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# Argus Octane Blending Components

Formerly Argus DeWitt Fuels and Octane

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## HIGHLIGHTS

■ **Europe:** The MTBE factor to gasoline fell in Europe this week. The MTBE factor fell to be assessed at 1.17 versus gasoline barges on 30 April, slipping below the 1.23 level earlier in the week. Outright flat price MTBE values were also down, slipping to be assessed at \$1,033.75/t on 2 May. Gasoline premiums to naphtha have fallen from the highs of around \$260/t seen in mid-April to just below \$225/t on 2 May.

■ **Americas:** US Gulf coast spot prices for gasoline additive MTBE fell sharply this week, sliding on lower gasoline futures and a weaker premium. Prices hit their lowest since 12 January. The premium to Nymex gasoline futures fell to parity against the Nymex June Rbob futures contract, down from 7¢/USG last week. US MTBE prices have trended lower amid increased MTBE production and lower demand from gasoline blenders. We continue to see firm demand for neat MTBE from Mexico, but gasoline imports have fallen in April and May due improved output from Pemex refineries. Lower US gasoline exports to Mexico have reduce the usage of MTBE from the blending sector.

■ **Asia-Pacific:** MTBE prices fell with gasoline and crude futures.

## MARKET SNAPSHOT

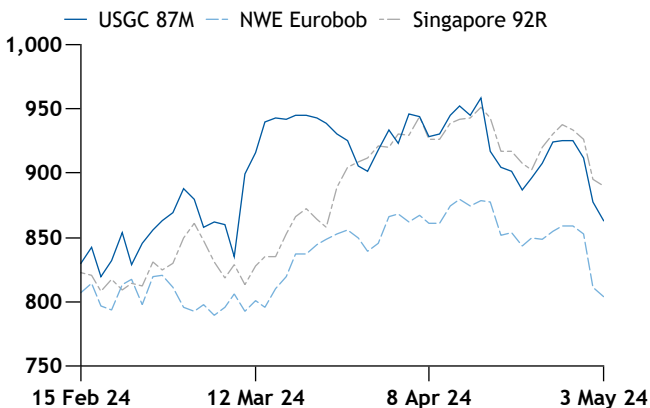
Global prices				\$/t
	Low	High	Average	±
MTBE fob USGC	907.17	993.35	950.26	-55.53
MTBE fob Rotterdam	1,028.25	1,142.25	1,085.25	-45.00
MTBE fob Singapore	916.00	992.00	954.00	-27.50
MTBE ex-tank east China			842.84	-14.82
MTBE ex-tank south China			851.53	-10.77

Global gasoline market		\$/t
	Price	±
<b>Americas</b>		
Gasoline 87 conv USGC	878.34	-15.41
Gasoline 93 conv USGC	995.74	-15.41
Nymex Rbob month	923.04	-75.68
<b>Europe</b>		
Gasoline 91r NWE fob	909.50	-63.00
Eurobob oxy	889.75	-48.25
<b>Asia</b>		
Gasoline 92R Singapore prompt	808.75	-55.67
Gasoline 97R Singapore prompt	834.45	-59.54

Related markets			
	Timing	Price	±
Normal Butane Mont Belvieu spot fob ¢/USG	May 24	81.94	-9.31
Nymex WTI month \$/bl	Jun 24	78.11	-5.74
Ice Brent \$/bl	Jul 24	83.61	-5.70
Naphtha 65 Para NWE fob barge \$/t	prompt	667.50	-34.00
Nymex natural gas \$/mmBtu	Jun 24	2.14	+0.53
Methanol fob USGC contract ¢/USG	May 24	194.00	+3.50
Methanol fob Europe contract quarter €/t	2Q24	490.00	nc

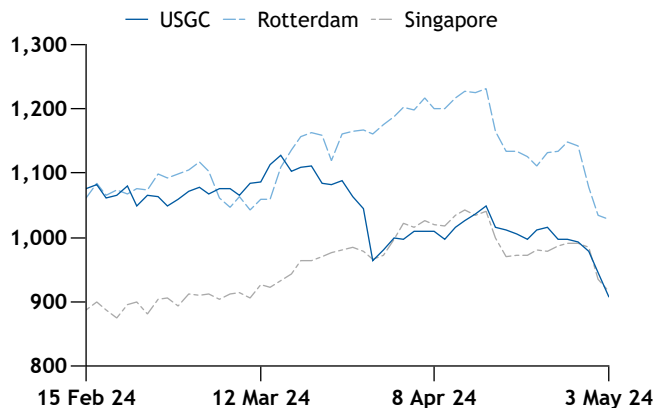
Global gasoline prices

\$/t



MTBE prices

\$/t



## ENERGY AND FEEDSTOCK

US benchmark WTI crude futures were down today as a US jobs data release signaled a gradually weakening employment market and Turkey suspends all trade with Israel. June Nymex WTI fell by 84¢/bl to \$78.11/bl while July Ice Brent fell by 71¢/bl to \$82.96/bl The July Brent-July WTI spread widened to \$5.20/bl.

