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Energy Argus *Petroleum Coke*

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MARKET OVERVIEW

Coke markets quiet on buyer/seller stalemate

Fob US Gulf coast high-sulphur coke remained flat this week with most buyers and sellers holding out for clarity on market direction. But a [tentative ceasefire](#) between the US and Iran late Tuesday and a related drop in coal and other energy markets has made some market participants now expect an easing in prices.

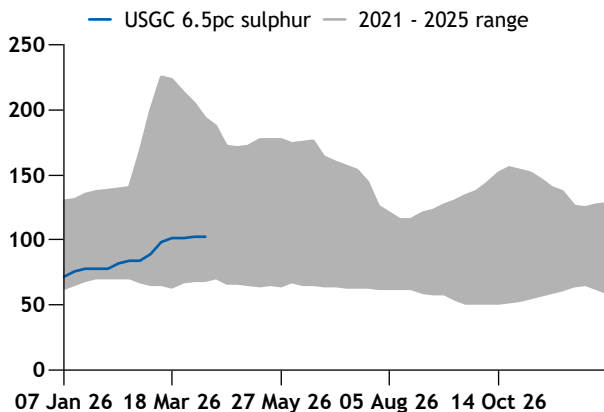
At least one early May-loading cargo of US Gulf 6.5pc sulphur coke was heard to have changed hands in the low-\$100s/t fob during the assessment period. But market activity was largely muted again this week, especially with the Easter holiday and a public holiday in China.

The US and Iran announced a two-week ceasefire on 7 April to negotiate a peace deal after president Donald Trump [had threatened](#) to escalate the conflict if US demands were not met by an 8pm ET deadline. The ceasefire has already led US crude and refined product prices to slide. US talks with Iran are [scheduled to begin](#) on 11 April, although public statements on key terms of the agreement have differed and caused some concern surrounding the fragility of the agreement.

While the US ceasefire conditions demanded the immediate opening of the strait of Hormuz, vessel traffic through the waterway has yet to rise and Iran still retains control over the

fob USGC 6.5pc sulphur

\$/t



Petroleum coke fuel-grade assessments							\$/t
	HGI	Weekly Price	±	Four-week avg	±	Mar month index	±
Atlantic basin							
fob US Gulf coast 4.5% sulphur	40	112.00	+0.50	111.00	+1.12	106.625	+15.75
fob US Gulf coast 6.5% sulphur	40	102.00	0.00	101.50	+0.87	97.500	+15.63
cfr Turkey 5.5% db sulphur	50-60	143.50	0.00	140.13	+2.75	133.250	+14.63
cfr Turkey 6.5% db sulphur	40	137.00	0.00	133.88	+2.38	127.500	+13.38
Sulphur adjustment							
US Gulf coast, per 0.1%		0.50	+0.02	0.48	+0.01		
Pacific basin							
fob US west coast 2.0% db sulphur	45	177.00	0.00	170.88	+3.88	163.500	-8.75
cfr China 2.0% db sulphur	45	221.00	0.00	214.75	+6.37	201.625	+0.13
cfr China 3.0% sulphur	45	236.00	0.00	225.50	+8.50	208.125	-1.38
cfr China 6.5% sulphur	40	157.50	-2.50	156.75	+2.87	147.625	+19.63
cfr China 8.5% sulphur	70	162.50	-2.50	161.75	+2.87	152.625	+21.79
cfr India 6.5% sulphur	40	160.00	0.00	157.13	+3.75	146.875	+22.63
cfr WC India 8.5% sulphur	70	160.00	0.00	157.13	+3.75	146.875	+22.63

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Fuel-grade coke calendar month indexes: Apr							\$/t
	HGI	1 Apr	8 Apr	15 Apr	22 Apr	29 Apr	Avg
fob US Gulf coast							
4.5% sulphur	40	111.50	112.00				
6.5% sulphur	40	102.00	102.00				
cfr Turkey							
5.5% db sulphur	50-60	143.50	143.50				
6.5% db sulphur	40	137.00	137.00				
fob US west coast							
2.0% db sulphur	45	177.00	177.00				
cfr India							
6.5% sulphur	40	160.00	160.00				
8.5% sulphur, WC	70	160.00	160.00				
cfr China							
2.0% db sulphur	45	221.00	221.00				
3.0% sulphur	45	236.00	236.00				
6.5% sulphur	40	160.00	157.50				
8.5% sulphur	70	165.00	162.50				

Calculated coke indexes: Apr							\$/t
	HGI	1 Apr	8 Apr	15 Apr	22 Apr	29 Apr	Avg
Delivered NWE-ARA							
4.5% sulphur	40	136.93	137.01				
6.5% sulphur	40	127.43	127.01				
Delivered Brazil							
4.5% sulphur	40	133.96	134.65				
6.5% sulphur	40	124.46	124.65				
Delivered India							
4.5% sulphur	40	169.30	167.39				
Delivered China							
4.5% sulphur	45	165.26	165.84				

strait. Freight rates out of the US Gulf to most destinations declined on the week but remain elevated compared with levels a year ago.

Turkey

Cfr Turkey mid-sulphur coke held steady this week after a pair of cement makers purchased supply in seaborne coke tenders.

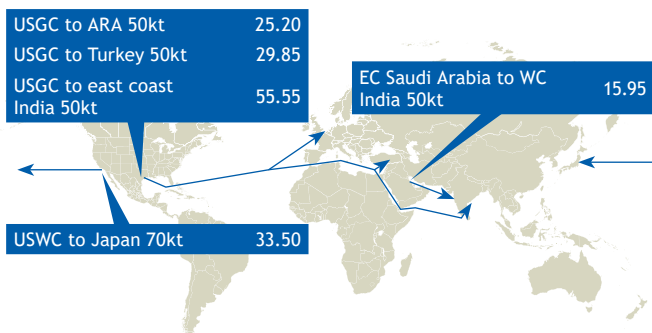
Two Turkish cement firms bought 5.5-5.8pc sulphur coke in the low-\$140s/t cfr. Other indicative offers for 5.5pc sulphur coke were heard slightly higher in the mid-\$140s/t cfr, mainly because of limited spot availability. At least one more buyer is expected to issue a mid-sulphur coke tender in the coming weeks.

But demand remained muted in the high-sulphur coke market, as many buyers still focused on Russian coal procurement.

Petroleum coke calculated fuel-grade prices							\$/t
	HGI	Weekly Price	±	Four-week avg	±	Mar month index	±
Atlantic basin							
del ARA 4.5% sulphur	40	137.01	+0.08	136.73	+0.39	133.108	+17.63
del ARA 6.5% sulphur	40	127.01	-0.42	127.23	+0.14	123.983	+17.51
del Brazil 4.5% sulphur	40	134.65	+0.69	133.64	+0.43	130.900	+15.61
del Brazil 6.5% sulphur	40	124.65	+0.19	124.14	+0.18	121.775	+15.49
Pacific basin							
del China 4.5% sulphur	40	165.84	+0.58	164.72	0.00	161.733	+18.47
del India 4.5% sulphur	40	167.39	-1.91	166.91	+1.27	160.583	+19.94

Prices calculated by adding or subtracting relevant fob petroleum coke price to freight rate.

Freight snapshot (full view in Argus Dry Freight)



The full range of dry freight assessments, including TCE rates, as well market news & analysis and exclusive perks is available in Argus Dry Freight. Please e-mail freightteam@argusmedia.com for more details.

Recent offers of seaborne coal were at \$100-\$110/t cfr Turkey, depending on tonnage and delivery port.

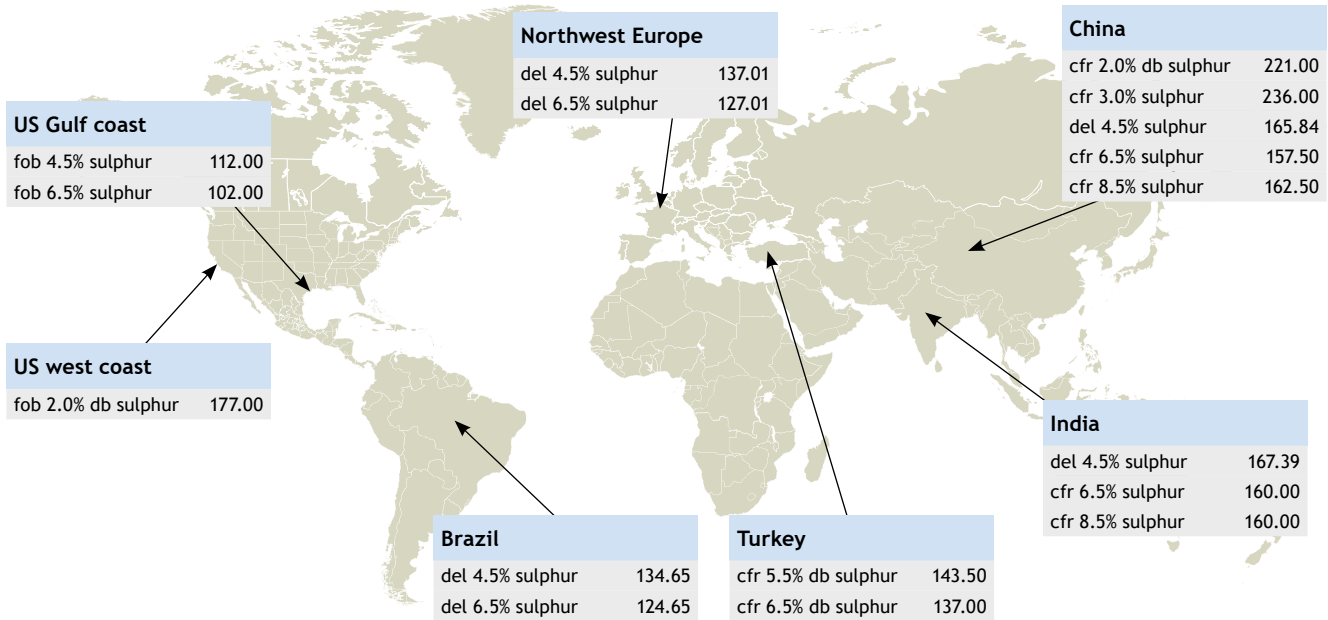
India

Cfr India 6.5pc sulphur coke remained flat on the week after rising for 12 consecutive weeks, as many buyers held out for a decline in seaborne coke prices.

At least one April-loading Supramax of US high-sulphur coke was heard to have changed hands in the low \$160s/t cfr west coast India (WCI), although some participants said this may have been a partial cargo. Other cargoes were heard sold

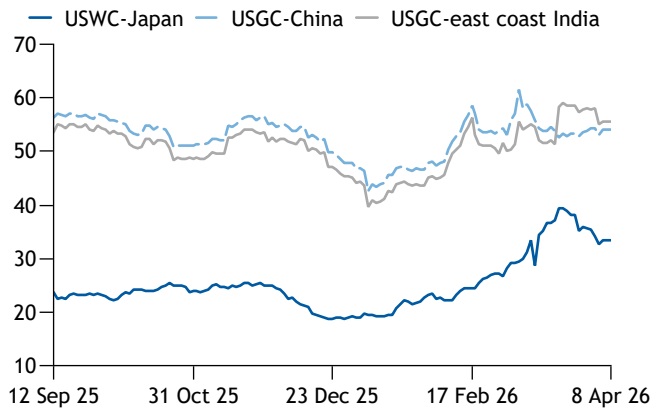
Weekly petroleum coke price snapshot

\$/t



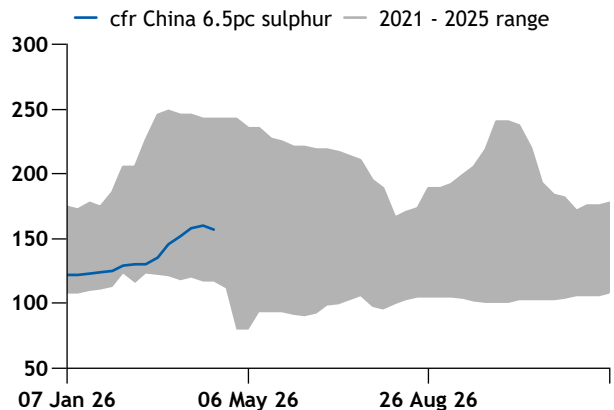
Asia-Pacific coke freight rates

\$/t



cfr China 6.5pc sulphur

\$/t



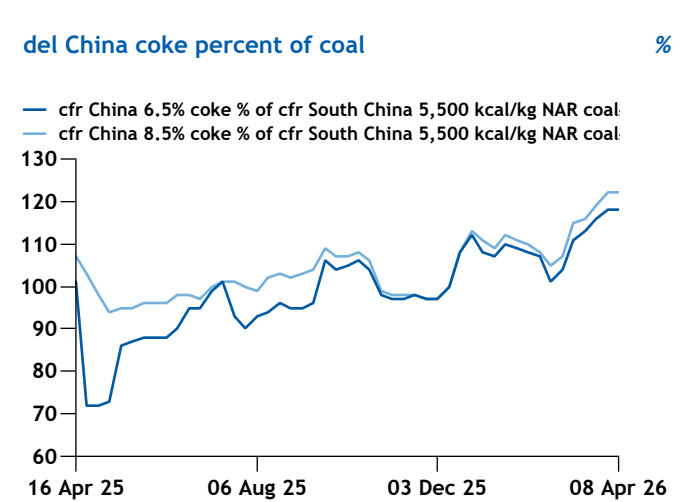
about \$5/t above and below that level, although these could not be immediately confirmed.

