects were offered at July C5 +3¢/USG, without a verified transaction.

Paria posted prices, Trinidad					
	9 Jun	7 Jun	5 Jun	31 May	25 May
Gasoline 95r ¢/USG	285.00	295.00	282.00	278.00	290.00
Gasoline 92r ¢/USG	280.00	290.00	277.00	273.00	285.00
Jet/Kerosine ¢/USG	271.00	272.00	262.00	251.00	253.00
Gasoil 0.1%S¢/USG	250.00	250.00	245.00	235.00	240.00
Fuel oil \$/bl	75.00	74.00	73.00	70.00	74.00

Fuel oil

US residual fuel oil prices moved in mixed direction on Wednesday as stockpiles tightened further, supporting this week's lift in low-sulphur cash differentials.

The latest Energy Information Administration (EIA) report revealed US Gulf coast residual fuel oil stockpiles fell by 1pc to 19.5mn bl the week ended 9 June, while holding 16pc higher than year-ago levels.

Meanwhile, US Atlantic coast residual fuel oil stockpiles declined by 6pc to 6.5mn bl last week, yet these levels remained 20pc above the same week a year prior.

Despite talk of thinning prompt supplies, selling interest prevailed in a narrow afternoon trade window for 0.5pc low-sulphur fuel oil (LSFO) barges in the US Gulf coast Wednesday, without conclusion.

A major refiner was heard offering a 7,000t barge of LSFO for 24-26 June and 27-29 timing on a fob Houston basis at \$502/t.

The same refiner offered LSFO on a fob New Orleans basis at \$502/t for 21-23 June timing and \$502.5/t for 24-26 June timing.

No bids surfaced by day's end, veiling firm trade activity in the US Gulf coast for sweet grade material.

Outside the window, LSFO barge cash differentials were deemed unchanged in the absence of specific trade or negotiations. Levels preserved a \$1.5/bl by \$2.25/bl premium to August ICE Brent crude for a 20 API gravity barrel on a fob Houston basis.

Premium-quality LSFO constituted the high end of the pricing range, with barrels potentially cited as high as \$2.75/bl over the August Brent basis late last week, without firm trade conclusion.

Otherwise, retail bunkering demand was deemed sluggish by market participants, leading to minimal wholesale demand

FEEDSTOCKS AND RESIDUAL FUEL OIL

on the day.

Fob Houston LSFO barge cash prices descended by \$1.1/bl to \$75.075/bl on Wednesday with losses in the underlying crude benchmark.

Fresh trading continued to emerge in the US Gulf coast sector for 3.5pc high-sulphur fuel oil (HSFO) barges on Wednesday, lifting cash prices further.

A 45,000 bl barge of HSFO changed hands at \$65.7/bl on a fob Houston basis for back-end loading in the US Gulf Wednesday.

Market participants, however, valued the trade at a \$0.75/bl to \$1/bl discount to actual market value, allowing outright prices to climb by \$0.59/bl in daily comparison.

The US Gulf coast LSFO premium to HSFO from \$10.19/bl to \$8.5/bl on Wednesday, the thinnest spread since 6 November 2020.

Specific market interest remained elusive in the New York Harbor fuel oil sector on the day, lacking cohesive bids, offers or trades for any regional sulphur grade.

LSFO barge cash differentials for a 0.5pc sulphur in the Harbor maintained a \$3.5/bl premium to August Brent crude for a 20 API gravity on a delivered basis in market discussions, a spread unchanged from the previous session.

New York Harbor 0.3pc sulphur fuel oils were deemed at parity at respective \$9.5/bl premiums to 0.5pc LSFO assessments in the region.

Outright values for New York Harbor 1pc sulphur fuel oil sank by \$0.65/bl with a 0.94pc decrease in front-month swaps.

US northeast 3pc HSFO preserved a \$3.5/bl premium to corresponding Houston 3.5pc HSFO assessments, easing cash prices up by \$0.59/bl.

Marine fuels

For a full list of daily, spot bunker deals and firm price quotes collected by Argus globally [click here](#).

North American bunker demand remained weak on Wednesday. Most prices were up, contrary to lower Brent prices, and buyers decided to wait if prices will fall.

In Corpus Christi, Texas, 400t of very low-sulphur fuel oil (VLSFO) sold ex-wharf at \$562/t with 150t of marine gasoil (MGO) at \$724/t for 16-17 June.

A 900t VLSFO enquiry was offered in New Orleans at \$515/t ex-wharf.