June WTI is down by 7pc in the last seven days driven by a \$3/bl drop on Wednesday when data showed a rise in US crude stocks and the US Federal Reserve signaled it will likely hold rates higher for longer.

The US added fewer jobs in April as the unemployment rate ticked up and average earnings growth slowed, signs of gradually weakening labor market conditions. A separate survey showed the services sector contracted last month.

The US added 175,000 jobs in April, the Labor Department reported today, fewer than the 238,000 analysts anticipated. That compared with an upwardly revised 315,000 jobs in March and a downward revision of 236,000 jobs in February.

Turkey has suspended all trade with Israel over its military offensive in Gaza and said it will not lift the blanket ban until the Israeli government allows an "uninterrupted and sufficient flow" of aid into the Palestinian territory.

Turkey has imported about 11,000 b/d of refined oil products from Israel this year – mostly diesel and fuel oil – all of which have come from Israel's Haifa refinery, according to trade analytics firm Kpler. Turkey has not exported any refined products to Israel for several years. It does facilitate exports of Caspian crude grade BTC Blend through its Mediterranean port of Ceyhan, although there have been no indications that these will be affected by the trade ban.

Market prices			
	Timing	Price	±
<b>US</b>			
Natural gas Houston Ship Channel Index \$/mmBtu	May 24	1.35	+0.02
Isobutane Mont Belvieu spot fob ¢/USG		135.00	-3.00
Full-range naphtha (USGC) ¢/USG		179.01	-9.89
Light naphtha (USGC) ¢/USG		157.06	+0.19
Methanol USGC fob spot ¢/USG		98.00	-1.50
<b>Europe</b>			
Propane large cargo fob ARA \$/t		489.00	-21.25
Butane large cargo fob ARA-UK \$/t		457.50	-23.00
Methanol Rotterdam fob spot T-2 \$/t		326.50	nc
<b>Asia-Pacific Rim</b>			
Methanol South Korea cfr spot \$/t		357.50	-2.50
Dubai front month \$/bl	Jul 24	83.91	-5.26
Naphtha Singapore fob \$/bl		73.60	-3.20
Butane Argus Far East Index \$/t		589.00	-33.25

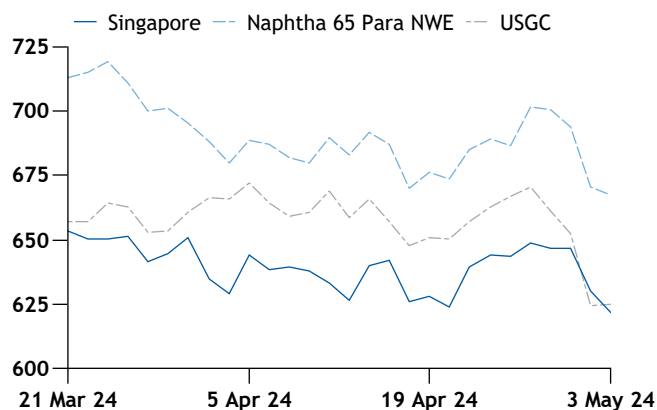
Global spreads			\$/t
	Price		±
MTBE USGC premium to Rbob	-14.98		-13.17
MTBE Rotterdam premium to Eurobob oxy	138.75		-71.50
Europe gasoline premium to Europe naphtha	222.25		-14.25
MTBE Singapore premium to gasoline	108.25		-18.33

In Asia, refiners are contemplating and implementing slight run cuts because of weaker refinery margins, as weakening transport fuel crack spreads weigh on profitability.

Taiwanese private-sector refiner Formosa Petrochemicals said it will adjust its run rates slightly lower than initially scheduled. The refiner has been raising runs at its 540,000 b/d Mailiao refinery after the completion of some maintenance at

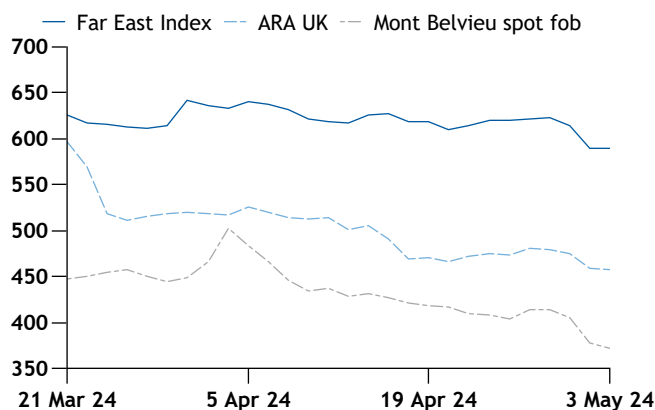
Global naphtha prices

\$/t



Global butane prices

\$/t



## ENERGY AND FEEDSTOCK

the end of April, including a turnaround at a 180,000 b/d crude distillation unit (CDU).