Other offers of April-loading US-origin cargoes were heard in the very high \$150s to low-\$160s/t cfr WCI, with some sellers asking for flexibility to load over April or May. April- or May-loading Mexican coke was also offered to the Indian market this week in the high-\$150s/t cfr WCI.

While activity has been limited in the Saudi Arabian coke market since the beginning of March, the 14-day US-Iran cease-

fire could facilitate movement of Saudi high-sulphur supply. Coke has been unable to ship from the 460,000 b/d Aramco/ TotalEnergies Satorp refinery in Jubail for over a month because vessels can only reach this Mideast Gulf coast refinery by traveling through the strait of Hormuz. Still, many shipowners are still **awaiting clarity** on arrangements and insurance cover for transits through the waterway. There was also an Iranian strike on Jubail on 7 April, although the attack seemed to only target a **petrochemical complex** and not the refinery.

Coke-to-coal calorific comparisons						
		Coal	4.5% coke	5.5% db	6.5% coke	8.5% coke
del ARA	\$/mn btu	4.378	4.449	-	4.124	-
	% of coal	-	102	-	94	-
del India	\$/mn btu	4.920	-	-	5.195	5.195
	% of coal	-	-	-	106	106
del China	\$/mn btu	4.319	-	-	5.114	5.276
	% of coal	-	-	-	118	122
del Turkey	\$/mn btu	4.078	-	4.659	4.448	-
	% of coal	-	-	114	109	-
fob USGC	\$/mn btu	2.910	3.637	-	3.312	-
	% of coal	-	125	-	114	-



Meanwhile, many cement makers continued to find a cheaper alternative to seaborne coke in coal. May-loading Panamax cargoes of US Northern Appalachian NAR 6,900 kcal/kg coal were heard offered at \$148-\$150/t cfr WCI during the week, which made several cement producers unwilling to pay above the low-\$150s/t cfr for seaborne coke. Cement makers also considered South African, Australian, Indonesian and Russian coal as a replacement for coke.

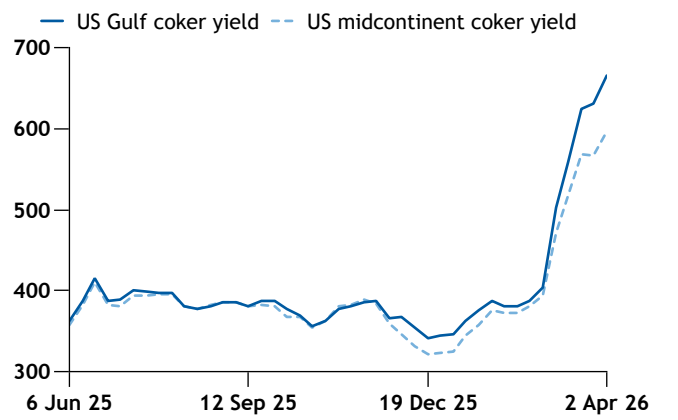
China

Cfr China high-sulphur fuel-grade coke prices fell this week for the first time since early January as lacklustre downstream demand persisted.

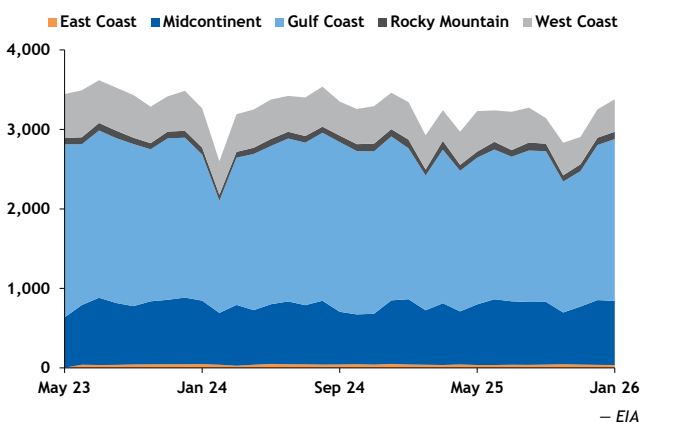
A large amount of buying earlier in the year led to a wave of arrivals over the past two months, resulting in a build-up of port inventories. Although inbound volumes of imported coke declined recently and port inventories have begun to draw down, overall stock levels remain high. As of the week

EIA weekly refined products data					
	03 Apr	27 Mar	± %	Year ago	± %
Refinery usage					
Refinery inputs '000 b/d	16,578	16,592	-0.1	15,912	4.2
Refinery utilisation %	92	92	-0.1	87	6.1
Products supplied '000 b/d					
Total products	20,638	20,921	-1.4	19,481	5.9
Gasoline	8,564	8,686	-1.4	8,425	1.6
Jet	1,677	1,785	-6.1	1,866	-10.1
Distillate fuel	4,060	4,039	0.5	4,006	1.3

US Gulf and midcontinent coker yields \$/st



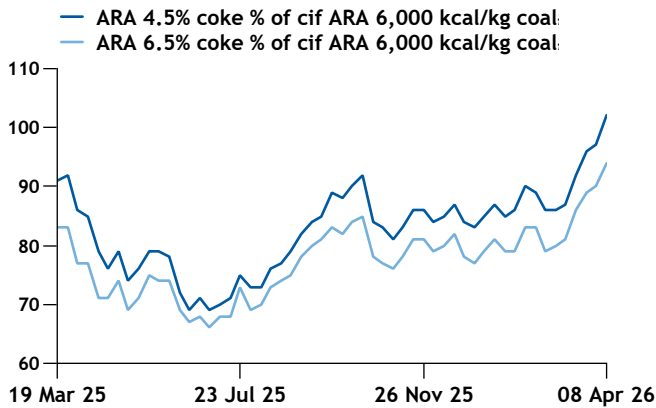
US coke production '000t



ending 2 April 2026, total petroleum coke inventories at major Chinese ports stood at 3.998mn t, down by 138,000 t on the week, a 3.34pc decline.

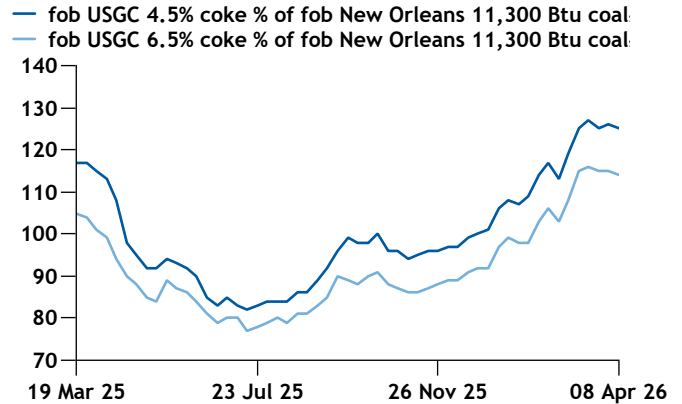
del ARA coke percent of coal

%



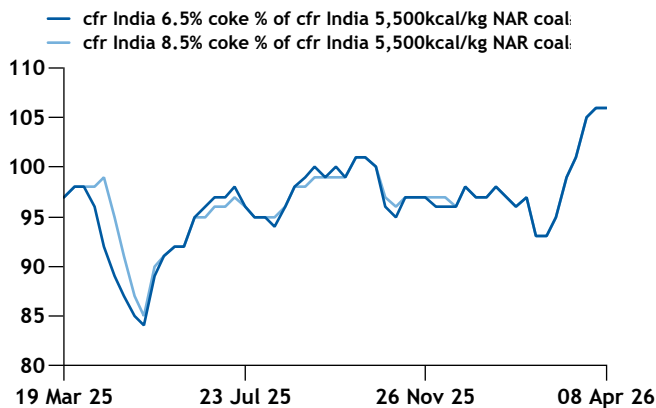
fob USGC coke percent of coal

%



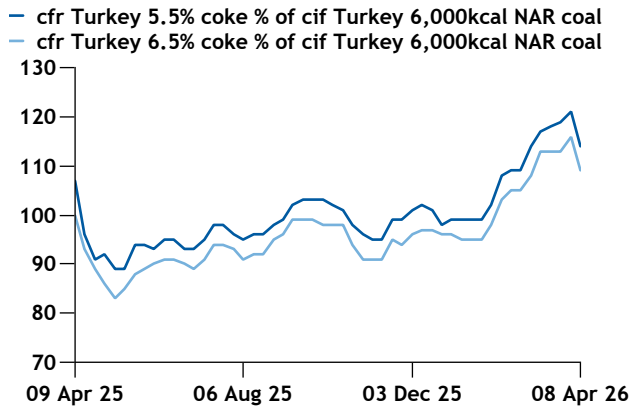
del India coke percent of coal

%



del Turkey coke percent of coal

%



Chinese domestic NAR 5,500 kcal/kg coal prices have halted their upward trend and stabilised at 750-765 yuan/t (\$110-\$112/t) fob, which has further reduced interest in sea-borne coke.

A fuel-grade tender from a US west coast refinery was heard to have been awarded to a Chinese buyer during the week, but the transaction price was not yet confirmed.

In the low-sulphur market, Chinese glassmakers facing limited fuel options have continued to make coke purchases in order to meet minimum operating needs. But these transaction volumes are small and have not provided much support to the market.

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NEWS

COKE

US coke exports drop to 2-year low in Feb

US green petroleum coke exports fell to their lowest level in more than two years in February, as refinery maintenance and permanent closures reduced supply.

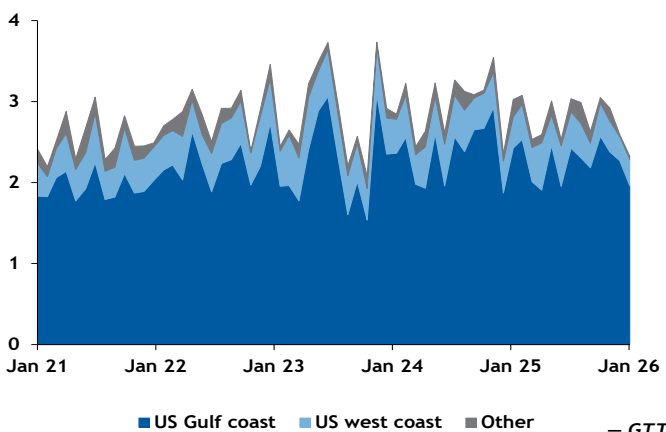
The US exported 2.33mn t in February, the lowest since November 2023, according to US customs data compiled by Global Trade Tracker (GTT). The drop was likely because some refineries had shut down permanently, while others conducted maintenance or shifted to lighter crude slates. US coke production fell to its lowest level in at least 20 years last year, according to US Energy Information Administration data.

Exports from the US Gulf coast, the largest coke production region, were down by 19pc on the year, GTT showed. This was a seven-month low. The year-on-year drop was partly because LyondellBasell closed its 264,000 b/d Houston, Texas, refinery by early March 2025. Coke output from the Gulf was especially low in October and November last year. But by December and January, Gulf production had picked up, likely because of a shift to heavier crudes, which produce more coke.

Exports from the US west coast were down by 15pc on the year in February. Compliance costs in California, the centre of most of the US west coast's coke production, have been rising, pushing refineries to shut. PBF Energy said earlier this year that proposed state emissions rules would "drive in-state refining capacity to zero". Phillips 66 ended crude processing at its 139,000 b/d Los Angeles refinery in the fourth quarter of last year. Valero is in the process of idling its 145,000 b/d Benicia refinery and

US coke exports by region

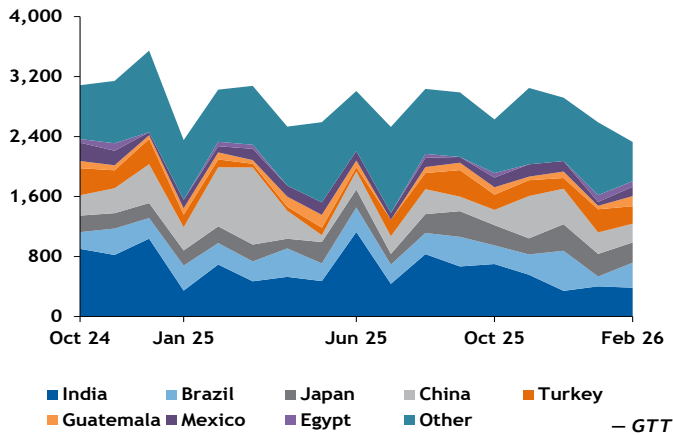
mn t



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US coke exports by destination '000



is evaluating the future of its 85,000 b/d Wilmington, California, refinery. And PBF’s 156,400 b/d Martinez refinery was running at lower rates since early last year because of a fire, although the facility was expected to return to full capacity last month.

Exports to Asia were down by 40pc on the year and 22pc from January, led by major declines to two of the largest seaborne importers, India and China.

Exports to India fell by 45pc from a year earlier to 384,800t, although it was still the largest destination during the month. Indian cement plants, the largest buyers of US coke, have been steadily replacing coke in their kilns as it has become more expensive compared with coal, largely because of tight supply from the US, Saudi Arabia, Venezuela and Mexico.

Exports to China dropped by 68pc on the year to 249,700t, the lowest since October 2025, prior to the trade agreement between the US and China in November last year. Tightening environmental protections in southern China’s coastal regions reduced demand for US Gulf fuel-grade coke, and a large amount of high-sulphur coke arrivals in February also limited interest in February-loading cargoes.

Exports to Turkey more than doubled on the year to 233,100t, although they fell by 25pc from January. Exports to Latin America rose by 21pc on the year and 78pc from January, with year-over-year shipments increasing to Honduras, Brazil, Mexico and Guatemala.

