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Argus Latin Energy Markets

Weekly market news, analysis and prices

Incorporating Argus Latin Markets and Argus Latin America Energy

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US Gulf coast refined product exports to Latin America rebounded by roughly 15pc this week after having fallen off sharply at the beginning of the month.

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Vessel tracking data showed that roughly 178,000t of LPG shipped out of the US to destinations in Latin America and the Caribbean in the week ended 11 April.

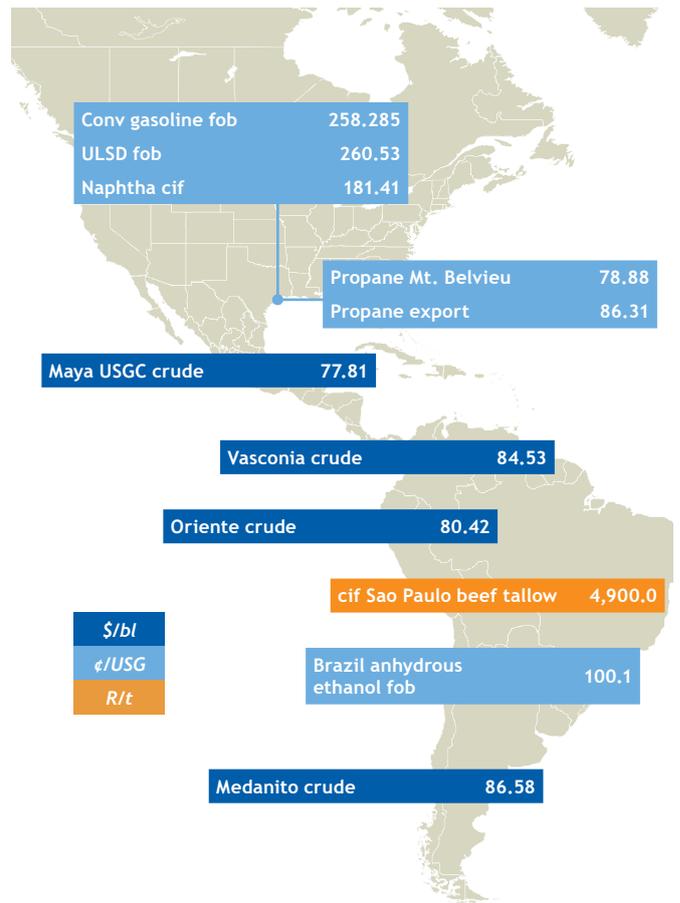
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US ethanol prices posted mild gains in all markets over the week, while corn futures fell.

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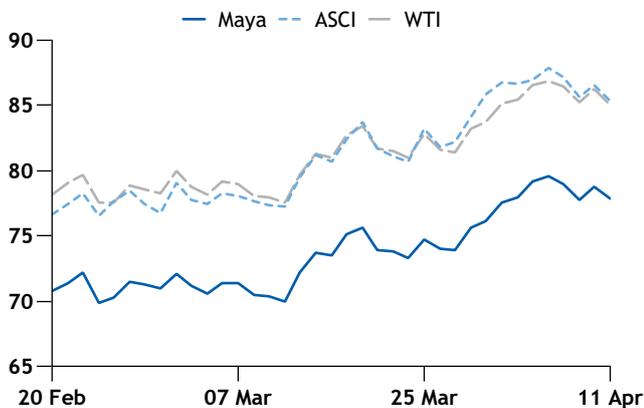
After years of feeling left out of the EU's renewable energy drive, Latin America has an opening to draw more transcontinental investment given its immense potential to become a lead exporter of low-carbon by-products and critical minerals for the transition.

KEY PRICES



Maya USGC vs ASCI and WTI

\$/bl



Benchmarks	\$/bl	
	11 Apr	Change
Americas		
Nymex WTI M1	85.735	+0.270
Nymex WTI M2	85.070	+0.340
Europe		
Ice Brent M1	90.74	+1.32
Ice Brent M2	89.78	+1.29
Middle East		
Dubai	90.180	+0.400

CRUDE

US demand pushes up assessments

Key sweet crude assessments for Argentina and Guyana rose on the back of US demand.

Argentina's light sweet Medanito moved to a \$2.50-2/bl discount against July Ice Brent following a recent sale of a May cargo that is destined to the US west coast. The approaching US summer driving season will typically boost demand for gasoline and diesel, consequently increasing demand for light sweet crudes like Medanito. Another May cargo of Medanito was expected to sell earlier this week.

May-loading heavy sweet Escalante was assessed at a discount of \$4.05-3.05/bl.

US west and US Gulf coast demand is supporting values for May-loading Guyanese medium sweet crudes. Liza rose to a 55¢/bl premium, Unity Gold to a 80¢/bl premium and Payara Gold to a 25¢/bl premium against Dated Brent.

Ecuadorean and Colombian sour crudes, which also have core markets in the US Gulf and west coasts, were assessed higher.

Colombian Vasconia for May loading was assessed at a \$4.30/bl discount, while May-loading Castilla was assessed at a \$7.30/bl discount against July Ice Brent.

May-loading Ecuadorean Oriente and Napo discounts tightened against Nymex WTI to \$3.35/bl and \$8.70/bl, respectively.

Uruguay's national oil company Ancap is restarting operations at its 50,000 b/d La Teja refinery after a long turnaround. The complex is still going through final adjustments and is expected to be refining crude by the end of this month, Ancap said.

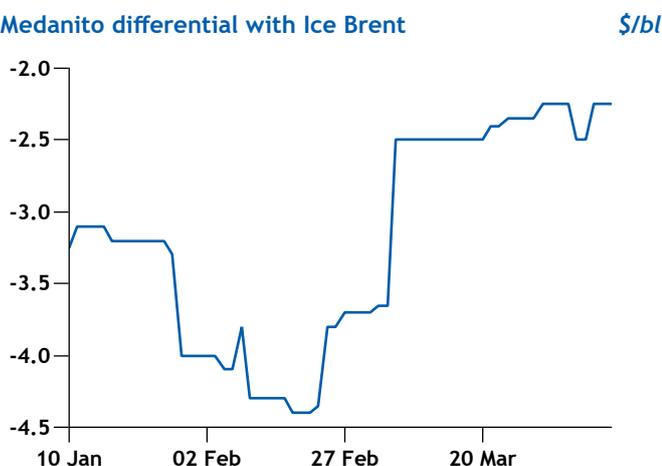
Ancap resumed crude imports in March. The first cargo discharged 135,300t, or roughly 1mn bl, of Bonny Light crude from Nigeria on 24 March, according to oil analytics company