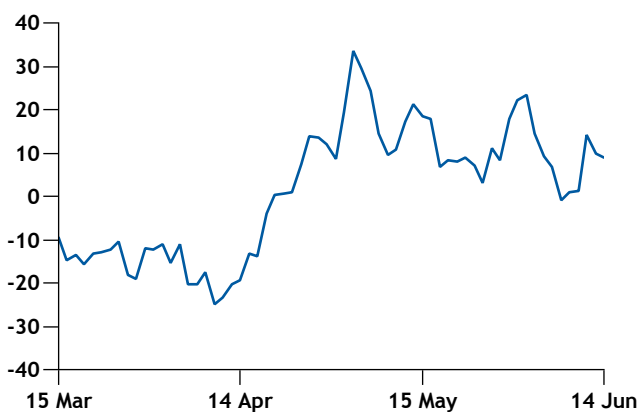
Houston VLSFO flipped to a \$5/t premium compared to New Orleans. Price direction at these ports diverged, changing the differential.

At the port of New York, 150-250t of MGO was quoted ex-wharf at \$735/t. A clip of 300t of MGO was offered at \$730/t ex-wharf. MGO here was also indicated as low as \$725/t.

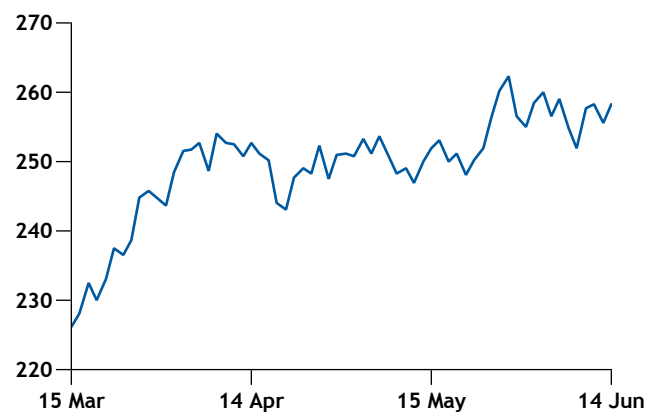
In Philadelphia, 150-250t of MGO was offered ex-wharf at \$735/t.

West coast spot demand remained muted on Wednesday. Buyers were sidelined waiting to see where the mixed prices settle. The Los Angeles to Singapore VLSFO premium fell to 13.5/t. Higher Singapore VLSFO tightened this spread.

Gulf coast ethanol vs Colonial RBOB ¢/USG



New York ethanol ¢/USG



INFRASTRUCTURE NEWS

Maintenance at Valero Port Arthur refinery

Valero's 335,000 b/d refinery in Port Arthur, Texas, underwent maintenance, start-up and shutdown activities on 12 June.

Maintenance on the refinery began at 6am ET, according to a regulatory filing, and was completed at 11pm ET the same

day.

The US independent refiner did not disclose which units were involved.

By Gordon Pollock

INDUSTRY NEWS

US road fuel stocks up, demand down: EIA

US gasoline and diesel inventories rose last week as demand fell, according to Energy Information Administration (EIA) data.

US gasoline stocks in the week ended 9 June rose by 1pc to a six-week high of 220.9mn bl, according to EIA data. Compared with a year earlier, gasoline stocks were up by 1.6pc.

US Gulf coast gasoline inventories rose to 85mn bl, up by 2.2pc from the prior week and 2.8pc higher than a year earlier. Atlantic coast stocks rose to 57.1mn bl, up 4.4pc on the week and 8.8pc higher than the same time last year.

US finished gasoline product supplied – a proxy for demand – fell during the week by 0.3pc to 9.19mn b/d. Compared to a year earlier, gasoline demand was up by 1.1pc.

[Average US gasoline prices in the week ended 12 June](#) moved higher by 5.4¢/USG to \$3.60/USG nationwide, with all regions reporting a weekly rise in price, the EIA reported earlier this week.

US gasoline imports increased to 1.1mn b/d, up by 8.3pc from the prior week and 62pc higher than the same week last year. Deliveries rose to the Atlantic coast, Gulf coast and Rocky Mountains region, while west coast gasoline imports fell.

Gasoline exports decreased on the week by 3.1pc to 957,000 b/d. The EIA began including fuel ethanol, a gasoline blending component, in gasoline exports from 1 June, and the agency has not backfilled the new data series with prior-year exports.

Diesel stocks at 11-week high

US diesel inventories rose last week to an 11-week high of 113.9mn bl, up by 2pc from the prior week and up by 3.8pc from a year earlier.

Demand for US diesel decreased to 3.57mn b/d, down by 6.3pc from the prior week and 1.2pc lower than a year earlier.

Diesel imports decreased to 136,000 b/d, down on the week by 21pc and 14pc lower compared to the same time last year. US diesel exports increased on the week by 42pc to

1.25mn b/d. Compared with a year earlier, diesel exports were down by 10pc.