South Korean refiner GS Caltex has cut runs marginally at its 800,000 b/d Yeosu refinery by about 15,000 b/d, according to a source close to the refiner, citing weaker crack spreads.

Fellow South Korean refiner Hyundai Oilbank is also considering a slight run cut of around 10,000 b/d at its 520,000 b/d Daesan refinery this month, said a source close to the refiner.

In the US, Canadian independent refiner Irving Oil is beginning a four-week spring turnaround at its 320,000 b/d Saint John, New Brunswick, refinery, the largest refinery in Canada.

Nymex RBOB fell by 4.14¢/USG to \$2.5551/USG while Nymex ultra-low sulphur diesel rose by 0.03¢/USG to \$2.4434/USG.

US road fuel stocks held relatively steady last week as demand for both gasoline and diesel rose but remained flat or down from prior-year levels. US gasoline inventories in the week ended 26 April rose by 0.2pc from the previous week to 227mn bl, according to Energy Information Administration (EIA) data released today.

US finished gasoline product supplied – a proxy for demand

– increased on the week by 2.3pc to 8.6mn b/d, and was flat from a year earlier. The four-week average of implied gasoline demand and exports was 9.5mn b/d, down by 1.5pc from the prior four-week average and down by 3pc compared to the average a year earlier.

US gasoline imports increased in the week ended 26 April by 25pc to 977,000 b/d and were up by 22pc from year-earlier levels. Gasoline exports increased on the week by 18pc to 920,000 b/d.

US refiners processed about 16.1mn b/d last week, down by 183,000 b/d from the prior week and 261,000 b/d below the same week last year. Average US refinery utilization rates were down by one percentage point on the week at 88pc. Overall utilization rates were down by three percentage point from a year earlier.

As refiners return from spring maintenance and summer driving season begins around the Memorial Day weekend in late May, plant utilization rates are expected to rise to meet increased demand for road fuels. Marathon Petroleum said in earnings earlier this week that it is "well-positioned" to run near full utilization rates through the summer driving season.

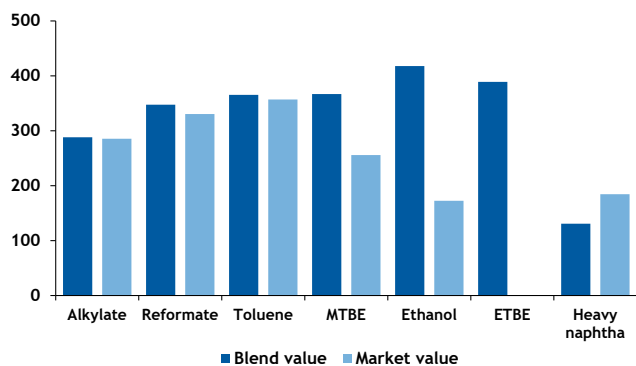
## NORTH AMERICA

US Gulf coast spot prices for gasoline additive MTBE fell sharply this week, sliding on lower gasoline futures and a weaker premium. Argus assessed US Gulf coast MTBE at 255.50¢/USG, down from 280.50¢/USG last week, and representing the lowest assessment since 12 January of this year.

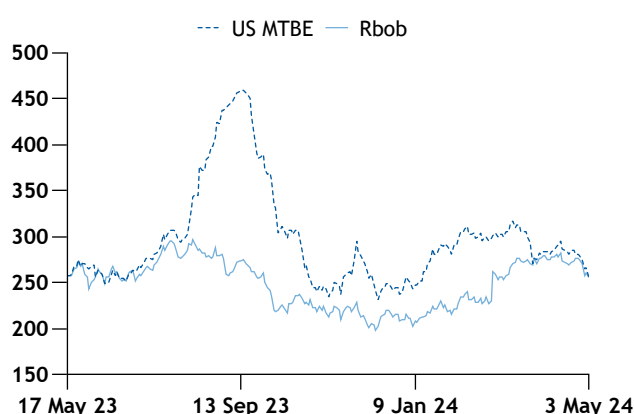
The premium to Nymex gasoline futures fell to parity against the Nymex June Rbob futures contract, down from 7¢/USG last week.