South America		\$/bl		
	Timing/base	1-5 Apr	8-11 Apr	Change
Colombia				
Vasconia	Prompt	83.90-84.30	84.33-84.93	+0.93
	na Ice	-4.62/-4.22	-4.50/-4.13	
Castilla	Prompt	80.70-81.50	81.13-82.13	+0.93
	na Ice	-7.82/-7.02	-7.70/-6.93	
Argentina				
Escalante	Prompt	84.12-85.12	84.78-85.90	+1.01
	na Ice	-4.40/-3.40	-4.05/-3.16	
Medanito	Prompt	85.97-86.47	86.33-87.00	+0.79
	na Ice	-2.55/-2.05	-2.50/-2.06	
Ecuador				
Oriente	Prompt	80.39-80.80	80.22-81.02	+0.54
	na Ice	-8.52/-8.11	-8.61/-8.04	
Napo	Prompt	75.05-75.45	74.87-75.67	+0.54
	na Ice	-13.86/-13.46	-13.96/-13.39	
Guyana				
Liza	Dated North Sea	91.05-91.45	91.77-92.17	+1.01
	Ice	+1.03/+1.43	+2.03/+2.43	
Unity Gold	Dated North Sea	91.30-91.70	92.02-92.42	+1.01
	Ice	+1.28/+1.68	+2.28/+2.68	
Payara Gold	Dated North Sea	90.75-91.15	91.47-91.87	+1.01
	Ice	+0.73/+1.13	+1.73/+2.13	

Crude markets		\$/bl		
	Timing	1-5 Apr	8-11 Apr	Change
US				
WTI Houston	May Nymex	87.31	87.94	+0.63
Mars	May Nymex	86.98	87.02	+0.04
WCS Houston	CMA	80.03	79.52	-0.51
ANS USWC	Nymex	89.92	90.89	+0.97
Delivered China				
Tupi des Shandong	Brent	90.93	92.48	+1.55

Vortexa. The refiner has also imported light sweet Medanito crude from Argentina.

Medanito differential with Ice Brent



Tenders

State-owned Petroecuador issued a fresh spot tender this week offering 720,000 bl of Napo crude for May loading.

The volume can be lifted on 28-29 May and 30-31 May in two 360,000 bl cargoes on either a Panamax or Aframax from the OCP terminal.

Interested participants must submit bids by 24 April on an fob basis against Nymex WTI.

Petroecuador will close a tender next week to sell 4.32mn bl of medium sour Oriente with two loading options in May from the Balao and OCP terminals.

Bids can be placed to haul the volume in 12 cargoes with a capacity of 360,000 bl each on either Panamaxes or Aframaxes from the Balao terminal. Bids can also be placed

CRUDE

to lift the volume in six 360,000 bl cargoes from the Balao terminal and two 1.08mn bl cargoes on Suezmaxes from the OCP terminal. Bids are due by 15 April on an fob basis against Nymex WTI.

In the last pair of tenders for April-loading cargoes, the state-owned company awarded 3.6mn bl of Napo to Unipet at a discount of \$9.09/bl against Nymex WTI. Oriente was awarded to Shell at a \$5.90/bl discount for two 360,000 bl cargoes and at a \$3.78/bl discount for three 1.08mn bl cargoes.

State-owned Petroperu closed a tender to purchase seven cargoes of 360,000 bl each of light, medium or heavy crudes.

The tender listed several Latin American grades that will compete with US and west African. Among the eligible Latin grades were Napo, Oriente, Vasconia, Chaza, Acordionero, Castilla, Medanito, Buzios, Lapa, Tupi, Calypso, Liza, Unity Gold, Payara Gold, Galeota and Sururu.

The delivery windows range from 10 June-31 August with options to unload at the Bayovar, Talara or Conchan ports in Peru. Offers were due by 10 April on a cfr basis against Ice Brent, Dated Brent or Nymex WTI.

India's state-owned IOC closed a tender on 8 April for a 16-25 June arrival cargo to the Vadinar terminal on the west coast of India. The tender listed several eligible Latin American grades including Payara Gold, Unity Gold, Tupi, Atapu, Bijupira, Iracema, Sapinhua and Sururu. Offers were due on an fob or delivered basis relative to Dated Brent.

Mexico				\$/bl		
	Timing	Base	Diff	Price		
Maya						
Excluding USWC	Apr	May Nymex	+0.22	77.81		
USWC	Apr	May Nymex	+0.22	80.91		
Europe	Apr	Jun Dated Brent	-1.33	79.39		
India	Apr	Jun Dated Brent	-1.33	78.59		
Asia-Pacific	Apr	Jun Dubai	-0.01	82.06		
Isthmus						
Excluding USWC	Apr	May Nymex	+0.22	83.61		
USWC	Apr	May Nymex	+0.22	79.26		
Europe	Apr	Jun Dated Brent	-1.33	79.99		
India	Apr	Jun Dated Brent	-1.33	80.89		
Asia-Pacific	Apr	Jun Dubai	-0.01	82.51		
Olmecca						
Excluding USWC	Apr	May Nymex	+0.22	85.91		
USWC	Apr	May Nymex	+0.22	81.96		
Europe	Apr	Jun Dated Brent	-1.33	83.49		
India	Apr	Jun Dated Brent	-1.33	84.59		
Asia-Pacific	Apr	Jun Nymex	-0.01	85.36		
Zapoteco						
Excluding USWC	Apr	May Nymex	+0.22	81.41		
USWC	Apr	May Nymex	+0.22	82.96		
Europe	Apr	Jun Nymex	-1.33	79.59		
India	Apr	Jun Nymex	-1.33	80.54		
Asia-Pacific	Apr	Jun Nymex	-0.01	82.96		
Mexico K-factors				\$/bl		
	Timing	USGC	USWC	Europe	India	Asia
Maya	Apr	-10.00	-6.90	-10.35	-11.15	-8.75
Isthmus	Apr	-4.20	-8.55	-9.75	-8.85	-8.30
Olmecca	Apr	-1.90	-5.85	-6.25	-5.15	-5.45
Zapoteco	Apr	-6.40	-4.85	-10.15	-9.20	-7.85

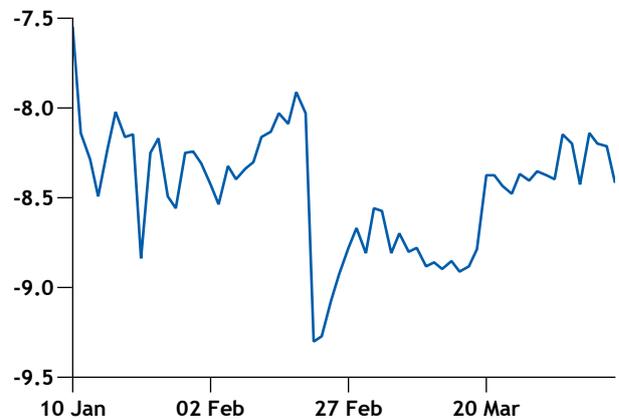
Napo differential with Ice Brent

\$/bl



Oriente differential with Ice Brent

\$/bl



REFINED PRODUCTS

Export levels rebound

US Gulf coast refined product exports to Latin America rebounded by roughly 15pc this week after having fallen off sharply at the beginning of the month.