By Lauren Masterson

US coke output hits 13-month high in January

US marketable petroleum coke production hit its highest volume since December 2024 in January, largely boosted by higher US Gulf coast output.

US coke production totalled 3.4mn t in January, up by 1pc on the year and by 4pc from December, according to the latest available data from the US Energy Information Administration (EIA).

US refinery utilisation rates averaged 91pc, up by 4 percentage points from the same month in 2025 but down by 5 percentage points on the month.

The US Gulf coast, the US’ largest coke producing region, was the only area to increase coke output on the year in January. Production totalled 2mn t, up by 7pc from a year earlier and by 4pc from the prior month. Output increased the most in the region’s Texas Gulf coast refining district, rising by 8pc from the previous year and 7pc from December to 1.2mn t.

US Gulf coke production was expected to rise in early 2026 because of higher heavy sour crude supply and falling high-sulphur fuel oil prices, after sinking to a 20-year low in 2025. But output could start to fall again in the coming months because of a fire at Valero’s 380,000 b/d refinery in Port Arthur, Texas, and narrower heavy-light crude spreads spurred by the Middle East war.

US Gulf refinery utilisation averaged 92pc in January, up by 8 percentage points on the year but down by 5 percentage points from December.

US west coast coke output totalled 408,200t during the month, down by 14pc from a year earlier but up by 14pc from December. Phillips 66 had completed the shutdown of its 139,000 b/d Los Angeles, California, refining complex by the beginning of January, which likely contributed to lower production compared with the year before. Marathon’s 365,000 b/d refinery in Wilmington, California, and Chevron’s 285,000 b/d refinery in El Segundo, California, also reported flaring during the month, while PBF Energy’s 156,400 b/d Martinez, California, refinery continued to operate at partial capacity.

US west coast refinery utilisation averaged 88pc in January, down by 3 percentage points on the year and flat to December.

Coke production in the US midcontinent fell by 2pc from

US coke output			'000t
Region	Jan 26	±% Jan 25	±% Dec 25
Atlantic coast	35.8	-15	-7
Midcontinent	806.7	-2	-1
Gulf coast	2,036.3	7	4
Rocky Mountains	92.4	-15	0
West coast	408.2	-14	14
US total	3,379.3	1	4

–EIA

a year earlier, while output on the US east coast and in the Rocky Mountain region both fell by 15pc on the year.

By Hadley Medlock

CEMENT

Heidelberg to shut German cement plant

Cement and construction material company Heidelberg Materials is planning to close its cement plant in Paderborn, Germany, because of a “significant decline in cement sales”, the company said in March.

Germany-based Heidelberg said the closure is part of the “ongoing optimisation of its European production network” and was spurred by weak construction demand in Germany. The company did not provide a timeline for the closure.

The Paderborn plant operated the smallest rotary kiln within Heidelberg Materials Germany. Since 2022, the kiln has served as a trial operation site for Heidelberg’s Ternocem cement, a product that produces significantly less carbon dioxide emissions than Portland cement. But as reduced-clinker cement is now available at many of its plants throughout Germany, the Paderborn plant is less critical to the company’s operations. Further Ternocem development will be moved to another site, the company said.

The Paderborn quarry and local ready-mixed concrete plant will continue to operate.

By Hadley Medlock

EU confirms 1Q26 CBAM certificate price

The European Commission on Tuesday confirmed the Carbon Border Adjustment Mechanism (CBAM) certificate price for the first quarter of 2026 at €75.36/t of CO₂ equivalent (CO₂e).

The price was calculated using a weighted average of the EU emissions trading system (ETS) auction clearing prices over the quarter. The commission will apply the same methodology to calculate certificate prices for all remaining quarters in 2026, but prices will shift to a weekly average auction-based calculation from 2027 onwards.

Some companies have been proxy hedging their CBAM position through EU ETS allowances (EUAs) in the secondary market to cover their exposure against price volatility, because CBAM certificates will not be in circulation until February 2027. Proxy hedging demand for the spot or front-year EUAs was stronger early in the quarter, dropping closer to the end of the quarter when there was more clarity on the level that the quarterly CBAM price would be set at.

CEMENT SPOTLIGHT

Leaked ETS benchmarks mostly expected
India to provide relief for highway projects
Mexico ETS launch faces energy, trade challenges
Policy support could unlock biochar use

CBAM certificates cannot be traded or resold, and so many firms have been considering proxy hedging through the EUA market. The CBAM cost is determined by primary ETS market auction prices, although these interact strongly with the spot EU ETS price. But some companies find proxy hedging through EUAs to be insufficient in itself to minimise exposure, and are looking at other tools to address their position against primary market auction prices, sources have told *Argus*.

The commission will publish CBAM certificate prices for the second quarter on 6 July, for the third quarter on 5 October and for the fourth quarter on 4 January 2027.

By Kiara Campagne Nieva

European emissions prices rise on ceasefire

EU and UK emissions trading system (ETS) allowances strengthened at the opening of the trading session on Wednesday after the announcement of a two-week ceasefire between the US and Iran.

EU ETS front-year prices were at just under €73.70/t of CO₂ equivalent (CO₂e) in the first few minutes of trading on Wednesday, up by nearly €2/t CO₂e from the closing price on Tuesday. The UK ETS December contract followed suit, trading at just over £43/t CO₂e at the start of the session, nearly £1.70/t CO₂e higher than its Tuesday close.

President Donald Trump’s threat to target civilian infrastructure and Iranian power plants on Tuesday had failed to impact EU ETS allowance (EUA) prices meaningfully, likely because EUA markets were influenced more by prices at key European natural gas hubs. But gas markets – along with oil and other commodity prices – reacted sharply to the news of the ceasefire.

European gas prices plunged at market opening on Wednesday, with front-month futures at the Dutch TTF gas hub, Europe’s most liquid market, trading at €42.90/MWh, almost 20pc below the previous day’s close.

Trump said he would hold back from a massive attack on Iranian civilian infrastructure and energy sites by two weeks if

Tehran agreed to allow free transit through the strait of Hormuz, just an hour before an 20:00 ET deadline on Tuesday.

EUA prices have eased back since the market opened, and were trading at around €72.15/t CO₂e shortly after 09:30 GMT.
By *Alexandra Luca*

Biomass could halve coal use in cement by 2030

European lime and cement producers could replace up to 50pc of their coal use with biomass by 2030, driving significant new demand for wood pellets, delegates heard at the International Biomass Conference and Expo last week.

Fuel switching in lime and cement could increase wood pellet demand by 1.5mn-2mn t by 2030, which would be up to 50pc more than current consumption, industrial tech firm Andritz technology manager Maximilian Lehr said at the event in Nashville.

The European lime industry aims for 40pc of its total feedstock to come from biomass, while the continent's cement industry has country-specific goals, but Lehr believes a conservative estimate is for biomass to substitute coal by half by 2030.

"Coal is clearly on the way out in these industries, because we expect limited availability in the future and increasing prices," Lehr said.

Limited pellet availability in Europe may require North American pellet manufacturers to step in to supply the increasing industrial demand, creating new opportunities for decentralised pellet production, Lehr added.

The US has more than 2,500 sawmills and produces over 1mn t/yr of unused saw residues, which represent about \$220mn of untapped potential revenue, according to Lehr. Medium-sized sawmills could benefit from decentralised pellet production as well as supplying wood dust directly rather than pellets, he said.

Industrial users typically contract large feedstock volumes on a long-term basis, which would ensure direct access to capital, Lehr told delegates at the event.

Agricultural residues also have untapped potential as a substitute for coal and higher-priced wood products. The US has more than 120mn t/yr of unused dry agricultural residues – particularly in the midwest – and wood has already become "quite expensive", Lehr said.

High ash, chlorine and potassium content often prevent direct use of agricultural residues, but leaching can reduce ash and mineral content and unlock potential for advanced biofuels, he said.

By *Marta Imarisio*

COAL

Thermal coal offers, futures fall after ceasefire

Thermal coal offers in the physical market fell on Wednesday after the US and Iran agreed a two-week ceasefire, with European API 2 and South African API 4 futures prices following declines in broader energy markets globally.

Thermal coal offer prices into Europe and Asia dipped following the ceasefire announcement, despite the status of one its key features – the timeline for [reopening the strait of Hormuz](#) – still being unclear.

Coal offers in the NAR 6,000 kcal/kg and NAR 5,700 kcal/kg cif Amsterdam-Rotterdam-Antwerp (ARA) market opened the day at \$107/t des AR for 50,000t May-arrival multi-origin cargoes and fell to \$103.50/t des AR by the end of the day.

This was a sharp contraction from offer levels on Tuesday, when cargoes of both specifications were offered at \$111/t des AR.

Russian suppliers were heard offering high-calorific value coal to South Korean buyers at around \$120/t cif, down from \$125/t cif before the ceasefire was announced, according to market sources.

Offers for South African coal fell to \$109/t fob Richards Bay from \$115/t on Tuesday, while unconfirmed offers were heard even lower at \$100-101/t fob for May-June cargoes.

The US-Israel and Iran war has increased reliance on coal in Asian markets, especially in those most vulnerable to LNG disruption caused by the closure of the strait of Hormuz. This has prompted policy shifts in [South Korea](#), [Japan](#) and [Taiwan](#) to increase coal-fired power generation and build up fuel inventories.

Coal prices in Asia could come under further pressure [in line with gas](#), market sources said, although it will depend on how the geopolitical scenario develops. A power utility in Japan was heard to be taking a "wait-and-see" approach, signalling a more cautious stance, according to market participants.

Supply side

Indonesia approved coal producers' output quotas (RKABs) of 580mn t as of Wednesday, with further volumes still to be approved. Market participants have been closely following developments around Indonesian supply, which is seen as key in price dynamics affecting Asian markets.

Indonesia is also prioritising its domestic market for energy security, much like other Asian countries impacted by the Middle East war, which could tighten coal supply for the global seaborne market.

An Australian trading firm was [heard offering](#) a May-arrival NAR 5,500 kcal/kg Capesize cargo at \$104/t cfr south China, netting back to \$86/t fob Newcastle. This was lower than the last assessed price of NAR 5,500 kcal/kg coal of \$87.59/t fob Newcastle on 2 April.

API 2, API 4 futures react

Futures prices for European API 2 and South African API 4 contracts fell sharply on Wednesday, likely taking their cues from the natural gas market.

The front-month API 2 May contract opened at \$110.95/t on Wednesday morning, falling to \$108/t by midday, data from the Ice exchange show. Similarly, the May contract for API 4 futures had fallen to \$103/t by 12:45 GMT from the previous close of \$108.95/t.

The Dutch TTF gas front-month contract on Ice opened much lower on Wednesday at €42.90/MWh, down by 20pc from the previous day's close, and was hovering around €44-45/MWh at the time of writing. Reports of state-owned QatarEnergy beginning work [to resume](#) LNG production at the now 62.5mn t/yr Ras Laffan LNG terminal were also heard to have put prices under pressure.

European coal prices had been expected to weaken in early March because of seasonally lower demand, and following [months of solid gains](#) by the API 2 price. But the onset of the war in the Middle East kept physical and futures prices for thermal coal elevated throughout last month, likely delaying a significant downward correction to April.

Bids in the European delivered coal market have continued to fall in the past two weeks, moving closer to levels last seen in late January, with the downward movement now exacerbated by news of the ceasefire.

But some traders said API 2 prices are unlikely to fall below \$100/t in the near term because reliance on coal has increased globally as a result of pressure on gas supply.

By Shreyashi Sanyal and Dayu Park

Ceasefire to have limited LNG impact for now

The global LNG supply-demand balance is unlikely to be substantially altered by the announcement of a two-week ceasefire between the US and Iran, because of expected continued uncertainty over shipping insurance, security and production facilities.

Just under 1.2mn t of LNG across 15 carriers remains trapped west of the strait of Hormuz, data from vessel tracker Kpler show. One vessel, the 155,000m³ *Gaslog Skagen*, has delivered to Kuwait's 24mn t/yr Al Zour LNG import terminal three times since

COAL SPOTLIGHT

[Asian LNG spot prices slump on ceasefire](#)
[European gas prices plunge after ceasefire](#)
[TTF gas down after ceasefire](#)
[TTF front month drops on ceasefire](#)
[Indonesia raises most HBA coal prices](#)
[Bukit Asam ups coal output, sales in 2025](#)
[Coal India posts first output drop post-Covid-19](#)
[Solar, storage could meet 90pc of India's demand](#)
[China's underground gas storage hits record high](#)
[Coal stocks at China's Qinhuangdao port fall](#)
[South Korea indicates delayed coal exit plan](#)

LNG cargoes stranded in Mideast Gulf		\$/mn Btu
Vessel	Assumed cargo t	Additional transit fee
Rasheeda	117,000	0.33
Al Sahla	95,000	0.40
Al Kharaitiyat	95,000	0.40
Al Ghashamiya	95,000	0.40
Umm Al Amad	92,400	0.41
Mihzem	78,200	0.49
Patris	76,500	0.50
Lebrethah	76,500	0.50
Mraikh	76,500	0.50
Gaslog Skagen*	68,000	0.56
Al Daayen	66,700	0.57
Mubaraz	62,500	0.61
Fuwairit	60,700	0.63
Disha	60,000	0.64
Al Rayyan	45,500	0.84

*likely for Kuwait

– Argus, Kpler

the war in the Middle East began, and is charting a course for Al Zour at present.