US MTBE prices have trended lower amid increased MTBE production and lower demand from gasoline blenders. We

Octane blending value vs market price ¢/USG



US MTBE vs Rbob ¢/USG



## NORTH AMERICA

continue to see firm demand for neat MTBE from Mexico, but gasoline imports have fallen in April and May due improved output from Pemex refineries. Lower US gasoline exports to Mexico have reduce the usage of MTBE from the blending sector.

We do not expect MTBE demand to find firm support until gasoline exports to Mexico increase. MTBE is much cheaper than competing blendstocks, so once gasoline exports start to improve then we could see interest for MTBE to improve. The US has been shipping MTBE to countries other than Latin America recently, which is helping some of the supply overhang.

MTBE margins base on isobutane dehydrogenation have come under pressure recently as the isobutane to butane spreads jumps this week. Isobutane prices have surged recently amid demand from alkylate producers. The isobutane to butane price differential is currently at 53¢/USG, this time last year it was 1¢/USG.

Reformate spot prices were down 17¢/USG to 338¢/USG on Thursday 2 May (93¢/USG over gasoline). Alkylate prices were mostly down 17 to 287¢/USG (42¢/USG over gasoline). Regrade for conventional gasoline was down 6¢/USG to 32.5¢/USG, and Rbob regrade was down steady at 29¢/USG. The US gasoline versus full range naphtha differential stood at 58¢/USG, down 6¢/USG.

Octane component blend values dipped this week as a result of the lower gasoline regrade differential. While MTBE is cheapest component based on its octane, it is limited by market. The next best component is alkylate which trading at 3.1 ¢/USG per octane. Toluene prices are at parity with reformate prices when comparing to its octane content. Mixed xylenes look favorable in the gasoline pool currently as its gasoline value is above the market price. Ethylbenzene still looks expensive as a gasoline blendstock.

US exports of gasoline additive MTBE were down by 1.5pc in March, according to the latest data from Global Trade Tracker (GTT). The US exported 163,936t of gasoline additive MTBE in March, down from 166,410t in March 2023.

First quarter 2024 MTBE exports from the US to Mexico stood at 325,226, up 12pc from 289,906 t in the first quarter of last year. The US-to-Mexico first-quarter figure represented 77pc of all US MTBE exports from January to March of this year, up slightly from 76pc of the first-quarter exports last year.

North American pricing				
	Low	High	Average	±
MTBE fob USGC \$/t	907.17	993.35	950.26	-55.53
MTBE fob USGC ¢/USG	255.25	279.50	267.38	-15.63

Americas daily ranges				
	\$/t		¢/USG	
	Low	High	Low	High
29 Apr	989.80	993.35	278.50	279.50
30 Apr	977.36	980.91	275.00	276.00
01 May	938.27	940.04	264.00	264.50
02 May	943.60	947.15	265.50	266.50
03 May	907.17	908.95	255.25	255.75

Weekly averages				
	Average			±
MTBE fob USGC \$/t	952.66			-50.65
MTBE fob USGC ¢/USG	268.05			-14.25

Ethylbenzene				¢/USG
	Low	High	±	
ddp USGC	348.00	383.00	-4.000	
USGC premium to Rbob	+92.00	+100.00	+3.500	

Blend value			¢/USG
	Blend value	Market price	
Alkylate	288.19	285.51	
Reformate	347.48	330.51	
Toluene	365.40	357.00	
MTBE	366.88	255.50	
Ethanol	417.86	172.53	
ETBE	389.07	na	
Heavy naphtha	130.81	184.51	

Exports to Chile from the US were down 24pc, with the South American nation taking in a total of 66,575 t from January to March. This was down from 87,676 in the first quarter of last year.

Data reflects shipments of neat MTBE only, not MTBE blended with gasoline.

Mexican state-owned Pemex's crude refining climbed in March to its highest levels in almost eight years ahead of the 2 June presidential election, but the company may face challenges in maintaining high refining runs in the coming months.

Pemex's six domestic refineries processed over 1mn b/d of crude in March for the first time since June 2016, driven by progress in the rehabilitation of its aging refineries and a decline in crude exports to feed the refining system.

## NORTH AMERICA

President Andres Manuel Lopez Obrador seeks to cut fuel imports in his final year in office, in line with his campaign promise to make Mexico more energy independent.

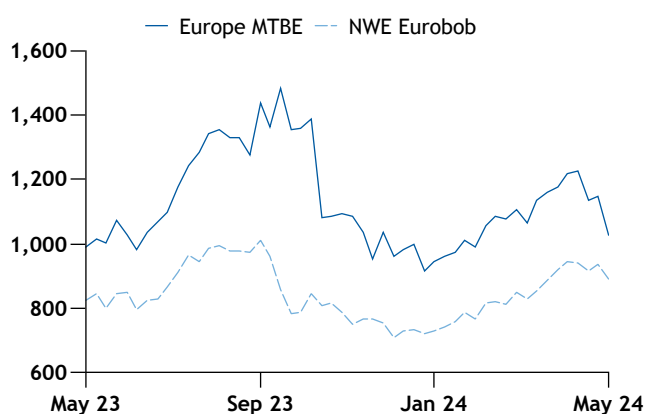
But crude throughputs could fall in April-May after fires broke out at the 285,000 b/d Minatitlan and the Salina Cruz refineries in late April.