Gulf coast export loadings of diesel were up by roughly 35pc, from 5-12 April compared with a week earlier, according to data from oil analytics firm Vortexa. An additional 67,000 b/d were reported being loaded onto vessels with destinations in Central and South America.

Gasoline export loadings in the region were up by roughly 6pc over the same period, with an additional 26,000 b/d being loaded for the week, bringing total volumes up to roughly 425,000 b/d.

US motor fuels inventories rose in the week ended 5 April as demand fell and imports rose, the US Energy Information Administration (EIA) reported.

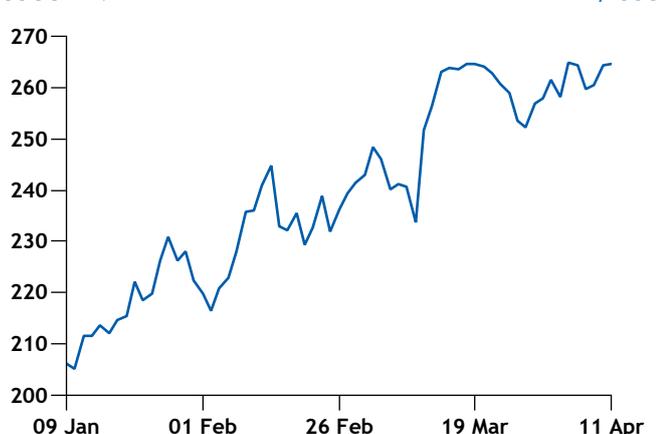
National gasoline stocks rose by 0.3pc to 228.5mn bl, up from the lowest level since late December in the previous week. US Gulf coast stocks drove the nationwide inventory gain, rising by 4.6pc to 84.8mn bl.

US finished gasoline product supplied – an indicator of demand – fell to 8.61mn b/d, a decline of 6.8pc from the previous week when demand was at a five-month high. Compared with a year earlier, demand last week was down by 3.6pc.

Inventories of US diesel rose on the week by 1.4pc to 117.7mn bl, up from 116.1mn bl the previous week, which was the lowest since late December. Stocks were 4.7pc higher than a year earlier.

Diesel demand dropped to 2.99mn b/d, down by 15pc from the prior week and 21pc lower on the year.

USGC 87M

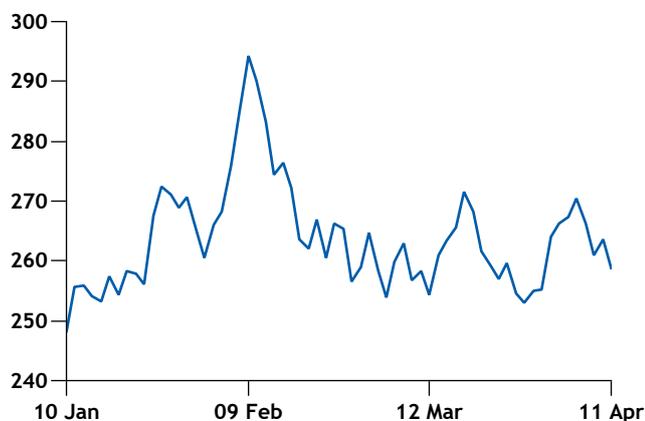


Delivered	Timing/ base	1-5 Apr	8-11 Apr	Change on week
Mexico ¢/USG				
Gasoline 87 conv USGC-east coast		261.111	261.349	+0.238
Jet fuel USGC-east coast		278.645	277.849	-0.796
Diesel ULSD 62 fob USGC-east coast		265.942	265.803	-0.139
Colombia \$/m³				
Diesel ULSD 62 fob USGC-Barranquilla		734.15	732.41	-1.74
Diesel ULSD 62 fob USGC-Cartagena		733.88	732.17	-1.71
Diesel ULSD 62 fob USGC-Pozos		737.02	735.15	-1.87
Gasoline 87 conv USGC-Barranquilla		719.76	718.91	-0.85
Gasoline 87 conv USGC-Cartagena		719.53	718.72	-0.81
Gasoline 87 conv USGC-Pozos		722.16	721.20	-0.96
Jet fuel USGC-Barranquilla		734.49	733.56	-0.93
Peru \$/m³				
Diesel ULSD 62 fob USGC-Callao		752.25	748.41	-3.84
Gasoline 87 conv USGC-Callao		788.14	784.44	-3.70
Jet fuel USGC-Callao		772.01	768.41	-3.60
Argentina \$/t				
Diesel ULSD 62 fob USGC-Buenos Aires		865.31	863.33	-1.98
Gasoline 87 conv USGC-Buenos Aires		1,006.32	1,005.37	-0.95
Uruguay \$/t				
Diesel ULSD 62 fob USGC-Montevideo		858.40	858.32	-0.08
Gasoline 87 conv USGC-Montevideo		999.14	1,000.10	+0.96
Brazil				
Diesel \$/t				
ULSD 62 fob USGC-Itaqui		839.21	838.06	-1.15
ULSD 62 fob USGC-Paranagua		857.91	857.70	-0.21
ULSD 62 fob USGC-Santos		854.62	852.71	-1.91
ULSD 62 fob USGC-Suape		846.03	842.36	-3.67
Jet \$/m³				
USGC-Itaqui		753.65	753.20	-0.45
USGC-Rio de Janeiro		768.91	767.69	-1.22
USGC-Santos		769.86	768.59	-1.27
USGC-Suape		760.17	759.14	-1.03

REFINED PRODUCTS

USGC ULSD

€/USG



Naphtha

Gains in the gasoline complex boosted US Gulf coast naphtha prices despite persistently weak demand for heavy (HVN) and light virgin naphtha (LVN).