It is likely that these stranded cargoes will attempt an east-bound transit through the strait of Hormuz during the ceasefire, traders said, but it is still unclear how transits will be accomplished. Two of these cargoes had [attempted to transit the strait](#) on 6 April, but were turned away, based on vessel-tracking data.

It is unclear how many vessels could transit during this ceasefire period, and which vessels or commodities would be given priority. An average of 11 vessels/day transited the strait in the past five days, way below pre-war levels of around 125 daily transits. There are around 800 vessels carrying crude oil,

refined products, metals and other goods trapped west of the strait of Hormuz. It will be difficult for all these carriers to exit the Mideast Gulf, traders said. Commodities destined for countries deemed “friendly” to Iran may be prioritised – including China, Russia, India, Iraq and Pakistan – market participants said, but nearly all cargo owners and shipowners are still awaiting instructions on how to transit the strait at present.

Transit levels have **not increased** since the announcement of the ceasefire.

Iran’s reported demand for a \$2mn toll fee for vessels transiting the strait will add to costs, with larger LNG carriers able to spread the cost more broadly across a larger cargo. Higher insurance costs from additional war risk premiums (AWRPs), higher calls from protection and indemnity clubs, as well as the potential need for kidnap and ransom cover are likely to prevent ballasting LNG carriers from westbound transits through the strait of Hormuz at present, traders said. It is also unclear which firms would be willing to provide cover for transits through the strait. A ballasting transit into the Mideast Gulf for loading a cargo would be likely to incur the \$2mn fee twice, once on the way in and again on the way out, traders said.

AWRPs for transits through the strait of Hormuz are only offered on a case-by-case basis, market participants said. War hull coverage for LNG carriers could be as high as 5pc of the vessel cost, compared with 0.2pc before the war, traders said.

State-owned QatarEnergy (QE) is reported to have **started mobilising workers** in anticipation of resuming LNG production at the now 64.2mn t/yr Ras Laffan terminal. But it is unclear how quickly this could be achieved, and most market participants have allocated at least several weeks if not several months for production to fully ramp up at Ras Laffan.

With most LNG shipowners unlikely to allow their vessels to transit the strait of Hormuz to load at Ras Laffan, QE could utilise its own fleet to load cargoes, but the company would still need to secure insurance cover.

By Bonnie Lao

ARA coal stocks rebound from multi-year lows

Coal stocks in the Amsterdam-Rotterdam-Antwerp (ARA) hub edged higher in the week to 5 April, up from a 10-year low last week. But low Rhine river levels threaten to slow replenishment at downstream utilities which are looking to rebuild inventories on coal’s continued margin advantage over gas.

ARA stocks rose by 200,000t on the week to 2.53mn t on 5 April, terminal data show, but remained at **historically low levels** as northwest Europe exited its peak winter heating sea-

son. Stocks had previously fallen by 371,000t, with coal burn in Germany supported by favourable margins relative to gas.

Stocks at EMO Rotterdam, Europe’s largest coal terminal, were unchanged on the week at 1.4mn t, while inventories at Vlissingen’s Ovet eased by 20,000t to 150,000t. The decline was largely offset by higher stocks at Amsterdam’s HES, where inventories climbed by 220,000t to 980,000t.

About 160,000t of coal arrived at the ARA transshipment hub in the week beginning 30 March, down from 269,000t a week prior, vessel-tracking data from Kpler show. HES received 44,000t of South African coal on 2 April, while Colombian cargoes of 37,000t and 77,000t discharged at Amsterdam and Rotterdam, respectively, last week.

Imports are expected to improve this week with an influx of Colombian and US coal. HES received a total 124,000t of US coal this week, while two cargoes carrying a total 161,000t of Colombian material are expected to arrive at Rotterdam on 10 and 12 April, according to vessel fixtures data. This will mark the highest imports at the transshipment hub since November.

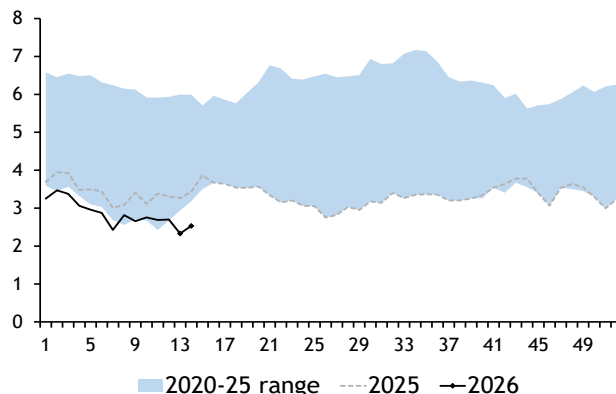
The draw on ARA coal stocks slowed last week as water levels at the Kaub measuring point on the upper Rhine fell below the 180cm threshold for full-capacity barging. Kaub levels on 1 April fell from 142cm to around 130cm on Tuesday, data from monitoring service Elwis show.

Kaub levels are forecast to hover around this level for the rest of this week, which could weigh on deliveries to downstream utilities looking to rebuild depleted stocks, particularly with coal-fired margins still outpacing those of gas across Europe.

Coal burn continues to rise on favourable margins

Hard coal burn in Germany edged higher over 30 March-5 April,

ARA coal stocks mn t



even as lignite-fired generation fell to 6GW, down from 8.4GW a week earlier, alongside weaker solar output.

Average hard coal-fired power generation rose by 300MW on the week to 3.9GW, according to data from European grid operators' association Entso-E.

Germany's month-ahead May base-load clean dark spreads for a 40pc-efficient coal-fired unit were estimated at an average of negative €13.64/MWh over 30 March-5 April. But generation economics for gas-fired plants remained substantially weaker, reflecting the direct impact of the war on LNG supplies from the Mideast Gulf.

May clean spark spreads for 55pc-efficient gas units averaged negative €36.45/MWh, giving coal burn a €22.81/MWh advantage over gas.

Gas-fired generation nonetheless increased, rising by 450MW on the week to 6.45GW. Wind power output was steady at 20.17GW, while solar generation slipped by 1.9GW to 10GW.
By Ashima Sharma

Seaborne volatility boosts Indian coal prices

Premiums at India's domestic coal auctions rose sharply in March with industrial buyers moving to secure supply following a surge in seaborne coal prices and freight rates, led by the US-Iran conflict and pre-summer restocking by power utilities.

State controlled Coal India (CIL) – which meets about three-quarters of India's coal needs – recorded an average premium of 45pc in its March electronic auctions over the notified prices applied to long-term contracted sales, it said last week. This compares with an average premium of 35pc in February. Meanwhile, the overall average premium stood at 38pc for the April 2025-March 2026 financial year.

The rise in premiums reflects the rising cost of imports, prompting buyers to actively seek domestic coal sold through spot electronic auctions, also known as single window mode agnostic e-auctions. These auctions accounted for 14pc of CIL's sales in the previous financial year.

Coal and petroleum coke prices, along with freight rates, have risen sharply following supply-demand imbalances, amplified by geopolitical tensions in the Middle East.

Argus assessed Indonesian GAR 4,200 kcal/kg coal at \$59.51/t fob Kalimantan on 2 April for Supramaxes, up by about 10pc from \$54.31/t on 27 February, just before the tensions escalated. Prices have also risen by 33pc from \$44.91/t at the start of the year.

Newcastle NAR 5,500 kcal/kg coal rose by 1.9pc to \$87.59/t fob on 2 April, compared with late February and is up by 24pc since the beginning of the year.

REFINING SPOTLIGHT

US fuel oil stocks rebound as demand falls
 US LSFO hits new multi-year high on Brent gains
 US road fuel stocks fall as exports rise: EIA
 US jet fuel stocks fall on output, more exports
 US cracks: Margins narrow on crude
 US retail gasoline prices top \$4/USG: EIA
 Colonial gasoline line damaged, closed
 US midcontinent diesel prices hit fresh highs
 US midcon Group 3 jet fuel sets new war record
 California diesel prices surge to new highs
 BP's Olympic pipeline US back in service
 Pemex Tula refinery lifts output to decade high
 Iran says Lavan refinery attacked
 European fuel oil paper drops on ceasefire
 Ceasefire weighs on European oil product prices
 European jet, diesel hit new all-time highs
 Hungary diesel imports up in Jan

South African NAR 5,500 kcal/kg coal was assessed 7.4pc higher at \$96.11/t fob Richards Bay on 2 April compared with that of 27 February, with prices 31pc higher on a year-to-date basis.

Indian utilities typically import Indonesian coal that meets technical parameters of most coastal power plants. Delhi has already asked all thermal power utilities to prepare for a harsher summer. Meanwhile, India has directed private-sector utility Tata Power to restart its 4GW imported coal-fired utility in western Gujarat state.

Sponge iron producers prefer coal from South Africa with a high fixed carbon content, while cement makers prefer petroleum coke, and switch to coal during price surges. Cfr India 6.5pc coke was assessed 24pc higher since the start of the war at \$160/t on 1 April. The prices are also up by 36pc on a year-to-date basis.

Currency volatility has added to landed costs. The Indian rupee averaged at 92.90 rupee to a dollar in March, compared with Rs90.76 in February. It has slipped further to Rs93.46 so far in April, implying additional cost in rupee terms. But coal auctions are priced in rupees, shielding buyers from foreign exchange swings.

Auctions

Among CIL's subsidiaries, Northern Coalfields recorded the highest March auction premium at 80pc, followed by South Eastern Coalfields (SECL) at 70pc and Eastern Coalfields at 48pc.

Individual auction results show a 25-171pc premium growth over the notified price. The highest growth in premium was for a G10 or GAR 3,100-3,400 kcal/kg domestic coal from SECL's Amadand mine, with a deal closing at Rs3,682/t free on rail/road (for) basis, up by 171pc above its notified price. The coalfield also achieved a 45pc premium over the notified price, selling a G6 or GAR 4,200-GAR 4,400 kcal/kg coal at Rs4,014/t on for basis – the domestic market equivalent of fob prices. The prices are still sharply lower than international fob and delivered coal prices.

Single window auctions are dominated by industrial buyers, but some independent power producers also participate for small spot volumes. Utilities rely primarily on long term CIL contracts or linkage auctions.

Sponge iron, cement costs rise

The domestic coal blend in sponge iron production has risen to about 80pc from 30-40pc earlier in key industrial hubs, with some non-integrated units switching entirely to domestic coal to protect margins.

Rising auction premiums have pushed up production costs, raising sponge iron prices in key centres like Raipur by 5-7pc, according to Anil Nachrani, president of the Chhattisgarh Sponge Iron Manufacturers' Association.

Cement producers are also feeling the impact. The cost of NAR 4,000 kcal/kg coal parcel bought in the auction has risen by 11pc to about Rs8,000/t for delivering the cargo to the plant, increasing per unit energy costs from Rs1.60/unit to Rs1.85/unit, a cement company official said. But the prices are still cheaper compared with Rs2.40/unit on the basis of \$150/t cfr price of buying NAR 6,900 kcal/kg Northern Appalachian or NAPP coal.

If this uncertainty in the seaborne market prolongs, the premium will increase further, raising the cost of production and potentially cement prices, another cement company official said.

By Saurabh Chaturvedi and Ajay Modi

Coal to compensate for less gas in India

India is well positioned to meet summer demand with coal-based power generation, which will compensate for reduced gas-based generation resulting from the US-Iran war, the power ministry said in a press release.

India's peak summer demand touched as high as 240-250GW in the past three successive years, government data show, but its strong baseload of thermal coal alongside growing renewables capacity should be sufficient to mitigate any loss of gas generation.

"Despite the Middle East crisis, the system is adequately positioned to meet summer demand with other alternate sources, i.e. coal-based generation, renewables energy and energy storage systems, compensating for reduced gas-based generation," the ministry said.

To help meet its peak demand, India has taken several steps, such as the ordering of Tata Power to [restart its 4GW Mundra coal plant](#).

It is also delaying the maintenance period of several coal plants, which the ministry said will add 10GW of generating capacity to the mix over April-June.

India's domestic coal production and transportation will also see an uptick to help meet demand. State-owned producers including Coal India have been informed to increase rail loadings of domestically-produced coal, which have already increased to 465 rakes per day in the past 10 days, the ministry said.

India's domestic coal production has been surging for several years as it develops its power supply, breaching the [1bn t mark for the second consecutive year](#).

India's thermal generating capacity, of which the majority is thermal coal, saw an additional 9.47GW commissioned during the last financial year ending 31 March, of which 7.82GW is run by either the ministry or state governments, and the remaining 1.3GW by independent power producers.

By Joseph Clarke

US steam coal exports near 5.5-year low in Feb

US thermal coal exports fell to an almost five and a half year low of 2.46mn short tons (st) (2.23mn metric tonnes) in February, government figures show, because of tight supply and limited buyer interest.

Exports during the month fell by 27pc from February 2025 levels, reaching the lowest volume since October 2020, according to preliminary figures released by the US Commerce Department on 2 April.

The year-on-year declines in steam coal exports were broad based. Shipments to most major trading partners and from most export districts were lower in February than they had been a year earlier.

Around late 2025 and early 2026, when deals for spot coal exports in February would be made, US thermal coal producers had already sold much of their expected early 2026 production and were reluctant to make export deals because seaborne coal prices were lower than domestic US prices. At the same time, some major trading partners could get coal from other countries for lower prices than what US suppliers were offering.

Some buyers in Morocco appear to be diversifying coal sources this year, taking more coal from Colombia than they did in the first quarter of 2025 and less coal from the US and South Africa, vessel tracking data from analytics firm Kpler show.