US jet fuel inventories were unchanged on the week at 42.3mn bl and were up by 4.2pc from a year earlier. [US airline travel in the week ended 10 June](#) rebounded on rising summer travel demand, according to Transportation Security Administration data.

By Nathan Risser

US jet fuel stocks up slightly on imports

US jet fuel inventories posted modest gains last week as rising import volumes offset improved domestic demand.

National jet fuel stocks ticked up by less than 1pc to 42.337mn bl during the week ended 9 June, marking a three-week high and pushing above year-earlier levels by 4.3pc, US Energy Information Administration (EIA) data show.

Jet fuel stocks eased lower at the US Gulf and Atlantic coasts, along with at the US midcontinent region. But the US west coast and Rocky Mountain regions saw inventories grow by 3.5pc and 7.6pc, respectively.

West coast jet fuel inventories increased amid an upswing in imports. West coast jet fuel arrivals climbed by 25pc to 50,000 b/d last week, buoying national imports up by 6.4pc to 51,000 b/d from the prior week. US jet fuel arrivals were well above the 7,000 b/d imported a year earlier.

Widening price spreads between the US west coast and Asia-Pacific countries recently [strengthened transpacific arbitrage economics](#), potentially prompting increased vessel flows.

US jet fuel product supplied – a measure of demand – rebounded by 3.4pc to 1.543mn b/d from the prior week, and up by 1.6pc from the same week in 2022. Yet demand through the first two weeks of June still lags year-earlier averages by 0.2pc at 1.517mn b/d.

US jet fuel exports increased by 16pc to 216,000 b/d last week, a 28pc rise from the same week in 2022, EIA estimates show. Waterborne loadings of US Gulf coast jet fuel to Uruguay

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surged to 80,000 b/d from zero a week earlier, according to separate data from oil analytics firm Vortexa. The vessel shipments to Uruguay were the first noted by Vortexa since October 2022.

Waterborne departures of Gulf coast jet fuel to Mexico rose to 41,300 b/d after similarly recording none the previous week.

By Jared Ainsworth

ANS crude output declines, USWC runs fall

Alaskan North Slope (ANS) crude production declined by about 1pc last week as US west coast refineries decreased throughputs.

ANS output fell to roughly 463,000 b/d in the week ending 9 June, down from 468,000 b/d in the prior week, according to the Alaska Department of Revenue.

The Port of Valdez ended the week with roughly 4.3mn bl of crude inventories, about 4.5pc more than a week earlier.

Refinery runs at the US west coast fell by 65,000 b/d, or 2.8pc, to about 2.2mn b/d, according to US Energy Information Administration data. Refinery utilization in the region fell by 3.4 percentage points to nearly 90pc.

The volume of ANS crude in transit to the US west coast fell to 2.7mn b/d, a 38pc decrease from 4.4mn b/d the week prior.

ANS crude last sold between a \$1.85-\$1.90/bl premium to CMA Ice Brent for August delivery to the US west coast, up from July delivery cargoes that sold at a premium of \$1.10-\$1.43/bl to CMA Ice Brent.

By Sure Ibukun

Weaker product cracks may cap refining runs

Weaker product margins could cap global refining activity in the second half of 2023, according to the IEA's latest forecasts, and this will especially be felt in the Atlantic Basin where relatively cheap Russian crude is widely banned by sanctions.

Growth in refining throughputs is focused heavily in non-OECD regions like China and the Middle East, which will add between them 2.1mn b/d in 2023 year on year and another 1mn b/d in 2024. For example, Kuwait and Oman are both scheduled to bring new refining capacity online this year, bringing Middle East throughputs up by 700,000 b/d to 8.8mn b/d, almost 1mn b/d above 2019 levels for the region. Kuwait's KPC started up a second 205,000 b/d crude unit at its 615,000 b/d Al-Zour refinery in March and plans to start up its third and

final 205,000 b/d unit in June. Oman's refinery production is due to rise in the coming months as the construction of the 230,000 b/d [Duqm refinery nears completion](#), according to operator OQ8.

By contrast, OECD regions are expected steadily to cut their throughputs. For example, European members of the group will shed 200,000 b/d of throughput in 2023 and another 100,000 b/d in 2024, which will leave the volume 1mn b/d short of 2019 levels. European throughputs have never recovered to 2019 levels since the pandemic. Eni's 88,400 b/d Livorno refinery in Italy has been under maintenance for five weeks and is touted to be transformed into a biorefinery, which could tighten total refinery capacity in Europe.