Full-range to light naphtha exports continue to Colombia on spot and term basis, but details for these cargoes were confidential. Colombia typically imports about 300,000 bl of 9 RVP naphtha on a spot basis each month.

Latin American bunker demand fizzled. Week-long holidays in the Middle East and Asia-Pacific kept bunker demand from Asian ship owners muted.

Panama remained the cheapest Latin American location for very low-sulphur fuel oil. Tanker Pacific Emerald will deliver on 30 April about 108,300t of residual fuel oil from Anacortes, Washington, to Panama.

One Argentinian supplier was not offering bunkers because their delivery vessel was out of service with a broken bow thruster. The supplier expected to be back in service this week, but could not commit to a date.

Export markets				
	Timing/ base	1-5 Apr	8-11 Apr	Change on week
US				
Motor fuels €/USG				
Gasoline 87 conv Colonial M pipe fob		261.38	262.20	+0.82
Gasoline 87 conv USGC fob		263.13	263.95	+0.82
Gasoline 87 conv USGC waterborne ex-RVO fob		254.58	255.71	+1.13
Gasoline 87 conv Colonial M pipe export cargo USGC fob		263.65	264.23	+0.58
Gasoline 93 conv USGC waterborne fob		300.88	302.70	+1.82
Gasoline export cargo strip		261.90	262.48	+0.58
Diesel ULSD Colonial 62 pipe fob cycle		264.66	265.28	+0.62
Diesel ULSD 62 fob USGC waterborne		266.41	267.03	+0.62
Diesel ULSD 62 fob USGC waterborne ex-RVO		257.87	258.79	+0.92
Diesel ULSD 45 cetane export cargo USGC fob		266.33	266.79	+0.46
Diesel EN 590 export cargo USGC fob		267.46	267.88	+0.42
Diesel S10 export cargo USGC fob		266.96	267.35	+0.39
Jet €/USG				
Colonial 54 pipe fob cycle		269.69	269.88	+0.19
USGC waterborne fob		271.44	271.63	+0.19
54 export cargo USGC fob		268.38	269.02	+0.64
Blending €/USG				
Naphtha full-range USGC waterborne del		184.30	182.49	-1.81
Naphtha 70 min paraffin USGC		166.94	166.77	-0.17
Naphtha USGC 40 N+A		189.90	188.49	-1.41
MTBE fob USGC		281.10	282.88	+1.78
Fuel oil \$/bl				
0.5%S 380cst barge USGC fob		97.15	95.39	-1.76
0.5%S 380cst barge NYH dob		98.00	97.39	-0.61
3.5%S 380cst RMG barge USGC fob		74.63	74.10	-0.53
Bunker \$/t				
0.5%S 380cst Panama ex-wharf		648.60	655.50	+6.90
0.5%S 380cst Buenos Aires dob		720.00	724.50	+4.50
0.5%S Santos Petrobras posted dob		-	-	na
0.5%S 380cst El Callao dob		769.40	787.00	+17.60
0.5%S Guayaquil dob		748.50	770.25	+21.75
0.5%S 180cst Quintero / Valparaiso dob		965.30	977.00	+11.70
3.5%S 380cst Quintero / Valparaiso dob		750.50	750.50	nc
Europe \$/t				
French diesel 10ppm north-west Europe		819.88	812.06	-7.82
MTBE Rotterdam fob		1,201.50	1,204.47	+2.97
Asia-Pacific \$/t				
HSFO 380cst		481.05	488.25	+7.20
380cst bunker Singapore		495.37	501.41	+6.04

LPG

Pemex LPG postings little changed

Vessel tracking data showed that roughly 178,000t of LPG shipped out of the US to destinations in Latin America and the Caribbean in the week ended 11 April.

Two very large gas cargoes (VLGCs) loaded from Houston and Marcus Hook for delivery to the Dominican Republic. Another VLGC loaded from Houston for delivery to Brazil. A 21,000t cargo loaded from Freeport, Texas, for delivery to the east coast of Mexico. Two 6,000t cargoes loaded out of Louisiana for delivery to Jamaica and the Virgin Islands. A 9,000t cargo of ethane loaded from Morgan’s Point, Texas, for delivery to Mexico and a 13,000t cargo of propylene loaded out of Houston for delivery to Mexico.

Pemex’s posted prices to distributors were little changed at a handful of locations for the week of 8-4 April. Posted prices at the Cactus system rose by Ps0.08/kg to Ps11.39922/kg. Prices at Juarez rose by Ps0.009/kg to Ps11.11319/kg. Postings at Pajaritos rose by Ps0.08/kg to Ps11.54971/kg and prices at Topolobampo fell by Ps0.01/kg to Ps14.58594/kg.

US prices for propane and butane at Mont Belvieu, Texas, fell this week alongside declines in delivered prices in Asia. April LST propane fell from 85.8125¢/USG to 80.6875¢/USG between 5-11 April. EPC butane fell from 106.625¢/USG to 95.875¢/USG during the same period.

The US Energy Information Administration (EIA) reported a 105,000 bl draw in US propane inventories in the week ended 5 April, leaving stocks at 51.7mn bl, down by 8pc versus a year earlier. Fractionated stocks rose by 1.5mn bl versus the prior week, accounting for 54.6pc of total inventories.

An early May spot propane cargo sold out of the US Gulf coast at a premium of 7¢/USG to Mont Belvieu this week, with another 18-19 May split load of propane and butane sold at a premium of 6.5¢/USG.

The Dominican Republic’s ministry of industry and Commerce held LPG prices steady at RD\$132.60/USG, (223¢/USG), for the week of 6-12 April.

Petrojam’s posted ex-refinery prices for propane rose by 0.18pc to \$71.7737/l; butane rose by 0.15pc to \$80.2344/l on 11 April.

Chile’s Enap posted import parity prices for LPG held steady at \$611.63/t on 11 April.