The US exported an estimated 433,147st of thermal coal to Morocco in February, down from 535,814st a year earlier, according to the Commerce Department.

US thermal coal exports to Egypt also dropped, as did shipments to some countries in Asia and Europe.

US steam coal exports to India declined for the first time in three months, falling to 827,419st from 1.32mn st. Cement makers in India [increased coal purchases from mines in their own country](#) in late 2025 and early 2026 and appeared to reduce imports.

Thermal coal exports to Japan also declined, which when combined with the decrease in shipments to India, more than offset gains in exports to South Korea and Pakistan. Overall US thermal coal shipments to Asia decreased for the first time in three months, to 1.47mn st from 1.85mn st.

US steam coal exports to Europe also declined from year-earlier levels after rising in January. Shipments to the continent fell by 84pc on the year prior to an eight-month low of 80,997st.

US thermal coal exports to countries in the Americas mostly increased. Shipments to Canada, Mexico and Brazil rose to 136,909st, 11,381st and 160,912st, respectively, in February from 68,960st, 6,595st and essentially zero a year earlier. That offset a slight decline in exports to Argentina, as well as a drop in shipments to the Dominican Republic.

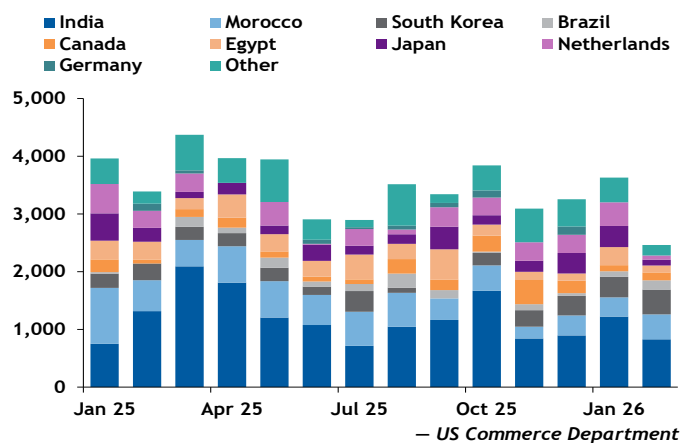
OIL SPOTLIGHT

- [US, Iran OK 2-week ceasefire, terms differ](#)
- [Nymex WTI falls after Trump, Iran announcement](#)
- [WTI, Brent down nearly 16pc on war ceasefire](#)
- [Tanker carrying Iranian crude signals Paradip](#)
- [WTI will average \\$101/bl in 2Q: EIA](#)
- [Light crude premiums at record highs in Cushing](#)
- [Mideast crude premiums retreat on ceasefire](#)
- [Mixed signals put Kharg Island in spotlight](#)
- [Aramco hikes May crude prices to record highs](#)
- [North Sea Dated crude benchmark hits fresh high](#)
- [North Sea Dated crude benchmark at 18-year high](#)
- [Alaska North Slope crude hits record high](#)
- [Trans Mountain accepts all Apr crude nominations](#)
- [India receives Sokol crude](#)
- [Oil price surge yet to boost Russian revenues](#)
- [Urals exports to India surge in March](#)
- [Ukraine hits Novorossiysk](#)
- [Spain Feb crude imports at 8-mth low](#)

The drop in overall US coal exports offset a less than 1pc increase in metallurgical coal shipments, to bring total exports down to 6.49mn st in February from 7.39mn st a year earlier.

By Courtney Schlisserman

US steam coal export destinations '000st



US coal exports from major districts		st	
Export District		Feb 25	Feb 26
Baltimore, Maryland			
Metallurgical		610,403	700,584
Non-metallurgical		1,426,083	1,033,443
Los Angeles, California			
Metallurgical		85,123	2,461
Mobile, Alabama			
Metallurgical		672,146	842,424
Non-metallurgical		44,400	78,099
New Orleans, Louisiana			
Metallurgical		5,908	0
Non-metallurgical		975,593	516,814
Norfolk, Virginia			
Metallurgical		2,709,059	2,487,157
Non-metallurgical		515,106	94,652
Seattle, Washington			
Metallurgical		266,651	518,066

— US Commerce Department

REFINING

Phillips 66 expects \$900mn 1Q hit from price rise

US refiner Phillips 66 said it expects to report \$900mn in pre-tax losses in the first quarter because of soaring commodity prices, according to a notice filed with the US Securities and Exchange Commission (SEC).

The company said it routinely carries net short positions in crude, refined products, natural gas liquids and renewables feedstock-related derivative contracts to hedge against price risk. Short positions gain value when oil prices fall and lose value when they rise.

“As a result of the sharp increase in commodity prices, the company’s first quarter financial results were impacted by approximately \$900mn in pre-tax mark-to-market losses,” Phillips 66 said in the filing on 6 April.

The company had to put up about \$3bn in cash collateral to cover its derivative positions but said it has “ample liquidity and cash generated from operations” to handle ongoing volatility.

Phillips 66 said that the current market value increase in its own physical commodity inventories “... is not reflected in book value.” The company declined to comment or provide more details.

While the \$900mn figure is just preliminary guidance and final first quarter results could differ, the company indicated that its refining, marketing and renewable fuels segments may report sizeable pre-tax losses. The refining segment losses could range from \$200mn-\$400mn, renewables segment losses from \$50mn-\$150mn and marketing and specialties business from \$20mn-\$170mn.

The midstream business is expecting a pre-tax profit of \$550mn-\$600mn and its chemicals business a profit of \$80mn-\$130mn, which consists of its 50pc share of Chevron Phillips Chemical.

Phillips 66 also said it expected to report first quarter refinery turnaround expenses of \$170mn-\$190mn.

US commodity prices have soared since the US and Israel began their war with Iran on 28 February. Front-month WTI NYMEX crude settled at \$112.95/bl Tuesday, up by about 68pc since the \$67.02/bl settle on 27 February before the start of the war.

Phillips 66 is planning to release first quarter earnings on 29 April.

By Eunice Bridges

Ceasefire fails to quell Europe oil product unease

The announcement of a [two-week ceasefire](#) between the US and Iran has done little to relieve extreme uncertainty in European oil product markets, participants said, while traffic disruptions in the strait of Hormuz continue to support prices.

The ceasefire only added to significant geopolitical uncertainty, some traders said. The announcement “paralyses” and “freezes” markets, market participants said, with some saying trading was near “impossible”, even though European product [prices fell in early trading](#) on 8 April. Some traders were caught off-guard by the ceasefire, dissuading them from trading.

The fragility of the ceasefire has dampened trading activity further, market participants said. Sources said Iranian NIORDC’s [55,000 b/d Lavan refinery was reportedly attacked](#) hours after the ceasefire was announced, while the UAE and Kuwait have reported drones in their airspaces.

Naphtha, jet fuel and diesel traders expect the return of strait of Hormuz flow to cause the largest change in prices, but suggested it could take several weeks. Market participants are monitoring the potential resumption of shipments through Hormuz. But the US and Iran’s public statements differ on the status of navigation through the chokepoint and uncertainty regarding vessel transit remains. Shipowners [are still waiting for clarity on security arrangements](#).

The last oil product cargoes bound for Europe to have transited Hormuz before the war are set to arrive this week, Kpler data show. None have passed since February.

“Fundamentally nothing has changed yet”, a distillate trader said, a sentiment shared by several market participants. This uncertainty is preventing oil products values from falling further, market participants said, while there are still significant long positions supporting prices.

“At the end of the day, we have lost a month’s worth of [Mideast Gulf] exports”, another trader said, which will take at least another month to return once cargoes start passing the strait, reflecting typical journey times to Europe.

The war has also significantly weakened energy infrastructure in the Mideast Gulf, which could also take long to repair. Refineries in Saudi Arabia, Kuwait, Bahrain, Oman and Israel were all targeted, as well as pipelines, ports and storage hubs. Participants expect this to weigh on the region’s export capabilities long after shipping resumes.

Market liquidity remains thin as some firms have [tightened risk management policies](#), while ‘market maker’ firms have

lowered trading activity because of price swings and geopolitical uncertainty. But thinner trade has only exacerbated price volatility.

Outright jet fuel and diesel prices fell by up to 20pc in early trading on Wednesday, although they remain well over 50pc higher than before the war broke out on 28 February.

Feedstock traders expect prices for those products to hold firm, shrugging off the impact of the ceasefire until distillate supply returns. This is because Northwest European refiners have ramped up production as a result of the loss of Mideast Gulf distillate supply, supporting [hydrocracking demand](#) for VGO and low-sulphur straight-run (LSSR) fuel oil.

“The market can stay irrational longer than you can stay solvent”, a trader said, echoing economist John Maynard Keynes.

By *Amaar Khan and Leon Wheeler*

US 2026 gasoline, diesel price forecasts rise: EIA

The US Energy Information Administration (EIA) on Tuesday raised its 2026 gasoline price forecast by 11pc and diesel price forecast by 17pc, reflecting higher crude prices because of the Mideast war.

Diesel remains “particularly elevated” because of tight global supplies and US inventories below the five-year average, according to the EIA’s monthly *Short Term Energy Outlook* (STEO). The outlook assumes the war does not persist past April and that traffic through the strait of Hormuz gradually resumes.

US retail gasoline prices will average \$3.70/USG in 2026, up from \$3.34/USG from the previous 2026 forecast, the agency said.

Gasoline prices should peak at an average of \$4.30/USG this month and average \$4.16/USG in the second quarter, the EIA said. Gasoline prices will then drop gradually in the second half of the year to average about \$3.50/USG in the fourth quarter.

Diesel prices should average \$4.80/USG this year, up by 17pc from \$4.12/USG in the previous forecast.

Diesel prices will peak at more than \$5.80/USG in April before falling gradually through the rest of the year to an average of about \$4.60/USG in the fourth quarter, the EIA said.

For 2027, the EIA forecasts that gasoline should average \$3.46/USG and diesel should average \$4.11/USG, both increasing by 9pc, from the previous forecast.

US retail gasoline prices averaged \$4.120/USG in the the week ended 6 April, [the EIA said in an earlier report](#), up

FREIGHT SPOTLIGHT

[LPG, bulk drive rise in Hormuz traffic](#)
[First non-Iranian VLCC exiting Hormuz](#)
[Singapore rules out talks for Hormuz passage](#)
[US to reopen 2 Minn. locks on 19 April](#)
[UAE’s Fujairah March bunker sales hit record low](#)
[Suez Canal cancels large containerships rebate](#)

by 87.7¢/USG from a year earlier and at their highest point since topping \$4.192/USG on 8 August 2022. Retail diesel was \$5.643/USG, an average not seen since 4 July 2022, when prices were \$5.675/USG. Diesel prices are up by \$2/USG from a year earlier.

The war in the Middle East starting on 28 February brought traffic through the strait of Hormuz to a near halt, trapping cargoes loaded from ports inside the Mideast Gulf and cutting off some of the world’s biggest oil producers from their main export route. Traffic has picked up modestly in recent days.

The supply disruption as well as attacks on energy infrastructure in the region sent US benchmark WTI prices surging. The front-month May WTI Nymex crude futures contract was trading near \$114.70/bl at 12:30pm ET Tuesday, up by 71pc since the \$67.02/bl settle on 27 February before the start of the war.

The EIA also predicted Tuesday that [WTI will average more than \\$100/bl in the second quarter](#).

By *Eunice Bridges*

EIA hikes US jet fuel price outlook by 30pc

The US Energy Information Administration (EIA) raised its outlook for US jet fuel prices for the third consecutive month as tensions continue to brew between the US and Israel with Iran.

US jet fuel prices for customers are now projected to average \$3.39/USG in 2026 and \$2.59/USG in 2027, according to the EIA’s latest *Short-Term Energy Outlook* (STEO). The forecast for this year reflects a 72¢/USG, or nearly 30pc, upward hike compared with last month’s forecast of \$2.67/USG. The 2027 projection reflects a 31¢/USG, or 13.6pc, upward revision from the prior STEO.

The higher price forecasts are largely driven by ongoing US and Israeli military conflict with Iran, which began 28 February. War-time security concerns have effectively closed the

strait of Hormuz, through which nearly 25pc of global jet fuel exports transit. The EIA outlook assumes the war does not persist past April and that traffic through the strait of Hormuz gradually resumes.

The US and Israel carried out a new round of strikes on Iran's energy-centric Kharg Island on Tuesday, Iranian state media reported, and President Donald Trump set a deadline of 8pm ET Tuesday before he targets Iranian energy infrastructure, unless Tehran agrees to allow safe passage through the strait.

The *Argus* US jet fuel index has averaged \$2.97/USG so far in 2026, up by 74¢/USG, or 33pc, compared with the same period last year. The index – an average of spot prices across the US – sits at roughly \$4.70/bl, having firmed by \$2.20/USG since the conflict started with Iran.

The EIA expects US jet fuel prices to average \$4.22/USG during the second quarter, compared with just \$2.74/USG during the first quarter.

In addition to the ongoing conflict, some Asia-Pacific refiners are cutting run rates on concerns over feedstock shortages, and several countries are halting products exports to secure domestic supply.

The outlook for net jet fuel imports was revised lower by 30,000 b/d to -130,000 b/d in 2026 on expectations US refiners will produce 1.85mn b/d this year – an upward revision of just 20,000 b/d from last month's forecast.

The EIA meanwhile lowered its prediction for US consumption of jet fuel to 1.72mn b/d in 2026 and 1.74mn b/d in 2027, compared with 1.74mn b/d and 1.75mn b/d, respectively, in the prior STEO.

US jet fuel stocks are projected to end 2026 at 43.4mn bl, up from last month's forecast of 42.1mn bl.