The IEA has revised its forecasts for European refinery throughput downwards for the remainder of 2023 too. It now expects the region to process 11.9mn b/d in the third quarter and 11.6mn b/d in the fourth, both down by 200,000 b/d compared with last month's forecast.

Global refining throughput will rise by 1.8mn b/d year on year in 2023, according to the IEA's latest forecasts, to reach 82.3mn b/d. That is roughly unchanged compared with the previous month's forecast. It will then rise by around a further 1mn b/d to 83.4mn b/d in 2024.

Product cracks have come off in recent months across the main global oil product hubs, although in the Atlantic Basin gains in light distillate cracks have somewhat offset declines in middle distillate margins, the IEA said today. On the demand side, the IEA pointed to poor oil demand in the OECD because of reduced manufacturing activity. Most recently, purchasing managers' indexes (PMIs) in western states' manufacturing sectors have broadly signalled contraction in May as inflationary pressures act as a headwind against the industry. The eurozone has been in recession in recent months, having reported contraction in gross domestic product (GDP) in the fourth quarter of 2022 and the first quarter of 2023. The IEA highlighted that macroeconomic headwinds would probably persist into 2024, with negative effects on oil demand growth extending into next year.

By George Maher-Bonnett and Benedict George

Exxon keeps transparency group board seat

ExxonMobil has retained a board seat on the Extractive Industries Transparency Initiative (EITI), after board members reached a compromise that aims for greater adherence to the organization's core disclosure principles.

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EITI, which seeks to improve accountability over oil and mineral development, elected a new board on 13 June that includes a representative from ExxonMobil, despite strenuous objections from civil society groups.

Protesters delayed an initial vote at a meeting in Senegal until board members reached an agreement under which EITI, as staff described it, will "consider how adherence to the expectations can be improved."

Activists hope the changes will pressure ExxonMobil to leave the board if it fails to expand its disclosures.

"It sets a double standard," Oxfam America senior policy adviser Aubrey Menard said. "Countries can look at Exxon not complying and say '[EITI] can't enforce the standard it sets.'"

ExxonMobil did not respond to specific questions. ExxonMobil sub-Saharan Africa international government relations director Chinonso Emehelu, who was elected to the EITI board, in a post published on 9 June said the company supports EITI's fiscal transparency goals and already reports its tax and other payments in many countries.

ExxonMobil will also comply this fiscal year with a rule from the US Securities and Exchange Commission that requires companies publicly traded in the US to report payments to countries, Emehelu said, offering an "unprecedented level and amount of country-by-country tax payment information."

Civil society groups argue those country-level aggregated disclosures will fall short of the EITI's project-level disclosure expectations.

EITI plans to release a full assessment of its member companies' adherence later this month. In a preview of that report released on 13 June, EITI said 5pc of its member companies were not meeting the group's expectations about disclosure payments in all countries in which they operate and another 15pc were only partially meeting those objectives.

The US was a supporter of the EITI until 2017, when former president Donald Trump's administration [pulled](#) the US out of the group. US independent ConocoPhillips left EITI as a supporting company in 2022. The latest EITI standard recommends companies disclose climate-related data.

By Chris Knight

US details 'game changing' clean energy policy

The US Department of the Treasury unveiled new guidance for policies to expand the reach of key clean energy incentives, which the administration of President Joe Biden said will generate billions in capital for new developments.

Direct pay and transferability will "dramatically" speed the pace at which the US builds resources such as wind and solar and give many organizations the ability to build zero-emissions electricity for the first time, Treasury said today.

The agency's proposed guidelines lay out which entities could qualify for the direct pay and transferability options, while also establishing processes and timelines. Both options relate to federal incentives, including the production (PTC)

Argus Assessment Rationale Database

For prices used in financial benchmarks, Argus publishes daily explanations of the assessment rationale with supporting data. This information is available to permissioned subscribers and other stakeholders.

Subscribers to this report via Argus Direct or MyArgus may access the database [here](#).

Other subscribers may request access [here](#) or contact us by email at sales@argusmedia.com.

ANNOUNCEMENT

Argus successfully completes annual losco assurance review

Argus has completed the 11th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group losco's Principles for Oil Price Reporting Agencies, and losco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website <https://www.argusmedia.com/en/about-us/governance-compliance>

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and investment tax credits (ITC), that have had a large hand in growing the wind and solar sectors domestically.

Direct pay allows tax-exempt entities – including state governments, rural electric cooperatives and non-profits – to claim a payment from the US government, equal to the full value of the tax credit, for building eligible clean energy projects. Transferability allows groups to sell their credits to other taxpayers, in essence generating capital that would otherwise be unavailable to them.