LPG/NGL markets				¢/USG
	Timing/ base	1-5 Apr	8-11 Apr	Change on week
US				
Propane non-LST Mt Belvieu (VWA)	Apr	83.35	82.57	-0.78
Propane fob US Gulf coast cargo		90.78	89.94	-0.84
Butane non-LST Mont Belvieu (VWA)	Apr	103.43	101.41	-2.02
Butane fob US Gulf coast cargo		105.66	104.47	-1.19
Natural gasoline Mont Belvieu (VWA)	Apr	163.11	163.30	+0.19
Ethane non-LST Mt Belvieu (VWA)	Apr	19.19	19.35	+0.16
Propane non-LST Mt Belvieu (midpoint)	Apr	83.28	82.48	-0.80
Butane non-LST Mont Belvieu (midpoint)	Apr	103.29	101.42	-1.87
Ethane non-LST Mt Belvieu (midpoint)	Apr	19.16	19.38	+0.22
Natural gasoline non-LST Mt Belvieu (midpoint)	Apr	163.14	163.33	+0.19
Brazil				
Propane Santos del		108.41	108.7	+0.29
Propane-butane mix 90:10 Santos del		109.96	110.23	+0.27
Propane-butane mix 70:30 Santos del		113.17	113.41	+0.24
Propane-butane mix 50:50 Santos del		116.57	116.77	+0.20
Propane Suape del		103.63	103.5	-0.13
Propane-butane mix 90:10 Suape del		105.11	104.96	-0.15
Propane-butane mix 70:30 Suape del		108.2	108	-0.20
Propane-butane mix 50:50 Suape del		111.45	111.21	-0.24
Mexico				
Propane USGC del east coast Mexico		90.79	89.95	-0.84

Dirty tanker routes	Size '000t	Rate \$/t
Caribbean-USGC	70	20.67
Caribbean-Europe	150	18.04
Brazil-China	260	24.96

Clean tanker routes	Size '000t	Rate \$/t
USGC-EC Mexico	38	20.40
USGC-N Brazil	38	49.32
USGC-Chile	38	78.78
USWC-Rosarito	38	21.22

The full range of tanker freight rates, including Jones Act assessments is available in [Argus Tanker Freight](#).

BIOFUELS

US ethanol gains, while RVO slips

US ethanol prices posted mild gains in all markets over the week, while corn futures fell.

Front-month CBOT corn futures fell slightly by 0.21¢/bushel to 432.44¢/bushel.

Chicago Rule 11 railcars rose by 6.46¢/USG to 167.56¢/USG, while prompt in-tank transfers at Kinder Morgan’s Argo terminal near Chicago ticked up 4.5¢/USG to 166.47¢/USG. Values rallied for most of the measuring period, supporting overall gains, before falling by 5-6¢/USG in most markets between 10-11 April.

Front-month barges at New York harbor averaged 175.53¢/USG during the week, up by 3.55¢/USG.

B99 and B100 cash values fell in all markets over the week.

The bean oil-heating oil (BOHO) spread tightened by 7.26¢/USG over the week to 85.12¢/USG, as the spread on 11 April fell to its narrowest level since early March at 79.17¢/USG. Front-month soybean oil weakened by 1.29¢/lb to 47.26¢/lb, while heating oil prices fell mildly over the week to 269.33¢/USG.

The Argus Renewable Volume Obligation (RVO) fell by 0.38¢/USG, as it moved down from 8.55¢/RIN to 8.16¢/RIN.

2024 ethanol D6 RIN credits lost 2.97¢/RIN and averaged 51.28¢/RIN this week. Prior-year credits lost 2.79¢/RIN as

Biofuels	1-5 Apr	8-11 Apr	Change on week
Argentina			
Biodiesel SME fob upriver \$/t	1,066.00	1,066.46	+0.46
Biofuels soybean oil vs CBOT waterborne fob San Lorenzo ¢/lb	-7.01	-6.66	+0.35
Brazil			
Biodiesel Araucaria prompt weighted average BRL/m3	4,472.00	4,472.00	nc
Biofuels beef tallow truck del Sao Paulo 12% ICMS BRL/t	4,900.00	-	na
Ethanol fob anhydrous \$/t	509.70	522.13	+12.43
Ethanol fob anhydrous BRL/m3	2,572.83	2,633.65	+60.82
Ethanol cif anhydrous \$/m3	541.60	550.50	+8.90
Ethanol cif anhydrous BRL/m3	2,733.80	2,776.81	+43.01
Soybean oil fob Paranagua \$/t	942.50	-	na

they fell from 53.35¢/RIN to 50.56¢/RIN.

Values for 2024 biomass-based diesel D4 RINs moved down from 54.775¢/RIN to 51.625¢/RIN. Prior-year D4 credits also lost 3¢/RIN as they were valued at 50.63¢/RIN this week.

Advanced biofuel D5 RIN credits maintained a 0.5¢/RIN discount to concurrent D4 credits over the course of the week.

Current-year cellulosic biofuel D3 credits rose slightly as they moved from 332.2¢/RIN last week to 332.275 this week.

Tight prompt supply and strong demand for hydrous ethanol kicked off a rally by mid-week, with ex-mill prices hitting a nine-month high in Sao Paulo state.

Recent rains in sugarcane-producing regions slowed the pace of crushing in ethanol mills, while demand shows no signs of slowing down. The increase was especially steep for ex-mill volumes in Ribeirao Preto, with prices climbing by R194/m³ to R2,984/m³ inc-tax. Transfers to Paulinia rose by R6/m³ to R3,006/m³.

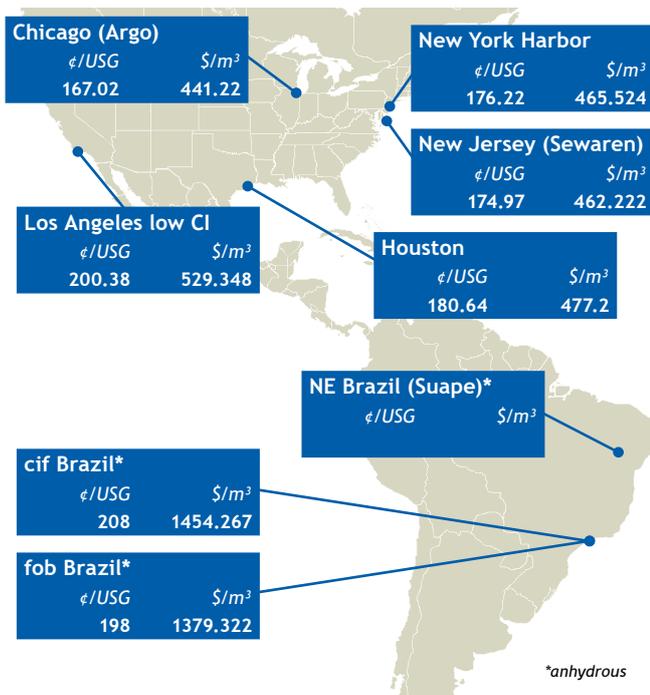
Waterborne markets softened alongside corn futures, sending cif Brazil deliveries \$12/m³ lower to \$532-545/m³. Fob Santos cargoes moved \$2.50/m³ lower to \$455-588/m³.