By Amanda Hilow

STEEL AND STEEL FEEDSTOCKS

Ceasefire, slow demand cloud India steel outlook

A two-week US-Iran ceasefire and slower domestic demand in April are casting doubt over the duration of an Indian steel price rally.

Domestic hot-rolled coil (HRC) prices, which touched a three-year high last week, have encountered resistance above that level in recent days. Demand has softened in April as buyers are unwilling to restock at elevated prices and were only purchasing for immediate requirements.

The ceasefire, announced late on Tuesday, stoked expecta-

tions that raw material shortages will ease and energy costs fall, potentially weighing on flat and long steel prices. Ice June Brent crude futures fell sharply on Wednesday, while stock markets surged globally.

Delhi region flat steel distributors said sentiment weakened after the ceasefire agreement, with buyers scaling back purchases further as they assessed the situation.

The war had given further impetus to a domestic steel price rally kickstarted at the end of 2025 by safeguard measures, tighter supply and firmer demand. Major domestic mills hiked prices several times in March in response to rising input, freight and energy costs stemming from the war.

There was a fresh round of mill price hikes at the start of April, but any further increases might not be absorbed by the market, participants said.

HRC prices could decline by 500-1,000 rupees/t (\$5-11/t) over the next few days, a source at a Mumbai trading firm said.

The *Argus* weekly Indian domestic HRC assessment for 2.5-4mm material stood at Rs59,000/t (\$639/t) ex-Mumbai, excluding GST, on 2 April, up by 27pc from mid-December.

But lower supply resulting from scheduled maintenance at major plants should prevent a steep fall in prices this month, participants said.

There was some panic selling in the secondary rebar market after the ceasefire announcement, weighing on prices in northern and eastern India. In Punjab state's Mandi Gobindgarh steelmaking hub, ingot prices fell by nearly Rs1,000/t ex-works on Wednesday.

Many secondary market sellers started selling off inventories over fears of a further fall in prices, one long product distributor said.

By Amruta Khandekar

OIL

Trump defends concessions to Iran

US president Donald Trump on Wednesday said his decision to allow Iran to at least temporarily maintain control over the strait of Hormuz and to discuss full sanctions relief for Tehran was a "big day for World Peace".

The US and Iran late on Tuesday Washington time announced a two-week ceasefire, during which the two countries will hold negotiations to finalize a peace agreement. The two countries' starting negotiating positions are far apart. But Trump confirmed at least one point demanded by Iran, relating to its chokehold on navigation through Hormuz.

“For a period of two weeks, safe passage through the strait of Hormuz will be possible via coordination with Iran’s armed forces and with due consideration of technical limitations,” Iran’s foreign minister Abbas Araqchi said on Tuesday. Trump reposted the statement in full.

Vessel traffic through the strait of Hormuz [has yet to rise](#) since the US and Iran announced a two-week ceasefire, as shipowners wait for clarity on security arrangements and insurance cover for transits. Additional war risk premiums for transits through the Mideast Gulf, the strait of Hormuz and the Red sea [are not expected](#) to ease immediately despite a ceasefire announcement, market participants said.

And energy infrastructure in Iran and the Mideast Gulf states remained under attack in the hours after the ceasefire was announced.

Rather than clarify questions over the status of the strait of Hormuz, Trump’s statements only added to the confusion. On Wednesday morning, Trump asserted that there will be a “joint control” over the strait and that the US “will be helping with the traffic buildup in the strait of Hormuz”.

US vice president JD Vance, who could potentially lead the US negotiations with Iran, on Wednesday called the ceasefire “fragile”, asserting that there are elements in the Iranian leadership who might be opposing talks with the US by misrepresenting the peace proposals under discussion.

“You have people who clearly want to come to the negotiating table and work with us to find a good deal, and then you have people who are lying about even the fragile truce that we’ve already struck,” Vance said in remarks in Budapest.

Vance could potentially travel to Islamabad, Pakistan, for high-level talks with an Iranian delegation, “but nothing is final until announced by” Trump, the White House said on Wednesday.

Iran’s supreme national security council on Tuesday outlined a 10-point peace proposal, which included enshrining its control over Hormuz, lifting all sanctions on Iran, accepting of its right to nuclear enrichment, withdrawing of all US forces from the region and ending Israel’s incursion into Lebanon.

Trump in a rambling social media post on Tuesday evening lashed out at CNN for reporting details of Iran’s 10-point plan as described by Tehran. Trump, in a social media post on Wednesday, added another denunciation of the references to details of Iran’s 10-point proposal, which he said were circulated by “Fraudsters, Charlatans, and WORSE”.

There was only “one group of meaningful ‘POINTS’ that are acceptable to the United States, and we will be discussing

them behind closed doors during these Negotiations,” Trump said.

But in an earlier Wednesday social media post, Trump acknowledged at least one other point demanded by Iran: “We are, and will be, talking Tariff and Sanctions relief with Iran,” Trump said.

The US has a 15-point counter-proposal, with provisions directly contravening the Iranian position, including over its nuclear program.

Trump’s hawkish anti-Iran loyalists in Congress appeared to be confused by his willingness to discuss Iranian demands that his predecessors previously refused to even consider. Senator Lindsey Graham (R-South Carolina), who defended Trump’s decision to go to war with Iran without Congress’ approval, said on Tuesday that Congress will need to have a say in any peace agreement Trump signs with Iran.

Trump on Wednesday also threatened a 50pc tariff against any country that supplies Iran with weapons, even though the US Supreme Court has curtailed his ability to impose tariffs at will.

Pentagon officials on Wednesday morning described the US operation as overwhelmingly successful and asserted that the US had forced Iran to capitulate.

“Iran begged for this ceasefire and we all know it,” defense secretary Pete Hegseth said.

“We congratulate all the people of Iran on this victory,” Iran’s supreme national security council said on Tuesday.

By Haik Gugrats

Crude futures slump on ceasefire announcement

Crude and oil products prices fell significantly following announcements from US president Donald Trump and Iran of a ceasefire, shortly before an 8pm ET deadline when the US was to begin bombing Iranian power plants and bridges.

Prompt Nymex light sweet crude futures fell by close to 20pc on Tuesday, following news that the [US and Iran agreed to a two-week ceasefire](#). The May Nymex WTI contract fell by \$21.90/bl to a low of \$91.05/bl, but afterwards rose slightly to \$96.43/bl.

The front-month June Ice Brent contract dropped by 16pc to a low of \$91.70/bl before rising again to \$95.42/bl as of 11:00 Singapore time (03:00 GMT).

The May RBOB contract fell by 32.96¢/USG, or 10pc, to \$2.9756/USG. The May ultra-low sulphur diesel contract was down by 70.43¢/USG, or 15.73pc, to \$3.7731/USG.

The US and Iran said on Tuesday that they would halt hos-

ilities for a two-week period to finalise a peace deal, although their public statements differ on the status of navigation through the strait of Hormuz.

Trump said that he would delay a planned massive attack against Iran's civilian and energy sites by two weeks if Iran agrees to allow free transit through the strait of Hormuz.

Iran's supreme national security council, meanwhile, described the peace proposal under discussion as enshrining "continued Iranian control over the strait of Hormuz", according to Iran's Tasnim news agency, which is linked to the Islamic Revolutionary Guard Corps.

By Amanda Smith and Prethika Nair

Global crude trade flows shift on Hormuz closure

The effective closure of the strait of Hormuz has redirected global crude flows, as Mideast Gulf producers to turn to alternative pipelines while Asian and European refiners compete for Atlantic basin, African, and Russian supplies.

Crude values for cargoes loading outside the strait of Hormuz have surged because limited Mideast Gulf supply prompted Asian buyers to accelerate purchases from sources further away.

China has rushed to secure non-Saudi cargoes, increasing [competition between refiners in Europe and Asia Pacific](#) for scarce supplies, and driving spot crude differentials higher. Chinese state-owned firms started to pull large volumes of Brazilian crude east in late March and have secured 28mn-30mn bl of June-arriving Brazilian crude. They also bought 6mn bl of Guyanese grades such as Golden Arrowhead and Kazakh CPC Blend in an unusual move. State-owned Sinopec took 3.8mn bl of west African crude as well.

Beijing wants Chinese refiners to maintain crude runs to ensure adequate refined products supplies despite Mideast flow disruptions and has granted Chinese independent refiners an additional batch of crude import allowances. Around 30 [private-sector refiners were granted extra quotas](#) set to expire 30 days after normal transit resumes through the strait of Hormuz, based on market information.

Elsewhere in Asia, [US light sweet WTI crude](#) has become a favourite. Japanese refiners bought over 530,000 b/d of US crude for June delivery, surpassing the previous high of 290,000 b/d imported in December 2025. South Korea purchased approximately 333,000 b/d of mainly WTI and WTL for June, although this was in line with their usual imports.

[Canadian heavy oil producers](#) have emerged as beneficiaries of the disrupted supply of distillates-rich Mideast Gulf

grades. Heavy crude moving across Trans Mountain's Westridge docks in Vancouver for delivery to Asia traded at a \$6/bl premium to Ice Brent on 20 March, the highest level since [Argus](#) launched the price in September 2024. Spot values for Columbian [heavy sour Vasconia](#) similarly jumped on the back of stronger demand from regions other than the US west coast. At least one cargo was sold to the Mediterranean and another one to Ivory Coast, sources said.

Risks in the strait of Hormuz have led very-large crude carriers (VLCCs) to divert away from the Mideast Gulf, [increasing available tonnage](#) in the Atlantic basin and pushing down rates. VLCC rates for voyages loading from the US Gulf coast to Asia-Pacific destinations were trading just below \$23.5mn lumpsum in mid March, excluding \$250,000 Corpus Christi load-port fees, compared with \$25.25mn including load-port fees earlier.

Mideast producers turn to alternative export routes

The US-Israel war with Iran, which began on 28 February, effectively halted flows through Hormuz because Tehran began threatening and targeting tankers in and around the strait. This has forced Saudi Arabia and other Mideast Gulf producers to shut in significant volumes of oil and gas output. But Saudi Arabia has managed to export around 5.3mn b/d of crude on average in March, because [Riyadh successfully rerouted flows to its west coast](#). Saudi Arabia's now primary export outlet, the 7mn b/d [East-West pipeline](#), has reached full capacity. The pipeline links Saudi Arabia's eastern oil fields to the Red Sea port of Yanbu and is part of contingency planning to maintain exports in the event of a closure of the strait of Hormuz.

Aramco began offering its term customers the option to load from Yanbu shortly after the outbreak of the conflict, and also offered 6.65mn bl of March-loading spot crude from Yanbu and Egypt's Ain Sukhna via [rare tenders](#). Saudi Arabia shut several offshore fields, including Safaniya, Marjan, Zuluf and Abu Safah, affecting about 2mn-2.5mn b/d of production, [as a precautionary measure](#).

In the UAE, the 1.5mn b/d Adcop pipeline – connecting Habshan to Fujairah outside the strait – is operating above nameplate capacity at 1.7mn-1.8mn b/d to bypass the strait of Hormuz. Limited supplies of other Mideast Gulf crude led to a surge in the price for Abu Dhabi Murban exported from Fujairah port, because traders sought physical cargoes through the Ifad exchange with a view to [delivering it into the Dubai benchmark window](#).

Iraq has pivoted to its [Kirkuk-Ceyhan pipeline to Turkey's](#)

Ceyhan port as its sole viable export option. Baghdad is now sending 150,000-200,000 b/d of Kirkuk crude from federally controlled fields in northern Iraq to the Turkish port of Ceyhan, and these pipeline flows could rise to 200,000-250,000 b/d.

Meanwhile, Iranian crude exports of 1.2mn b/d continue to flow. Iranian sellers have hiked offers to take advantage of the supply shock following the de facto closure of the strait of Hormuz to all but its own oil shipments. The US has not stipulated a particular currency for settling Iranian crude transactions, potentially allowing Chinese firms to settle in yuan – something independent oil firms in Shandong province already do, through small banks in cities such as Yiwu and Qingdao. For now though, Chinese state-controlled firms said they do not intend to buy Iranian crude because it would take up to a month to secure internal approval.

War shifts US exports axis toward Asia

War-induced shipping disruptions through the strait of Hormuz have boosted Asia-Pacific demand for shipments from US Gulf coast ports as the region’s refiners look to US-produced WTI to replace their pre-war diet of Mideast Gulf grades.

Before the war started, the axis of US crude exports had pointed toward Europe, after China in February 2025 implemented a 10pc import duty on US crude, rendering light sweet US WTI economically unviable for import.

However, the effective closure of the strait of Hormuz has sent refiners in China and other Asian nations scrambling to replace disrupted Middle East supplies. Europe-bound US exports as a percentage of the US total fell to 41pc in March, the lowest since September 2025, according to Kpler data, which also includes super-light condensate shipments.