Proponents of the policies say they expand the reach of incentives to groups that lack the taxable income that makes the credits valuable in the first place. Before last year's [Inflation Reduction Act](#), governments and non-profits were not eligible for the credits, which created difficulties in their ability to finance projects.

The use of direct pay is "a game changer," making it easier for local governments to electrify their vehicle fleets, add rooftop solar to city-owned buildings and "so much more," senior advisor to the president for clean energy innovation and implementation John Podesta said.

Transferability "will help accelerate private sector financing and unlock literally billions of dollars of capital for clean energy projects," Podesta added.

Treasury will publish the proposed guidance in the *Federal Register* on 21 June, opening a 60-day public comment period.

After recent adjustments for inflation, the base PTC level is 0.55¢/kWh for the first 10 years of a project's life. The total incentive increases to 2.75¢/kWh for projects that meet the prevailing wages and apprenticeship metrics.

For solar and energy storage systems, the ITC runs through 2024 at a base rate of 6pc. If projects meet prevailing wage and apprenticeship metrics, the level rises to 30pc.

Projects placed in service after 2024 can claim a technology-neutral PTC or ITC, based on their emissions intensity. The incentives will begin to decline in 2032 or when regulators determine that annual US greenhouse gas emissions are equal to or below 25pc of emissions in 2022, whichever comes later.
By Patrick Zemanek

US ethanol stocks and production fall: EIA

US ethanol stockpiles decreased alongside production in the week of 9 June, while implied gasoline demand also fell, according to Energy Information Administration (EIA) data.

Total domestic ethanol inventories fell by 722,000 bl to

nearly 22.2mn bl on the week. The East coast and midcontinent fell in tandem by 289,000 bl to 6.7mn bl and 287,000 bl to 8.4mn bl, respectively. The West coast also dropped by 197,000 bl to 2.2mn bl. Gulf coast stocks rose by 47,000 bl to 4.4mn bl.

Compared with the same week last year, stocks were down by 971,000 bl.

US ethanol production fell by 18,000 b/d to again just over 1mn b/d. The midcontinent was predominantly responsible for losses after falling by 20,000 b/d to 961,000 b/d. The Gulf coast fell by 2,000 b/d but was offset by the West coast rising by 3,000 b/d.

Compared with the same week last year, production was down 42,000 b/d.

Implied gasoline fell from last week's gains while ethanol blending rose. Implied gasoline demand fell 25,000 b/d to 9.2mn b/d, while ethanol blending ticked higher by 26,000 b/d to 913,000 b/d.

Ethanol exports fell from 97,000 b/d to 76,000 b/d, dropping by 21,000 b/d on the week.

By Conor O'Brien

Ethanol lifts global biofuel output in April

Global biofuel production increased by 11pc on the month in April on the back of a sizeable rise in ethanol output, according to the IEA's latest monthly Oil Market Report (OMR).

Ethanol production increased by 18pc on the month in April thanks to a jump in output from non-OECD producing countries such as Brazil, whose output climbed by nearly 80pc to 739,000 b/d, lifting total non-OECD output to 997,000 b/d. Ethanol output from OECD countries was steady on the month at 1.139mn b/d and the US remained the main producer at 992,000 b/d, 46.5pc of global supply.

Biodiesel output was [unchanged on the month in April](#) at 1.17mn b/d, with steady production across OECD and non-OECD countries.

Biofuel production is expected to rise for the next six years, in line with increased demand, according to [the IEA's latest outlook](#). Emerging economies will lead the charge, in particular India, Indonesia and Brazil.

By Niamh Burns

Emerging economies to boost biofuel output

Biofuel output could grow by 600,000 b/d between 2022-28,

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boosted by expanding production in emerging economies – primarily Brazil, Indonesia and India – which will account for 70pc of the increase, according to the IEA.

India plans to accelerate ethanol production to meet a 20pc ethanol blending target for 2025. Brazil – one of the major world ethanol suppliers, just behind the US – already has a 27pc blending target and tax incentives in place.

Indonesia is working toward a 35pc biodiesel blending target, up from 30pc in 2022 and Brazil's target is 15pc by 2026. Increased domestic demand in emerging economies between 2024-28 is expected to lift biofuel output by 30pc, with further support from the liquid transport fuel sector.

Meanwhile in the US, Canada and Europe greenhouse gas (GHG) emission policies will encourage growth of their biofuel sectors, according to the report. But a lack of proper infrastructure such as pumps, could curb ethanol growth and could diminish demand.

In the US, the [Inflation Reduction Act](#) should drive demand through tax credits and loans amounting to around \$9.6bn, on top of the existing [Renewable Fuel Standard Program](#). In Canada, the [Clean Fuel Regulations](#) is the main supporter for the biofuel industry. And in Europe, the Renewable Energy Directive (RED) policy which has a 14pc target for renewable energy in transport by 2030 could double depending on ongoing negotiations.