Additionally, the 330,000 b/d Salina Cruz and 315,000 b/d Tula refineries – Mexico's largest refineries – continue to struggle with elevated high-sulphur fuel oil (HSFO) production, which limits the refineries capacities to operate at high rates simultaneously.

## EUROPE

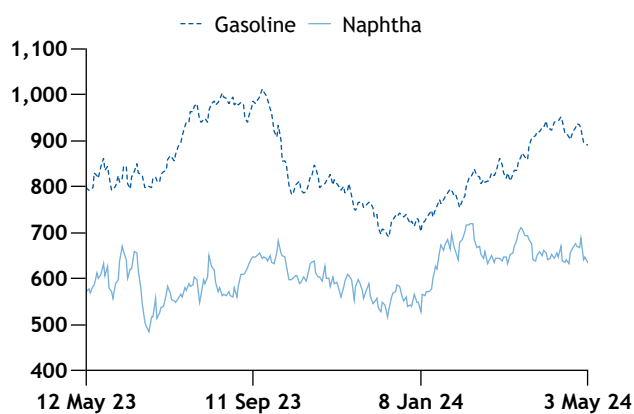
Europe MTBE vs Eurobob

\$/t



Europe gasoline vs full-range naphtha

\$/t



The MTBE factor to gasoline fell in Europe this week.

The MTBE factor fell to be assessed at 1.17 versus gasoline barges on 30 April, slipping below the 1.23 level earlier in the week. Outright flat price MTBE values were also down, slipping to be assessed at \$1,033.75/t on 2 May.

European pricing				
	Low	High	Average	±
MTBE fob Rotterdam \$/t	1,028.25	1,142.25	1,085.25	-45.00
MTBE fob Rotterdam €/USG	289.32	321.40	305.36	-12.66
Alkylate fob NWE \$/t			1,199.00	-24.00
99 Ron Reformate cif NWE \$/t			986.00	-25.25
103 Ron Reformate cif NWE \$/t			1,021.00	-25.25

Europe daily ranges					
	MTBE factor	\$/t		€/USG	
		Low	High	Low	High
29 Apr	1.23	1,141.75	1,142.25	321.26	321.40
30 Apr	1.17	1,077.00	1,077.50	303.04	303.18
01 May	1.17	1,038.50	1,039.00	292.21	292.35
02 May	1.17	1,033.50	1,034.00	290.80	290.94
03 May	1.17	1,028.25	1,028.75	289.32	289.46

Weekly averages			
	Average	±	
MTBE fob Rotterdam			
\$/t	1,064.05	-67.45	
€/USG	299.40	-18.98	
ETBE fob Rotterdam			
\$/t	1,239.05	-66.40	
€/USG	346.75	-18.58	
diff to MTBE \$/t	+175.00	nc	
diff to MTBE €/USG	+48.97	nc	

Blend value		
	Price	±
Europe MTBE	1,209.44	-68.40

Gasoline premiums to naphtha have fallen from the highs of around \$260/t seen in mid-April to just below \$225/t on 2 May.

Gasoline blending component premiums in the ARA hub held broadly steady in the week to 3 May, but traders noted that premiums were coming under pressure because of a narrower gasoline-naphtha spread.

Gasoline demand has remained lacklustre with export eco-

## EUROPE

nomics difficult to work. Domestically, traders in Europe have reported inland demand easing.

Lighter 99 Ron reformat was again discussed a premium of around \$90/t to gasoline swaps, down by around \$5/t from the previous week. Meanwhile, heavier 103 Ron reformat was heard at a premium of around \$125-130/t to gasoline swaps, broadly in line with values from the previous week.

In the alkylate market, participants discussed value at a factor to Eurobob oxy gasoline barges of around 1.32, marginally lower compared with the previous week.