In Argentina, differentials for soybean oil shipments climbed throughout this week, reflecting an active demand for May deliveries and a slow farmer selling pace.

April physical markets settled at a discount of 5.85¢/lb to CBOT, rallying by 1.1¢/lb between 8-11 April. Around 3,000t of product exchanged hands for May timing at a discount of 5.95¢/lb to CBOT on 11 April.

Future benchmark values dipped 1.88¢/lb to 46,02¢/lb in the same period. The US Department of Agriculture (USDA) reported US soybean inventories above market expectations

Americas ethanol prices



NEWS

Brazil finds more oil in Equatorial Margin

Brazil's state-controlled Petrobras has made another oil discovery in ultra-deep waters of the Potiguar basin in the country's environmentally sensitive Equatorial Margin.

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Brazil's 3R, Enauta advance merger

Brazilian oil independent 3R Petroleum has agreed to move ahead with a merger with Enauta, highlighting ongoing consolidation in the country's oil and natural gas sector.

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Pemex plans to export 35pc of 2030 crude output

Mexico's state-owned Pemex expects to produce a peak of 2.41mn b/d of crude by the end of the next administration in 2030, but export just 35pc of that production as the country doubles down on its policy to reduce refined fuels imports.

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Crude leak preceded Pemex platform fire: Cemda

State-owned Pemex's offshore platform in Mexico's Gulf that caught fire on 6 April had been leaking crude since 22 March, environmental organizations said.

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Colombia to reduce guarantees on E&P contracts

Colombia will reduce the amount of cash guarantees that oil companies have to give the government for their contracts to help support investment in exploration, national hydrocarbons agency (ANH) president Orlando Velandia said.

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Ecuador's OCP oil line hopes to extend concession

Ecuador's 450,000 b/d OCP oil pipeline still hopes the government will extend its concession past July, allowing the private-sector group to continue carrying Colombian as well as Ecuadorian grades, the company said.

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Mexico, Ecuador rupture unlikely to hit trade

Mexico's breaking of diplomatic relations with Ecuador over the weekend for raiding its embassy in Quito to capture fugitive, former vice president Jorge Glas will not hurt limited bilateral trade, but could bolster President Daniel Noboa's domestic political position.

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Russian gasoline drawn to Brazil despite hurdles

Flows of Russian gasoline into Brazil could remain at elevated levels in the short term although limited space for absorbing imported volumes could eventually cap flows, especially with a less pronounced competitive advantage over European gasoline.

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Mexico's oil products-by-rail up 6.7pc in Jan

Oil products moved by rail in Mexico rose in January, despite restrictions on fuel imports imposed in October.

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Mexico lowers all fuel tax deductions

Mexico's finance ministry decreased the deduction from the excise tax (IEPS) for regular gasoline and diesel, mirroring a decline in US retail prices.

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Cammesa launches first fuel tenders since August

Argentina's wholesale energy operator Cammesa launched two tenders to import its first gasoil and fuel oil cargoes in almost a year.

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Brazil hikes LPG usage amid regulatory debate

Brazilian businesses' LPG demand rose by a higher-than-expected 4.2pc in February, amid national discussions to change regulations to increase demand.

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Atvos to produce sugarcane-based biomethane

Brazilian sugar and ethanol producer Atvos will invest R350mn (\$68.9mn) in a biomethane plant in central-western Mato Grosso do Sul state as part of a growing trend in the sector to produce the renewable gas.

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Asia boosts Brazil's March ethanol exports

Brazil's March ethanol exports reached a 15-year high amid wide domestic supply and growing demand from Asian countries.

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ENERGY TRANSITION

LatAm seeks to attract EU's eye on clean energy

After years of feeling left out of the EU's renewable energy drive, Latin America has an opening to draw more transcontinental investment given its immense potential to become a lead exporter of low-carbon by-products and critical minerals for the transition.

China has been historically [the biggest investor in energy infrastructure in Latin America](#), but the Asian country has been shifting its money to the technology and pharmaceutical industries, leaving Latin America looking beyond Beijing for energy partners, according to chief analyst and head of Americas global risk at consulting Veris Maplecroft, Jimena Blanco. Here, the EU could help fill that gap, delegates heard at the Madrid Energy Conference in Spain.

After the beginning of the war in Ukraine, Europe quickly sought natural gas supplies from countries in North Africa to help reduce its dependence in Russian gas, but it did not look at Latin America. The share of Russia's pipeline gas in EU imports fell from 40pc in 2021 to 8pc in 2023 as a result. The US and Norway were the biggest suppliers.

"Latin America has not been a priority for the EU historically," director of institutional relations and regulatory coordination at Repsol, Angel Bautista, said.

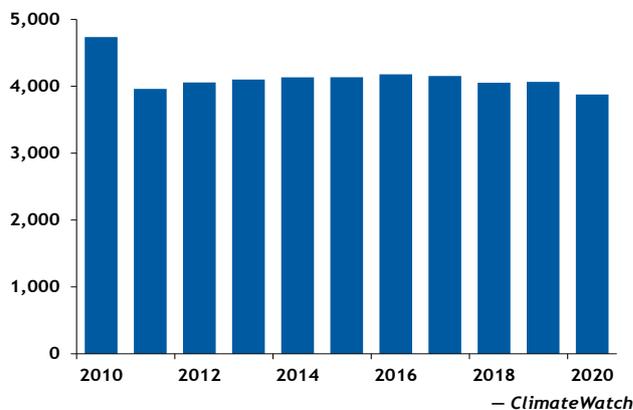
To draw investment interest from European companies, governments in Latin America need to create a regional framework to reinforce environmental, social and governance (ESG) commitments. Coordinating and integrating supply and manufacturing chains would also make the most of the region's export potential.

On the other hand, the EU needs Latin America's resources to diversify its energy mix, further reduce its dependence on Russian gas and accelerate its own energy transition.

There has been some progress in forging that relationship. French president Emmanuel Macron's first visit to Brazil in March not only strengthened ties between the two countries but also advanced their environmental agendas. Last year leaders from Latin America, the Caribbean and the EU committed to several energy transition and climate agreements, including a [€45bn \(\\$50.5bn\) investment](#).

Also last year, the EU signed a memorandum of understanding with Argentina and Uruguay regarding renewable energies, renewable hydrogen, energy efficiency and reduction of methane emissions.