The IEA expect [oil demand from combustible fossil fuels to peak in 2028](#), at which point demand will pivot to lower-emission sources such as biofuels.

By Niamh Burns

California LCFS transfers set May record

Completed California Low Carbon Fuel Standard (LCFS) credit transfer volume set a May record even as they sank from a busier April, according to the latest state data.

The California Air Resources Board reported 1.7mn metric tonnes (t) of credits moved across 158 transfers during the month. The May volume was a 70pc drop from overall record April levels but still nearly doubled the May transfer volume reported last year.

LCFS requires yearly reductions to transportation fuel carbon intensity. Conventional, higher-carbon fuels that exceed annual limits incur deficits that suppliers must offset with credits generated from the distribution of approved, low-carbon alternatives.

LCFS transfers typically fall in May after trade to meet a 30 April deadline to satisfy the previous compliance year's obligations.

Implied spot transfers also reached record May levels of about 560,000 t, according to separate weekly state data. That was nearly triple the volume recorded in May 2022.

Spot credits have held in a roughly \$80-85/t range since April as the market waits for the board to formally consider tougher LCFS targets and other changes to the program. Staff have said that the board could consider those changes at a [late summer or fall meeting](#), a timeline that has slipped from earlier this year.

By Elliott Blackburn

Bipartisan SAF bill introduced in US Senate

A bipartisan group of US Senators has introduced a bill to identify the requirements for sustainable aviation fuel (SAF) to meet the Federal Aviation Administration's definition of the fuel.

The [Sustainable Aviation Fuels Accuracy Act of 2023](#) aims to promote energy security, grow biofuels production domestically, and support the agriculture industry, according to the office of senator Tammy Duckworth (D-Illinois), who led the effort.

According to the bill, SAF is to be defined as liquid fuel that is not kerosene; meets certain ASTM requirements; is derived from a biomass feedstock but not from palm fatty acid distillates; and has a lifecycle greenhouse gas emission reduction percentage for at least 50 percent.

The legislation uses the Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies (GREET) Model, which tracks comprehensive lifecycle emissions of fuels from feedstocks to consumption.

An timeline for the bill was not disclosed.

By Matthew Cope

California regulators to tighten GHG market

California regulators are planning to strengthen the state's greenhouse gas (GHG) market and address a surplus of allowances, but without removing any that are banked in accounts.

The California Air Resources Board (CARB) aims to tighten the state's cap-and-trade program, partly by accounting for what some consider to be a surplus of allowances held in accounts for future compliance, the agency's deputy executive

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officer Rajinder Sahota said [today during a workshop](#).

While CARB wants to make the program more stringent and is considering new caps, the agency will not take banked allowances out of accounts, Sahota said.

The agency may begin a formal rulemaking process to adopt potential amendments as soon as this year, she said.

CARB plans to evaluate 2030 allowance budgets that would require a 48pc or 55pc reduction in emissions, as well as the current mandate of a 40pc reduction from 1990 levels.

Other California program amendments being considered concern holding limits, the cost containment reserve, price ceiling levels, corporate disclosure requirements, inclusion of carbon sequestration and removal projects developed under the regulatory framework outlined by [legislation adopted last year](#) and updates to offset protocols, particularly to assess forest wildfire and disease risk.

By Tomas Russo

US Fed skips rate hike to weigh conditions

The US Federal Reserve kept its target interest rate unchanged today, saying it would "assess additional information" in determining whether more increases are needed following 10 consecutive rate increases since March of last year.

The Federal Open Market Committee (FOMC) kept the federal funds rate unchanged at 5-5.25pc, the first pause since starting its hikes from near zero in March 2022.

"Holding the target range steady at this meeting allows the Committee to assess additional information and its implications for monetary policy," the FOMC said.

The FOMC also reiterated language from prior statements that future rate increases "will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments."

The pause in rate increases comes as inflation has eased by more than half from last year's highs as the economy slows. Manufacturing is showing seven months of contraction and home construction is in a slump but now showing signs of the beginnings of a modest recovery. And the labor market remains robust, with unemployment near five-decade lows.

"Recent indicators suggest that economic activity has continued to expand at a modest pace," the Fed said. "Inflation remains elevated," so policymakers remain "highly attentive to inflation risks."

The median projection of Fed board members and Fed bank presidents for the federal funds rate rose to 5.6pc for 2023 from 5.1pc at the March meeting.

Following today's FOMC statement, the CME FedWatch Tool showed a nearly 70pc probability the Fed will hike to 5.25-5.5pc at its July meeting from 59pc before today's announcement.