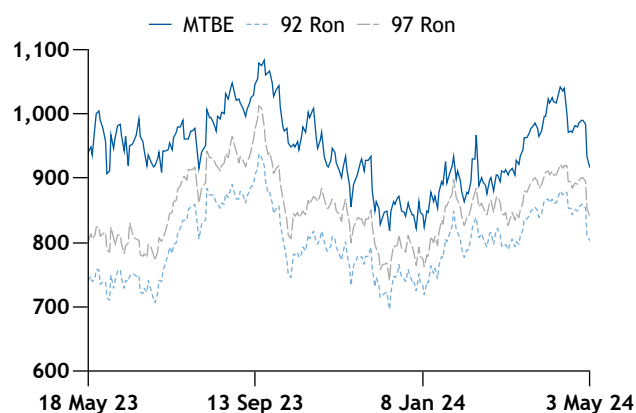
In feedstocks, methanol prices showed little change on the week and were fairly stable. Fundamentals are balanced in the methanol market and spot barge deals for loading dates in May and June were heard within the range of around €300-308.50/t during the week. Isobutylene values in Europe have increased steadily since the start of this year but have generally been stable through April, previously assessed by Argus at €1,125/t on a delivered basis on 26 April.

The European ETBE premium over MTBE barges was assessed at +\$175/t this week.

## ASIA

Asia MTBE vs 92 Ron, 97 Ron gasoline

\$/t



Asia Pacific MTBE prices retreated this week because of losses in gasoline and crude.

Discussions in the fob Singapore market were limited. On Friday, BP offered a 2,000- 3,000t MTBE cargo at \$918/t fob Singapore for 30 May-2 June loading but met no offers. The MTBE factor was consequently adjusted to 1.141 from last week's 1.153. Prices for the fob Singapore settled in between \$916-992/t.

The fob Singapore MTBE prices moved in tandem with the Singapore 92R gasoline market. Gasoline prices were in a consistent decline through the week, and lower still if compared to last week.

Average Singapore gasoline 92R prices fell by \$2.31/bl this week, to settle at \$98.45/bl. Gasoline cracks remained rangebound between \$11.36-12.78/bl against ICE Brent, with an average of \$12.11/bl. This represented a \$0.66/bl narrow-

Asia pricing				
	Low	High	Average	±
MTBE fob Singapore \$/t	916.00	992.00	954.00	-27.50
MTBE fob Singapore €/USG	257.74	279.12	257.74	-7.74
MTBE ex-tank east China \$/t			842.84	-14.82
MTBE ex-tank east China Yn/t			7,275.00	-135.00
MTBE ex-tank south China \$/t			851.53	-10.77
MTBE ex-tank south China Yn/t			7,350.00	-100.00

MTBE fob Singapore daily ranges				
	\$/t		€/USG	
	Low	High	Low	High
29 Apr	990.00	992.00	278.56	279.12
30 Apr	983.00	985.00	276.59	277.15
01 May	na	na	na	na
02 May	934.00	936.00	262.80	263.37
03 May	916.00	918.00	257.74	258.30

Weekly averages				
	Low	High	Average	±
MTBE fob Singapore \$/t			956.75	-25.05
MTBE fob Singapore €/USG			269.20	-7.05
Differential to fob Singapore \$/t	+18.00	+23.00	+20.50	-2.00
Differential to fob Singapore €/USG	+5.06	+6.47	+5.77	-0.56

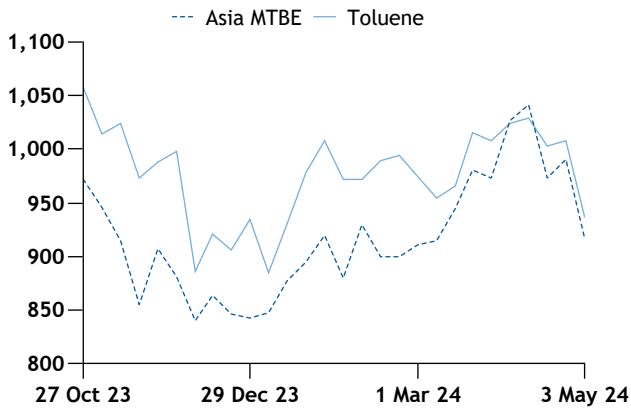
Blend value		\$/t
	Value	±
Gasoline 97R Singapore	834.45	-59.54
Gasoline 92R Singapore	808.75	-55.67
Gasoline 97R Singapore premium to 92R	25.70	-3.87
Asia-Pacific MTBE blend value	936.34	-72.08
Asia-Pacific MTBE blend premium to MTBE	-17.66	-44.58

ing from last week's average. Meanwhile, the 95-92R gasoline spread fell \$0.14/bl from last week's average of \$4.20/bl, settling at \$4.06/bl. Crude futures hovered between \$83.79-