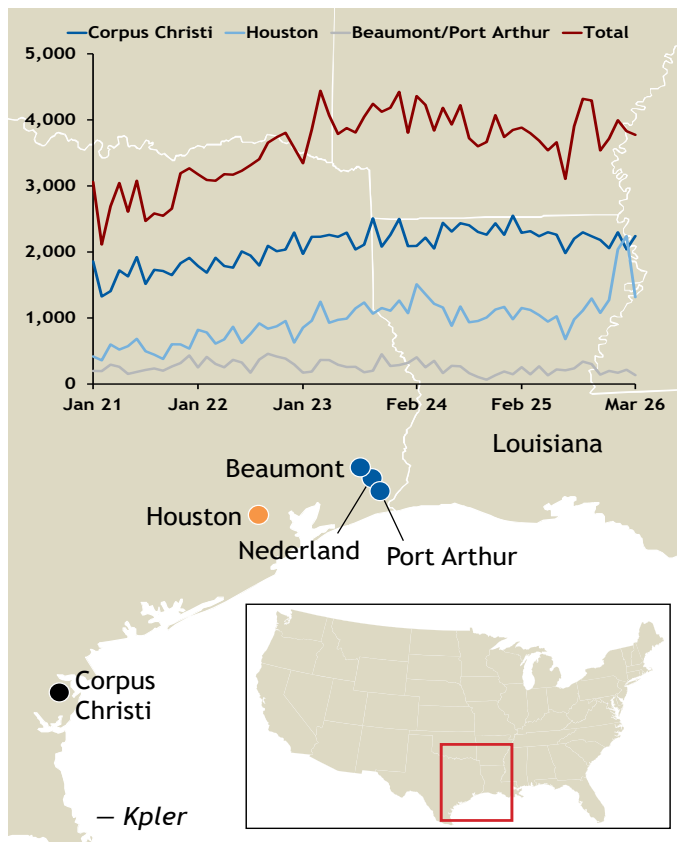
At the same time, the percentage of Asia-bound US exports rose to 32pc in March, the highest since November 2025. Preliminary data for April shows the shift accelerating, with nearly 50pc of US cargoes headed to Asian nations and the European share falling to 29pc.

US light sweet crude has been a top choice to replace Asia-Pacific refiners’ usual diet of Mideast light sour grades that have been displaced by the war. Indian, Japanese and South Korean refiners have pivoted towards WTI to replace alternatives like Saudi Arab Light and Abu Dhabi light sour Murban.

That trend likely favors export docks in Corpus Christi, Texas, over competing ones in Houston, which usually serve smaller Europe-bound vessels.

The port of Corpus Christi in Texas has seen an uptick in

Crude exports from key Gulf coast ports



crude exports since the Mideast war started on 28 February, port officials said.

Crude exports from Corpus Christi have increased by about 200,000 b/d because of the war, spokesman Omar Garcia told the CERAWEEK by S&P Global conference in Houston, Texas, in March. The port averages 2.4mn-2.5mn b/d of crude exports.

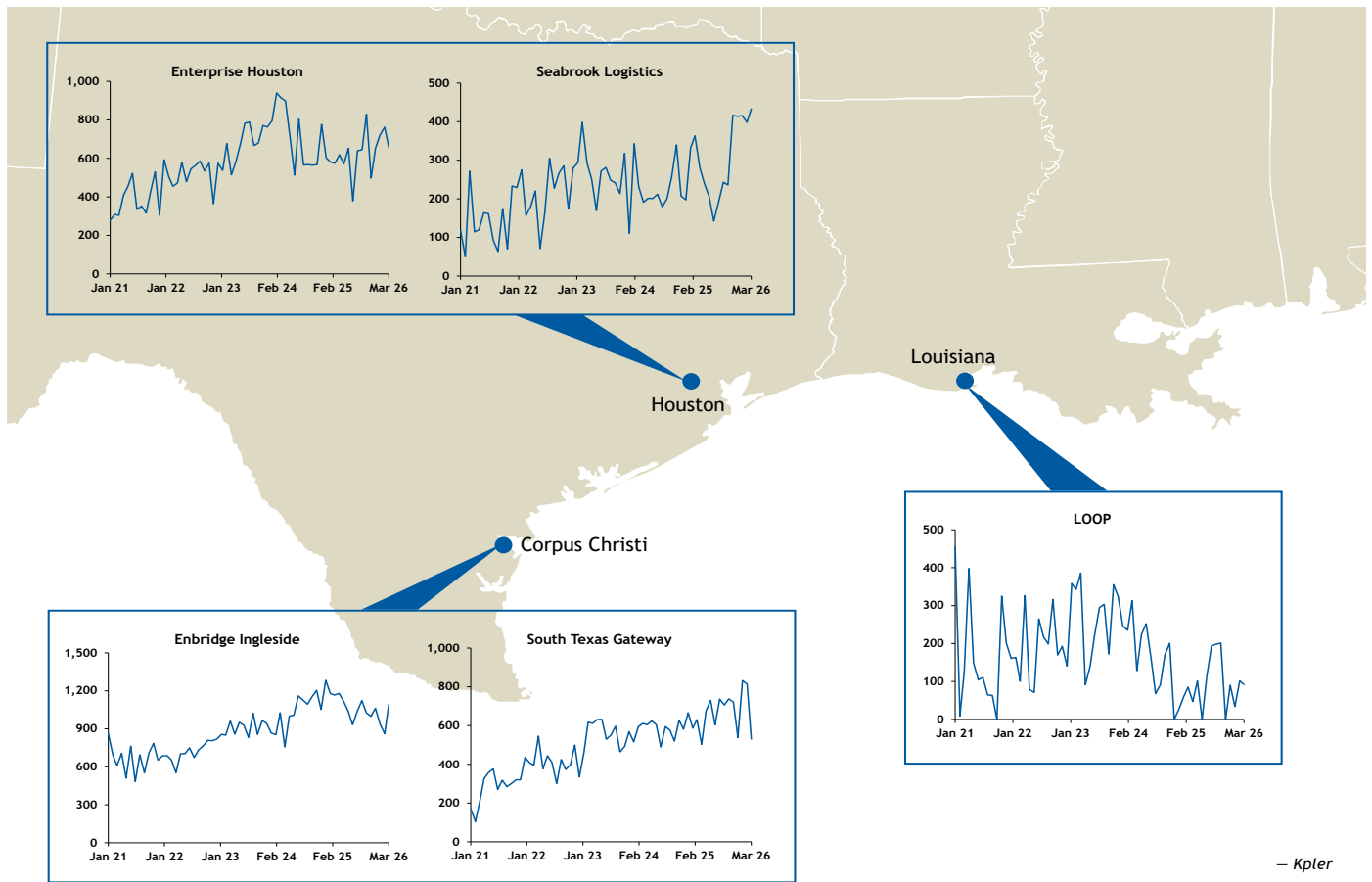
Corpus Christi’s two highest-volume terminals – the Enbridge Ingleside Energy Center (EIEC) and Gibson Energy’s South Texas Gateway (STG) – are the only US Gulf coast facilities capable of partially loading 2mn-bl very large crude carriers (VLCCs), which gives them an economic edge over other competing docks for longer-haul voyages to Asian destinations.

The top five export destinations for crude from Corpus Christi are the Netherlands, South Korea, Taiwan, India and the UK.

Corpus Christi stays on top

Corpus Christi easily held its place as the top US exporting port

Crude exports from select Gulf coast terminals



in March with shipments of about 2.2mn b/d, according to Kpler data, accounting for about 59pc of total US crude exports.

Houston’s market share fell to 35pc of total exports in March, with about 1.3mn b/d in exports, after hitting a record 59pc in February. The shallower draft of Houston’s channel compared with Corpus Christi limits most vessel movements to smaller Aframax and Suezmax ships, which many European refiners prefer for logistical reasons.

Exports from EIEC – the highest-volume US export terminal – rose above the 1mn b/d mark in March after falling to 860,000 b/d in February. March EIEC shipments were down by about 15pc from year-earlier levels and well below the all-time high of 1.28mn b/d set in January.

The Port of Corpus Christi last year completed a long-running project to deepen its channel to give mid-sized tankers better access to export docks in the port’s inner harbor. The project increased the channel depth to 54ft from 47ft and

widened it to 530ft, allowing for partially laden VLCCs and fully-laden Suezmax ships to access the harbor.

Shipments from Houston’s biggest crude export terminal, the Enterprise Hydrocarbon Terminal, fell to 657,000 b/d in March, down by 14pc from the prior month but up by the same percentage from about 574,000 b/d a year earlier.

By Chris Baltimore

ExxonMobil sees 1Q output down 6pc on war

ExxonMobil expects first-quarter output will be 6pc lower than the final three months of 2025 because of disruptions to its operations in the Middle East as a result of the US-Israel war with Iran.

The disruptions include Iranian strikes on two LNG trains in Qatar in which the company holds an ownership interest, and which accounted for around 3pc of ExxonMobil’s overall production last year.

“Public reports indicate the damage will take a prolonged period to repair,” the company said in a filing on Wednesday. “Pending an on-site evaluation, we are unable to comment on the length of time before the two trains return to normal operations.”

While the Middle East accounts for about 20pc of ExxonMobil’s overall production, with assets in the UAE as well as Qatar, the region represents a smaller percentage of the company’s upstream profit. ExxonMobil’s update came after European rival Shell warned that first-quarter production will be lower than previous guidance, partly because of the Mid-east conflict.

Mideast disruptions and reduced crude availability at ExxonMobil’s Asia Pacific operations are expected to reduce throughput from the company’s energy products unit by around 2pc compared with the previous quarter.

Meanwhile, the surge in oil prices that resulted from the closure of the strait of Hormuz is expected to boost first-quarter profit by \$1.9bn-\$2.3bn, with higher gas prices likely to lift results by up to \$600mn, the company said.

Energy products, which include refining and trading, will see a \$3.3bn-\$4.1bn hit from changes in timing effects that will be reversed over time.

“This quarter’s earnings include an unusually large, negative timing impact associated with our trading program and the temporary earnings impacts that result from how we account for certain trades,” said chief financial officer Neil Hansen. “These impacts will unwind over time and result in net positive profit once the underlying transactions are complete.”

Excluding the unfavorable timing effects, ExxonMobil expects first-quarter earnings per share will be higher than the final three months of 2025.

The US oil major is scheduled to release first-quarter results on 1 May.

By Stephen Cunningham

Venezuela’s March crude output ticks up

Venezuela’s crude production rose slightly in March to 1.095mn b/d from a year earlier and from the previous month, but hurdles to a sizable increase in output remain.

Production rose by 1.4pc from a year earlier and by 6.5pc from February, based on figures from the oil ministry. The figures include condensates, natural gas liquids and other byproducts.

February output had dropped by 11pc from the previous month to 1.028 b/d, the biggest month-over-month drop in

the past 12 months, after the US on 3 January seized former leader Nicolas Maduro and essentially took control of Venezuela’s oil flows. Output was about flat from a year earlier.

Venezuela’s oil sector needs some \$150bn over a decade, and its electricity sector up to \$40bn alone, to help reach even 2mn b/d, pro-government lawmakers and industry groups have estimated.

The ministry declined to break production figures down by operational areas, but state-owned operator PdV’s production logs obtained by Argus for the western division, primarily the state of Zulia, for January-March show declines in this key oil-producing area.

The western division produced 347,586 b/d in March, below PdV’s goal of 359,100 b/d. March’s output was also below the 348,317 b/d produced there in February, when the production goal was 355,100 b/d. Output in the division in January was 347,111 b/d, also below a target of 351,200 b/d.

By Carlos Camacho

Canadian light crude premiums reach new highs

Premiums for multiple lighter Canadian crude grades reached fresh records as US west coast refiners turned to Canadian volumes because of tightening global medium sour supply.

Premiums for medium sweet Syncrude at Edmonton, Alberta, surged to \$19.85-\$20/bl to May CMA Nymex, surpassing the previous record set on 1 April. Canadian light sweet benchmark Mixed Sweet at Edmonton rose to premiums of \$12-12.65/bl to May CMA Nymex, also a record.

May-delivery Light Sour Blend at Cromer, Manitoba, reached premiums of \$7-9.25/bl, surpassing its previous record set on 1 April. Canadian condensate at Fort Saskatchewan, Alberta, was heard trading around a \$10.80/bl premium, leaving diluent in Namao, Edmonton, around a \$10/bl premium.

Market sources noted that US west coast refiners are struggling to secure Mideast Gulf medium sour grades because of the war in that region, while competing Guyanese and Brazilian medium crude grades have become increasingly expensive due to strong Asia-Pacific and European demand. This may be pushing US west coast buyers towards Canadian light and medium grades as alternatives, supporting record premiums.

Refining margins across the US have also been supported by supply disruptions stemming from the US and Israel’s war on Iran, lifting demand for Canadian grades. The US Gulf coast sweet 3-2-1 crack spread averaged \$35/bl from 1-6 April, up from \$20/bl in April 2025.

By Matthew LaFrance

FREIGHT

Shipping waits for clarity on Hormuz transits

Vessel traffic through the strait of Hormuz has yet to rise since the US and Iran announced a [two-week ceasefire](#), as shipowners wait for clarity on security arrangements and insurance cover for transits.

US president Donald Trump said the ceasefire depends on free transit through Hormuz, a chokepoint for global oil flows. But AIS data do not yet show a surge in transits.

Trump agreed to the two-week ceasefire with Iran on 7 April, subject to what he described as the “complete, immediate and safe opening” of the strait of Hormuz.

Iran’s supreme national security council confirmed the ceasefire but said the proposal under discussion would enshrine “continued Iranian control over the strait”, according to Iran’s Tasnim news agency, which is linked to the Islamic Revolutionary Guard Corps (IRGC).

A small number of vessel movements via the strait have emerged since the announcement, including the Greek-owned bulk carrier *NJ Earth* and the Liberia-flagged *Daytona Beach*, according to vessel tracking firm MarineTraffic. But overall traffic has remained limited.

The ceasefire could allow commercial shipping flows to recover after weeks of minimal traffic caused by security risks and insurance restrictions during fighting between the US, Israel and Iran. The fact that transits have not accelerated yet reflects uncertainty over technical, security and insurance details.