By Robert Willis

Tanker supply shortage looming: Gibson

An aging fleet and the lowest orderbook in two decades have the potential to create an oil tanker supply shortage within the next few years, according to shipbrokerage Gibson.

"It is also a well-known fact that investment in new tonnage has declined notably in recent years, embattled by the pandemic-driven collapse in tanker demand, sizable increases in asset values and rapidly disappearing near term yard availability, concerns about long term oil demand and uncertainty about future vessels designs and fuels," Gibson said.

Roughly 8pc of the oil tanker fleet over 25,000 dwt is older than 20 years, and 25pc of the fleet is 16-to-20 years old, Gibson said. Comparatively, the current oil tanker orderbook in terms of dead-weight tonnes equates to just 4.85pc of the total fleet, down from 10.2pc in 2018 and 22.3pc in 2010, per Clarksons Research.

Increased demand for tankers to carry sanctioned Russian barrels has helped lengthen the lifespan of many tankers older than 20 years that otherwise would have been scrapped. Gibson expects demand for this trade to remain strong in the near term but said that it will eventually reach "saturation", forcing shipowners to start scrapping their older vessels.

And oil tanker owners will be unable to quickly boost orders to compensate for a potential increase in demolition, because ship-building yards are almost entirely booked through the end of 2025, mainly with containership and LNG carrier orders.

There has been an uptick in oil tanker orders so far this year, particularly for Aframax/long range 2 vessels, following record earnings in 2022. But this increased ordering "still comes nowhere close to offsetting" amount of tonnage likely heading to the scrapyards in the next four or five years, Gibson said.

By Michael Connolly

INDUSTRY NEWS

Mexico fuel retailers demand CRE transparency

Fuel retailers demanded transparency from Mexico's energy regulator (CRE) today during presentation by CRE commissioner Norma Leticia Campos at the Onexpo fuel retail convention in Acapulco, Mexico.

Campos' nearly two-hour presentation, focused on mistakes fuel retailers make when submitting requests for station permits, generated angry responses from the audience, who constantly interrupted the talk to demand transparency and a less restrictive approval process.

Campos said the alleged mistakes in the applications are often "blatant" and cause further delays in the permit review process.

Of all the new retail fuel station permit requests submitted between 2022 and 2023, 96pc presented an incorrect investment proposition, according to CRE's review, and 94pc failed to comply with security and environmental protection parameters, Campos said.

Campos, who identified herself as a supporter of President Andres Manuel Lopez Obrador's nationalist energy policy, asked fuel retailers to "do their job well" in the face of changes that could lead to more electric vehicles and less demand for gasoline.

"Now that they [the prior administration that passed the 2014 energy market reform] have handed over the country's oil and fuel market t

o foreign companies, it is time for private investors to contribute toward the country's general interests," Campos said.

She said that the limited number of permits granted for fuel storage terminals by CRE is because some private-sector operators want to use state-owned Pemex infrastructure but do not want to invest 50/50 with the company.

CRE's head of hydrocarbons, Eder Leocadio Ceron, joined Campos in her presentation, emphasizing the need for a strong regulator in the market, with clear rules that will benefit all participants.

The CRE approved 63 new retail fuel station permits in May, bringing the year-to-date total to 145. That surpasses the 92 permits granted during the same five-month period of 2022.

But of those 145 permits 93pc, or 135 permits, [were granted to Pemex-branded stations](#), and only 10 permits for private-branded stations, according to CRE's data tracked by Argus.

By Antonio Gozain

Extortion cases grow in Mexico: Coparmex

Investigations into complaints of extortion by businesses in Mexico grew by 48pc since late 2018 under President Andres Manuel Lopez Obrador compared with the same period of the previous administration, Mexico's business chamber Coparmex said.

The number of investigations of extortion of all kinds of businesses opened in the first four years and five months of the current administration was 41,873, 48pc more than the 28,362 opened in the same period of former president Enrique Pena Nieto's administration (2012-2018). Extortion can range from government employees wanting money to not issue fines to criminals groups demanding cash in exchange for protection.

In similar periods of former presidents Felipe Calderon's (2006-2012) and Vicente Fox's (2000-2006) administrations the number of extortion files opened were 22,084 and 8,381, respectively.

Coparmex's numbers are based on statistics released by the national coordinating system on public security (SESNSP).

From January to April 2023, there were 3,473 new complaints from businesses about extortion in Mexico, 2.4pc less than the 3,558 files opened in the same four months of 2022. But last year there were a total of 11,042 new files, the largest amount for a year ever.