ASIA

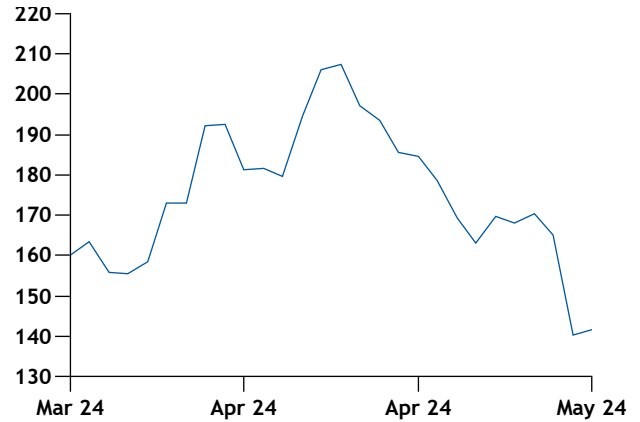
Asia MTBE vs toluene

\$/t



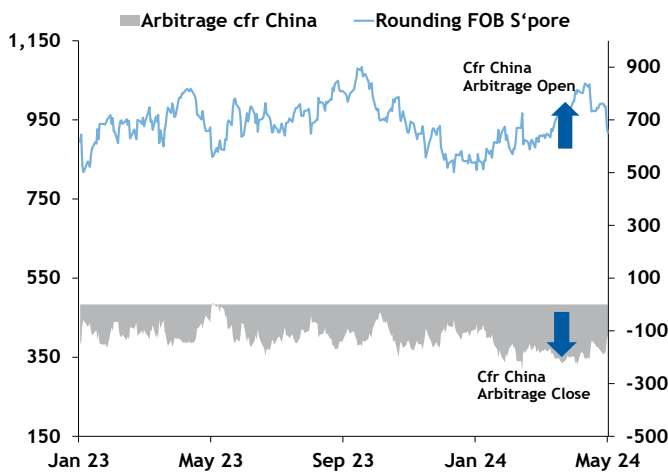
Reforming spread chart

\$/t

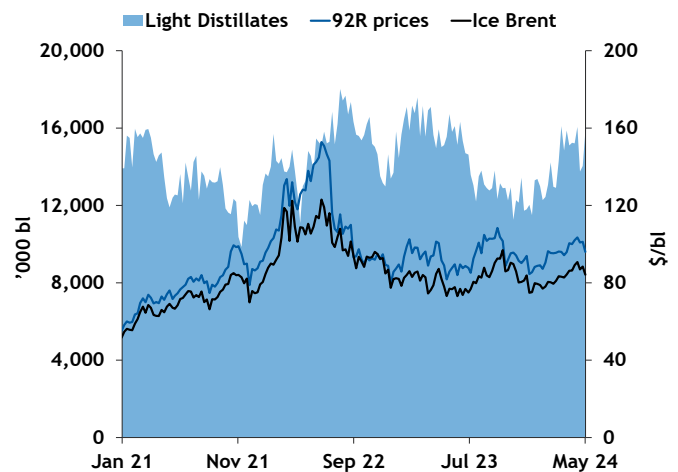


Arbitrage to cfr China

\$/t



Singapore light distillates inventories vs 92R vs Ice Brent



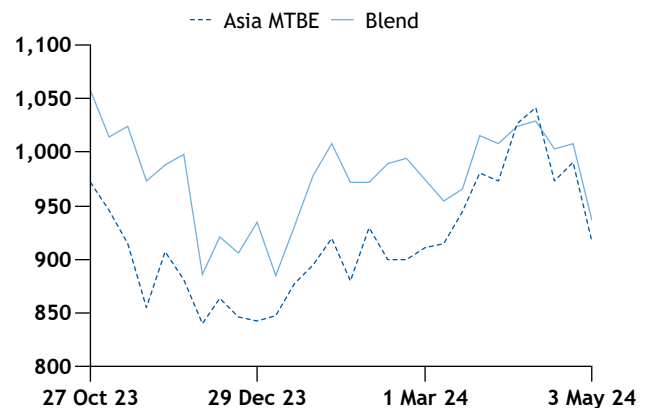
88.87/bl, with an average of \$86.14/bl, down by \$1.32/bl from the previous week's average of \$87.99/bl. The reforming spread narrowed by \$1.87/bl, settling at an average of \$23.16/bl for the week.

Light distillate inventories in Singapore rose to a three-week high as Chinese gasoline imports into the city-state almost trebled week on week to 1.47mn bl. Both naphtha and gasoline exports fell this week as compared to the prior week, aiding the build-up of the light distillate inventories.

The cfr Singapore prices fell this week as many traders were concerned about the falling gasoline prices. Buying ideas ranged from parity to a premium of \$22/t to fob Singapore assessments while offers were quoted at \$18-28/t to fob

Asia MTBE vs blend value

\$/t



ASIA

Singapore assessments. The premiums were assessed to be \$18-\$23/t.

Chinese market was shortened this week because of Labour day holidays during 1-5 May. Chinese prices retreated as supplies continued to exceed local demand. While there were still offers in the fob China market, subdued buying interests weighed down the domestic prices.