"We want to leverage investment in Latin America that will benefit EU companies," Bautista, said. "But we need clear protocols for financing of projects."

Latin America and the Caribbean GHG emissions *mn t*

A trade agreement between the EU and Mercosur – a limited South American trading bloc including Brazil and Argentina – could offer an opportunity for both regions to reach their transition and boost their economies, delegates heard. The US Inflation Reduction Act (IRA), through its tax credit framework, benefits electric vehicles that have been manufactured in countries that have a trade agreement with the US such as Mexico. But countries like Argentina and Brazil are being left out, which leaves room to create trade agreements with the Europeans, delegates heard.

Clean exports

The EU's carbon adjustment mechanism (CBAM) is a key instrument for Latin America to take advantage given that 60pc of its electricity matrix comes from renewables, double the global average, meaning its products are already lower on emissions.

The CBAM is a tariff on carbon intensive products imported to the EU. It aims to encourage producers from third countries trading with the EU to use technologies that are more efficient and generate fewer emissions. Latin America could add economic value to many products manufactured in the region that already have low-carbon intensity given its less-polluting energy matrix.

But the cost of transporting these products and other alternative fuels from Latin America to Europe remains a challenge, delegates heard.

By Jacqueline Echevarria

ENERGY TRANSITION

Argentina bets on ETS to boost decarbonization

The Argentinian government expects that launching an emissions trading scheme (ETS) will encourage the energy sector to decarbonize and help the country meet its climate commitments under the Paris Agreement.

“We [the government] want to intervene [in the energy markets] the least possible,” deputy secretary for planning and energy transition Mariela Beljanski told *Argus*. “We hope that the introduction of a cap and trade [emissions] system will prompt businesses to switch to less polluting and cleaner fuels,” she said on the sidelines of the Madrid Energy Conference in Spain.

The government of President Javier Milei in December proposed the creation of an ETS in its [first draft](#) of an omnibus bill that was passed in February by congress but then started to reject individual articles. Milei’s government opted to withdraw it.

The new version submitted to congress earlier this week has removed proposals to boost the energy transition, including one related to a cap and trade ETS and another to biofuels mandates, a decision that was welcomed with confusion by the sector.

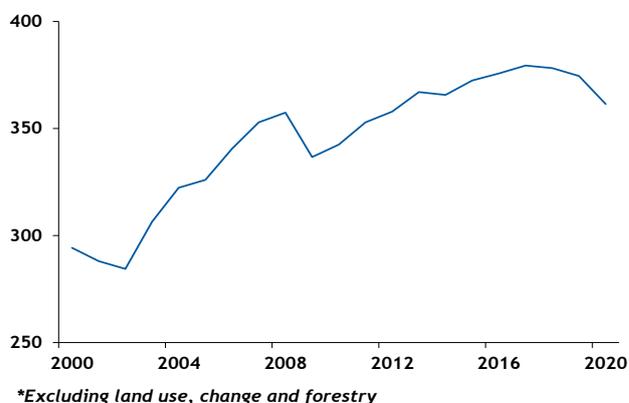
But the removal of those elements from the general bill does not mean the government is giving up, Beljanski clarified, adding that the implementation of an ETS will be done through a decree.

“We hope to start consultations with business and provinces in the next 8-10 months to find a fair and transparent mechanism,” Beljanski said. Although the process is in early stages, the government hopes to have an ETS up and running in two years.

“We will assign emissions allowances to every sector of the economy to comply with 2030 targets and monitor transactions in the ETS to quantify the emissions inventory but we will not intervene in the market,” she added. Argentina in 2021 submitted a revised nationally determined contribution (NDC) to not exceed net GHG emissions of 349mn t of CO₂e in 2030.

“Our intention is to grow our exports of energy fuels and we can do so by guaranteeing that our products are low emissions,” Beljanski explained, adding that the inclusion of the ETS is also a more efficient measure to decarbonize the biofuels industry rather than by establishing blending mandates.

“If [international] markets are looking for bio products, producers will have to invest in ways to reduce their emis-

Argentina’s GHG emissionsmn t CO₂e

sions,” she said.

LNG focus

The new version of the omnibus bill includes many of the same changes regarding oil and natural gas as in the draft proposed in December but the most substantial change in the revamped bill refers to LNG.

The Milei government has become increasingly focused on LNG as a source of investment, including the possibility of inking a final deal with Malaysia’s Petronas to build a \$10bn LNG facility using gas from the unconventional Vaca Muerta play, the second-largest in the world with 308 trillion cf in confirmed reserves, according to the US Energy Information Administration.

Article 199 in the new draft states that within six months of the bill’s approval, the energy secretariat will certify long-term gas reserves to ensure “firm and uninterrupted natural gas supply for LNG export projects.”

LNG facilities, whether on land or floating, will be granted 30-year contracts. The legislation states that once a contract is signed, projects will be allowed to export authorized volumes without “restrictions, reductions or redirection” of supply.

Companies could be authorized to partially or fully cede export volumes.

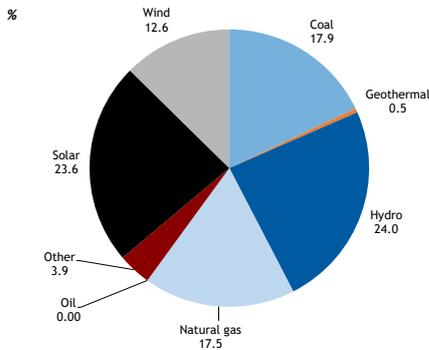
The new draft also maintains the new framework for tax and stability incentives for large-scale investments, which the government hopes will stimulate investment in oil and gas.