The data released by Coparmex refers to all businesses, but last April interior minister Adrian Augusto Lopez said that in the first years of the current administration, agents of the consumer watchdog agency (Profeco) has extorted retail fuel stations.

Gas stations had to pay Profeco agents Ps20,000-25,000 (US\$1,670-\$1,460 at current rates) monthly to avoid the agency shutting them down. Charges have been filed against the suspected agents and the practice has stopped, Lopez said.

Extortion has been a long-term problem in the country, [affecting the broader energy complex](#).

Another survey released by Coparmex earlier this year showed that half of the businesses in Mexico were victims of at least an attempted crime in 2022. Theft of merchandise and vehicles were the two most common crimes against businesses; extortion came in third place.

By Luis Romo

INDUSTRY NEWS

Cuba advances rebuild of fuel terminal

Cuba will complete the reconstruction of the first of four tanks at its main fuel import terminal in April 2024, four months earlier than originally scheduled, state-run fuel maintenance company Empet said.

An [August 2022 fire](#) that lasted five days at the terminal in the northern city of Matanzas destroyed about half of its 2.5mn bls of capacity, worsening a persistent fuel deficit on the island.

The 1.25mn bl rebuilt tank was originally scheduled to be completed in August 2024. Empet has not explained the expected earlier completion.

Neither Empet nor the island's energy ministry confirmed claims that the terminal's capacity will be more than doubled when the four tanks are completed.

The reconstructed terminal will have an automated fire-fighting system and other control equipment, the company said.

The Matanzas terminal stores crude, fuel oil, diesel and gasoline. Engineers from Mexico and Venezuela are assisting in its reconstruction, the Cuban government said in April.

Several cargoes of fuel imports have been shifted to smaller ports on the island since the fire.

The shortage of also worsened the island's power concerns. State power company UNE had been troubled by persistent blackouts because of shortages of imported fuel and frequent plant breakdowns.

Cuba's fuel demand totals 160,000 b/d, of which 48,000 b/d is supplied by domestic production, according to official figures. Most imports come from political ally Venezuela, but these have been affected by US sanctions on the country.

By Canute James

Russia dominates Brazil's May naphtha imports

Cargoes of non-petrochemical naphtha arriving in Brazil from Russia rose by nearly a quarter in May as local gasoline blenders gravitated to the competitively priced product.

Non-petrochemical naphtha imports from Russia totaled 69,140t (20,360 b/d) in May, around 97pc of total landings of foreign product during the month, according to preliminary

trade ministry data (see chart). Total imported volumes were around 22pc higher than inflow in May 2022.

All cargoes of Russian non-petrochemical naphtha – one of the main inputs used by Brazilian blenders to produce gasoline – landed at the Santos port in Sao Paulo state. The port is the operational hub of Copape, one of Brazil's biggest formulators, which in April supplied around 35,080m³ of gasoline – around 3.3pc of the gasoline supplied to the southeast region during the period, according to data from oil regulator ANP.

State-controlled Petrobras is the largest gasoline supplier to the region, with a market share of 89.4pc in April, followed by independent refiner Fit with 5.2pc.

Russia's dominance in the naphtha market was not replicated in the finished gasoline import segment,

which is [still dominated mainly by European producers](#).

According to market participants, the price of Russian gasoline complying with ANP specifications is less competitive than European product, while Russian naphtha became more advantageous compared with US Gulf Coast and European product in May.

The inflow of Russian naphtha is expected to maintain the same pace in June, when product landings from the country at ports in Sao Paulo and Rio de Janeiro states should touch 71,200 t, according to energy analytics firm Vortexa.

[Maintenance reduces waterborne activity](#)

Scheduled maintenance at Russian refineries is already impacting the attractiveness of products for loading in Russian ports.

Freight forwarders told *Argus* that [rail transport of Russian fuel bound for foreign markets totaled 6.6mn t in May](#), a 10pc drop compared with April. Naphtha transport by rail dropped 11pc to 1.06mn t in May from the prior month, as shipments from Black Sea ports slumped.

The cooling is likely the result of increased shipments of naphtha, including product earmarked for the petrochemical industry and other sectors, from the Mediterranean region. Data from Vortexa indicates that around half of the 359,300t of foreign naphtha arriving in Brazil in June will come from combined flows from Algeria and Spain.

By Amance Boutin

ANNOUNCEMENTS

Correction

A correction has been issued for the 24 January 2023 US Gulf coast ultra low sulphur volume weighted average.

The correct assessment is:

-8.7¢/USG for the cash differential and 334.02¢/USG for the outright value.

Please contact David Ruisard at david.ruisard@argusmedia.com with any questions or comments.

Argus USGC Colonial Cbob



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