Ex-tank prices in east China were at 7,250-7,300 yuan/t for the week, a reduction of Yn120-150/t from last week, or about \$843/t on an import parity basis. Prices in south China were at Yn7,200-7,500/t, falling by Yn100/t from last week, or equivalent to \$851/t on an import parity basis.

Chinese sellers continued to offer their MTBE cargoes for exports. A total of 10,000t of MTBE was understood to have been offered in the mid \$900s/t fob China for first-half June

Announcement

All data change announcements can be viewed online at [www.argusmedia.com/announcements](http://www.argusmedia.com/announcements). Alternatively, to be added to the email distribution list for all announcements, please email: [datahelp@argusmedia.com](mailto:datahelp@argusmedia.com).

loading. This could not be independently verified but it is understood that no deal was concluded. Traders remained cautious about purchasing product this week on account of the falling crude and gasoline prices. Most market players were expecting further downward pressure on MTBE market once Chinese market is back from the Labour Day holidays.



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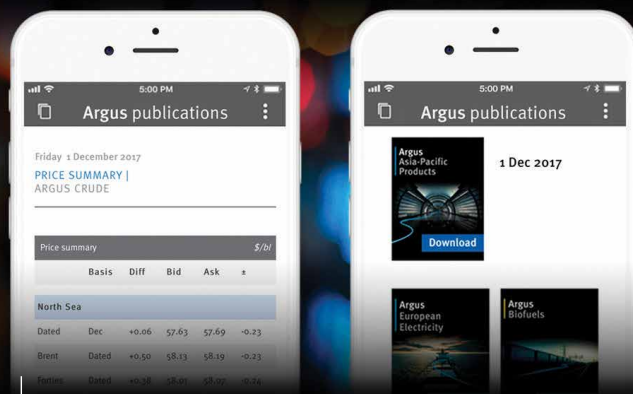
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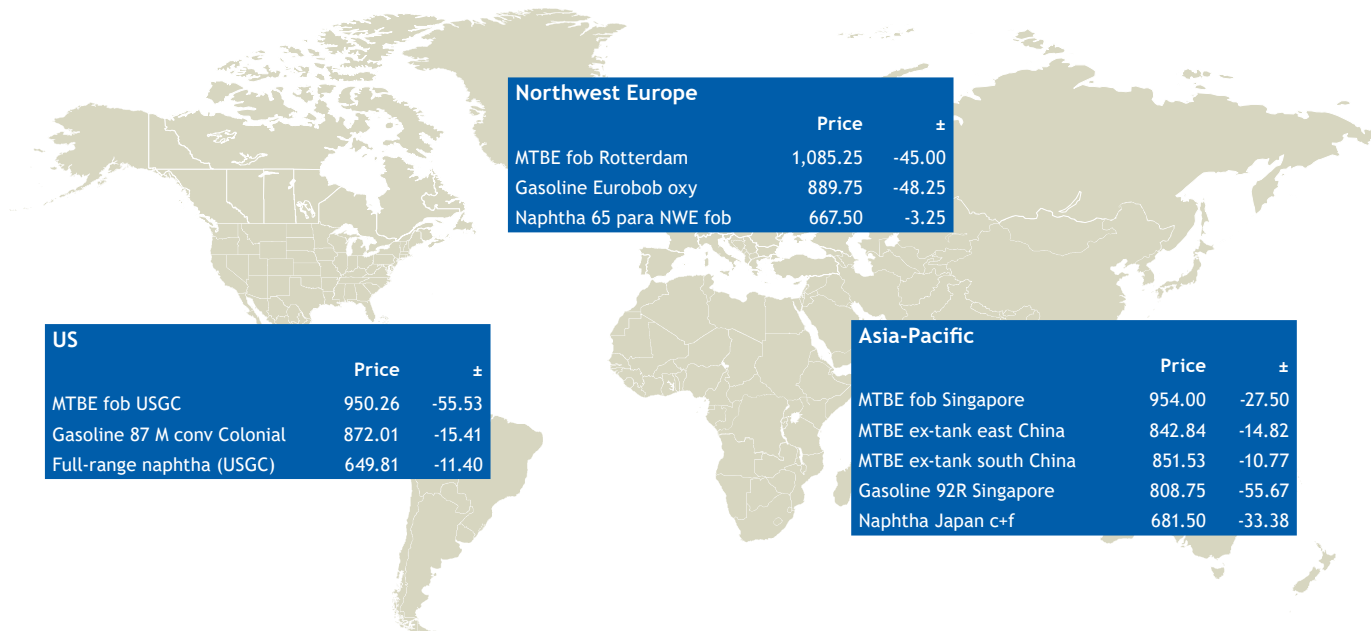
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GLOBAL PRICES

\$/t



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