By Jacqueline Echevarria

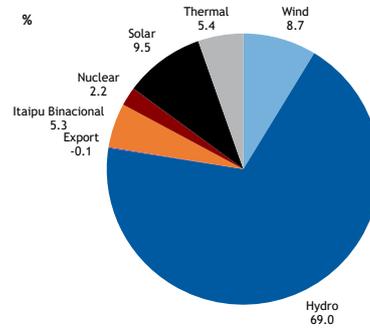
ENERGY TRANSITION

POWER GENERATION MIX

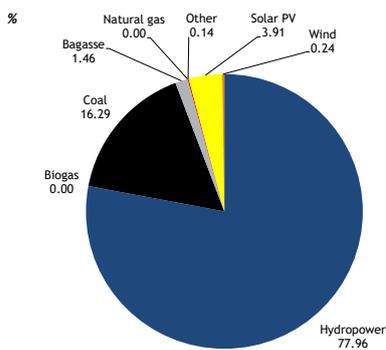
Chile, Mar 24



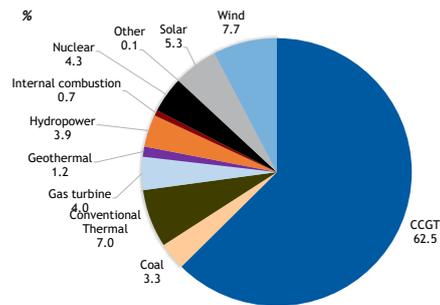
Brazil, Mar 24



Colombia, Feb 24



Mexico, Feb 24



PROJECT WATCH: GREEN HYDROGEN

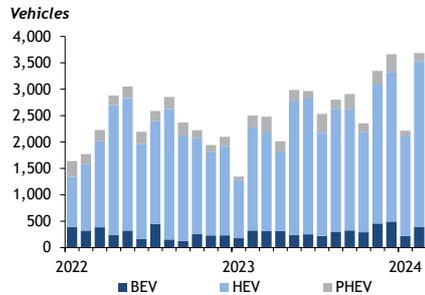
Green hydrogen projects							
Country	Company	Project name	Technology	Capacity MW	Production t/yr	Commissioning date	Status
Argentina	Fortescue Metals Group	Rio Negro phase I	Electrolysis	600	35,000	2024	Feasibility study
Brazil	Qair	Maritimo Dragao	Electrolysis	5	296,000	2024	Feasibility study
Brazil	Unigel	Phase 1	Electrolysis	60	10,000	2024	Construction
Chile	Engie/Walmart	Walmart Quilicura forklifts	PEM	0.60	56	2023	Operational
Chile	HIF	HIF 1	Electrolysis	240		2024	Waiting for approval
Chile	Linde	HyPro Aconcagua	Electrolysis	24		2024	Feasibility study
Chile	Cummins	San Pedro de Atacama	Electrolysis	2		2024	Feasibility study
Chile	Walmart	Gruas Horquilla FC	Electrolysis	0.60		2024	Construction
Colombia	Promigas	Pilot	Electrolysis		1.50	2022	Operational
Mexico	HDF Energy	Los Cabos	Electrolysis	25	2	2025	Waiting for approval
Paraguay	Atome	Yguazu/Itaiou	Alkaline/Pem	300	49,000		Planned
Paraguay	Atome	Villeta	Alkaline	120	19,600		Planned
French Guiana	HDF Energy	Ceog	Electrolysis	16		2024	Construction
Barbados	HDF Energy/Rubis	Renewstable	Electrolysis	16		2024	Approved
Uruguay	Ancap, HIF	Paysandu e-fuel project	Electrolysis	1,000	100,000		Feasibility study

To download Latin America low-carbon hydrogen projects, [click here](#)

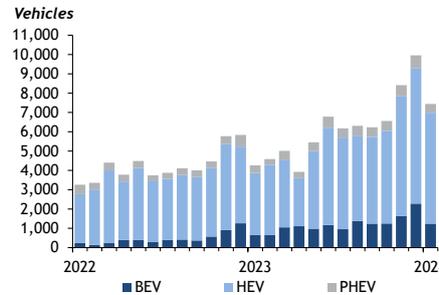
ENERGY TRANSITION

ELECTRIC VEHICLE SALES

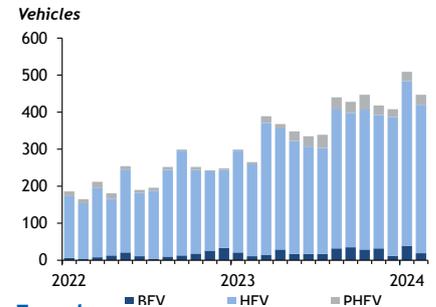
Colombia



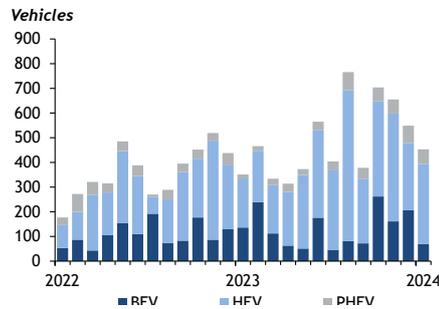
Mexico



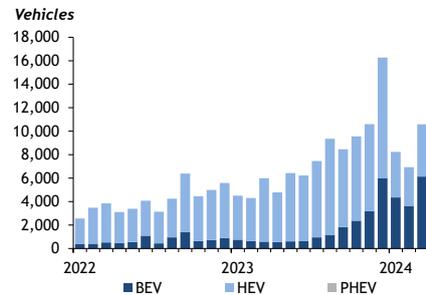
Peru



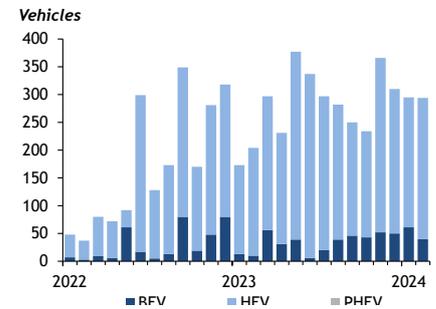
Chile



Brazil



Ecuador



To download Latin America electric vehicle sales, [click here](#)

ENERGY TRANSITION NEWS

Solatio plans green ammonia project in Brazil

Spanish-Brazilian renewables company Solatio plans to develop a large-scale renewable hydrogen and ammonia project in Brazil's northeastern state of Piaui, aiming to achieve 11.4GW of electrolyser capacity.

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Voltalia reserves land for 2GW H2 project in Brazil

The Brazilian subsidiary of French renewables firm Voltalia has signed a deal to reserve land to develop a 2GW renewable hydrogen and ammonia project for exports at the Pecem Industrial complex, in Brazil's northeastern state of Ceara.

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Ecopetrol delays FID for green H2 projects

High costs of developing large-scale renewable hydrogen projects have prevented Colombia's state-controlled oil com-

pany Ecopetrol from making the final investment decision for two projects, the company's chief financial officer, Ana Milena Lopez, said.

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Engie to switch Chile coal plant to energy storage

French utility Engie is investing approximately \$180mn to convert its former Tocopilla coal plant in northern Chile's Antofagasta region into a 116MW standalone battery energy storage system (BESS).

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Jamaica weighs 12 prospects from renewables call

Jamaica's power generation development agency GPE is considering 12 responses to its request for providing 100MW of renewable power for the island's grid, GPE said.

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