“The shipping industry is currently awaiting technical details from the US and from Iran on how to transit the strait of Hormuz safely,” said Jakob Larsen, chief safety and security officer at shipping association Bimco. He noted that Iran continues to seek control over the waterway.

The International Maritime Organisation (IMO) welcomes the ceasefire and is “working with the relevant parties to implement an appropriate mechanism to ensure the safe transit of ships through the strait of Hormuz”, secretary-general Arsenio Dominguez said.

Maritime security firm Ambrey said Iran has maintained control over the strait, despite US demands for unrestricted passage. It expects the risk to shipping in the Mideast Gulf to ease while the ceasefire is in place, but warned there remains “a realistic possibility of continued risk to unauthorised strait of Hormuz transits, as well as to Israel- and US-affiliated shipping attempting to transit”.

Market participants said crude cargo numbers in the Mideast Gulf appear to be rising, but added that activity remains tentative until insurers spell out cover terms and protocols.

By Leonard Fisher-Matthews

AWRPs to stay high despite ceasefire

Additional war risk premiums (AWRP) for transits through the Mideast Gulf, the strait of Hormuz and the Red sea are not expected to ease immediately despite a ceasefire announcement, market participants said. Several sources noted that it is too early to assess any impact, with no material changes expected during the first week.

The US and Iran agreed to halt military action for a two-week period to finalize a peace deal. But their public statements [differ on the status of navigation through the strait of Hormuz](#). Major shipping companies have not yet decided to move vessels from the strait of Hormuz because the risk of transiting is greater than remaining in place. Operators are waiting for stronger confidence in the ceasefire and for another operator to demonstrate that it is safe to exit.

[War risk insurance remains highly restrictive](#), with cover available only on a selective basis and largely limited to a small number of insurers, including some state-backed schemes. Any cover offered typically requires strong guarantees, sources said.

Additional war risk premiums for a vessel’s hull and machinery (H&M) remained elevated across the region ahead of the ceasefire. AWRP levels were around 0.85pc, in some cases 0.55-0.75pc with a 50pc no-claim bonus (NCB) for vessels stuck in the Mideast Gulf, and [0.65-0.70pc in the Red sea](#), sources said. There was no standard quoted rate for the strait of Hormuz, where coverage was offered only on a case-by-case basis.

Premiums could soften marginally, some sources said, but agreed that risk levels will not normalize quickly, with developments depending on observed vessel movements rather than stated intentions.

“There are expectations that the war risk premiums may slide but it’s too early to say if it will be the case or how much exactly they may decrease,” an insurance broker said. “Some companies are already asking for the rates for the vessels to enter the Mideast gulf to load crude but it’s unclear what they might be offered yet.”

“The ceasefire seems to be just between the US and Iran, but don’t forget that we’ve also got Israel and Houthis in the picture,” a market participant said. Yemen’s [Houthi forces fired missiles at Israel on 28 March](#), threatening to escalate the

war in the Middle East and spread the conflict to a key transit route through the Red sea.

Ships trapped in the Mideast Gulf will be interested in leaving as soon as it is safe to do so, but the shipping industry is currently awaiting technical details from the US and from Iran on how to transit the strait of Hormuz safely, said Jakob Larsen, chief safety and security officer of shipping association Bimco. Leaving the Mideast Gulf without prior coordination with both parties would increase risk, while the lack of coordination could also create navigational hazards, Larsen said.

Vessel movements in the near term are expected to be dominated by vessels exiting the Mideast Gulf, while new spot voyages into the region are unlikely to resume quickly, some market participants said. Indian- and Pakistani-linked vessels may be exceptions because of existing non-attack understandings with Iran, though owners remain cautious.

While cargo inquiries may emerge, execution will depend on the readiness of owners to re-enter the Gulf. "This is not primarily a freight-driven decision, as asset protection and crew safety continue to outweigh earnings potential," a broker said.

By Anna Cherkizova

Panama Canal auctions surge on redirections

Strong Pacific basin demand for US Gulf coast-loading energy commodities and petrochemical feedstocks after Iran closed the strait of Hormuz has boosted Panama Canal auction prices to their highest levels since *Argus* began assessing them.

Auction costs for the Panamax locks, the original Panama Canal transit locks that account for 70pc of all vessel traffic via the waterway, hit \$734,125 on average on 6 April after significant jumps in individual auctions, with at least one buyer paying upward of \$2mn for a slot. This marks the highest recorded level since *Argus* began assessing auction costs in the wake of the 2023 Central American drought that switched the previous first-come, first-serve waiting system at the Panama Canal for non-booked vessels to a purely auctioned system instead.

The average price to win a transit slot via the Panamax locks for "super" category vessels, or the largest vessels that can transit via the Panamax locks, had not topped \$100,000 since February 2025 and had not surpassed \$150,000 since April 2024, when the canal was still recovering from the low water conditions that reduced transits via the waterway.

Winning an auction only guarantees a shipowner a transit slot for a specific date and does not include transit costs. A

fully laden oil tanker without a reservation would still need to pay around \$320,000 to transit the Panama Canal on top of the auction price.

Medium-range (MR) tankers were the likely driving force behind the jump in competition for transit slots at auction for super category vessels. The Panama Canal Authority (ACP) designates vessels as "chemical tankers" if they are capable of carrying IMO 1-level caustic cargoes, which would include many MR tankers. Vessels designated as chemical tankers made up nearly 60pc of all transit slot winners for the super category since 28 March, beating out dry bulkers at 23pc and gas carriers at 8pc, ACP data show.

Demand throughout Asia-Pacific for MR tanker-sized shipments of petrochemical feedstocks, industrial chemicals and naphtha from the US Gulf coast surged since the closure of the strait of Hormuz in the first week of the US-Israel war on Iran. South Korea nearly tripled its imports from the US Gulf coast of those products to 145,100 b/d in March compared to only 52,400 b/d in February 2026, Vortexa data show.

A similar shift is happening for some west coast Americas buyers. The share of US Gulf coast-loading product within the overall mix of Chile's refined products imports in March hit 53.5pc, or 118,800 b/d, nearly doubling from the 31pc, or 68,400 b/d, averaged in February 2026. Notably, supply from Japan, China and South Korea dropped off, with imports from those countries into Chile hitting 5.2pc, or 11,400 b/d in March compared to 20.6pc, or 43,300 b/d, averaged since March 2025, Vortexa data show. West coast Americas buyers had increasingly taken Asia-Pacific product in the wake of the 2023 drought, and the drop in imports from that region into countries such as Chile demonstrates the supply tightness many regions are finding themselves in after the shuttering of Mideast Gulf flows.

Meanwhile, the average auction price for Neopanamax locks, the newest and largest locks available at the Panama Canal, hit their highest levels since early 2024 on 6 April at nearly \$1.3mn. One buyer paid \$3.351mn to secure transit via those locks on 2 April, one of the highest post-drought payments heard, after a wave of [Asia-Pacific LPG](#), [naphtha](#) and [crude demand](#) boosted the utilization of larger vessels from the US Gulf coast.

"While it is still early to confirm whether this will become a sustained long-term trend, the current market conditions, high freight rates and geopolitical disruptions are clearly encouraging more of this type of movement than we would typically expect," a shipping agency said. "We encourage

our customers to secure booking transits with more than one month in advance to avoid unpleasant delays on their canal transits.”

Maintenance contributes to transit slot demand

The ACP has restricted transits via the Panamax locks because of planned maintenance between 7-9 April, increasing the already strong competition for vessel operators without reservations to secure passage via the waterway.

Daily transit slots for super-category vessels via the Panamax locks traveling in either direction are capped by the ACP at 13 through 9 April, down from the typical 20 super-category transit auctions daily. Auctions typically make up two to three of these daily transits.

The next available super-category transit slot available to shipowners for pre-booking is on 9 June, according to the ACP's reservation system. Anyone hoping to transit before then without a pre-booked slot will likely need to continue paying up for the opportunity.

By Ross Griffith

REFINERY OPERATIONS UPDATE

US Gulf coast

- ExxonMobil reported flaring for undisclosed reasons on 5 April at its 612,000 b/d refinery in Beaumont, Texas. The refinery sent a notice to the Southeast Texas Alerting Network at 10:56pm ET, saying that operations required flaring. The notice did not say whether operations were affected.

- US independent refiner Phillips 66 reported a process upset on 28 March at its 149,000 b/d refinery in Borger, Texas, that resulted in flaring. At 11:19am ET, the refinery experienced an upset in the sulphur recovery units which caused 12 hours of flaring, according to a report filed with the Texas Commission on Environmental Quality. The refinery did not say whether operations were affected.

US west coast

- US independent refiner Marathon Petroleum reported that "startup/shutdown" operations would take place at its 365,000 b/d Los Angeles refinery from 3 April and are expected to last until 10 April, which may result in flaring. The company did not say if operations would be affected, or what units would be restarted.

- US independent refiner PBF Energy reported on 6 April that it was restarting process units at its 156,400 b/d refinery in Martinez, California, over 10-14 days. The company did not specify what units would be restarted or say if operations would be affected.

Canada

- Canadian refiner Imperial Oil reported on 5 April it would begin to restart equipment at its 121,000 b/d refinery in Sarnia, Ontario, which may result in emissions, according to a community notice. The notice did not say if operations would be affected or specify what units were being restarted.

Europe

- Poland's 210,000 b/d Gdansk refinery is ramping up production after completing a partial turnaround earlier this month. The refinery operator said on Wednesday that most of the units that underwent maintenance between late February and early April have already resumed production as planned. In the second phase of planned maintenance, Gdansk had planned to shut its three base oil units on Wednesday. The units are planned to resume production in mid-May.

- Falling drone debris struck "two refining enterprises" in Russia's Nizhny Novgorod region on 6 April, regional governor Gleb Nikitin said, cited by state-owned news agency Tass. Falling debris caused damage and fires at two facilities owned by Lukoil, but the blazes were contained. No further details were given.

Asia

- Saudi Arabia's Jubail industrial area came under attack on Tuesday, according to Iranian media, in what marks the first strike on the major petrochemical hub. "Jubail Industrial City, home to an estimated 6-8pc of global petrochemical output, came under heavy attack, with local reports of an explosion and widespread damage in the industrial area," Tasnim news agency, which is linked to Iran's Islamic Revolutionary Guard Corps (IRGC), said. Saudi Arabia's defence ministry intercepted and destroyed seven ballistic missiles launched toward the eastern region, it said, with debris falling near energy facilities, but it did not identify the site involved.

ANODE COKE MARKET

Middle East war boosts prices in March

Anode-grade green petroleum coke (GPC) and calcined petroleum coke (CPC) prices jumped on the month in March, as Middle East supply disruptions, higher crude prices and surging freight rates provided a boost to markets.

But momentum started to fade late in the month after elevated prices, swelling port inventories and increasing traffic through the strait of Hormuz led to lower Chinese buying interest.

In the seaborne low-sulphur GPC market, the cif China 0.8pc sulphur GPC assessment midpoint rose by \$20/wet metric tonne (wmt) from February on fears of over supply from the Mideast Gulf, higher freight rates and rising feedstock costs.

Chinese buyers procured South American cargoes in the low to mid-\$500s/wmt cif China in March after freight rates rose sharply to the \$80s-\$90s/wmt.

China's domestic GPC market also surged, with many refineries immediately raising low-sulphur anode-grade GPC offers at the [beginning of March](#), citing disrupted Mideast Gulf GPC exports and higher feedstock costs from a lack of Iranian crude supply and higher overall crude prices. Some also expected a shift in Chinese domestic coke quality because of a change in [crude feedstocks](#). Ex-works China 0.8pc sulphur GPC prices jumped by an average of 395 yuan/wmt (\$57.83/wmt) from February to Yn4,200-5,000/wmt.

Initial expectations of tighter domestic coke supply because of the lower refining margins turned out to be largely unfounded. China produced 2.54mn t of coke in March, down by only 1pc from 2.56mn t in March 2025 and by 3pc from February, one source said. This was despite Argus surveys showing the country's [crude runs falling](#) by 9pc in March from February to just 13.93mn b/d.

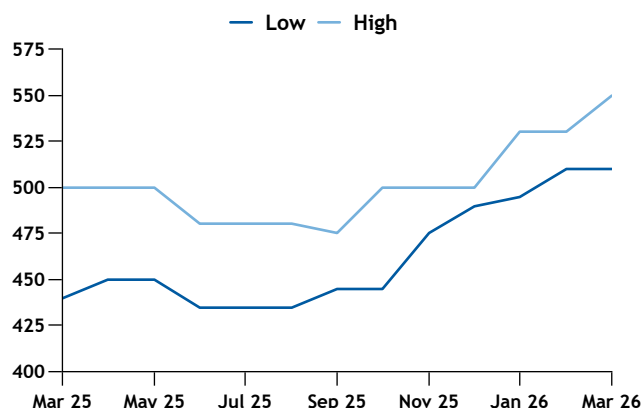
Coke production may have been stabler than overall crude

Monthly anode-grade coke assessments: Mar					\$/t
Assessment date: 8 Apr 26	Sulphur	Low	High	Mid	
Green					
cif US Gulf, dry basis	0.8%	525.00	540.00	532.500	
	3.0%	235.00	285.00	260.000	
	5.0%	137.00	186.00	161.500	
cif China, as received	0.8%	520.00	550.00	535.000	
	ex works China, as received Yn/t	0.8%	4,200.00	4,850.00	4,525.000
	3.0%	2,600.00	3,800.00	3,200.000	
	fob Mideast Gulf, as received	4.0%	335.00	390.00	362.500
Calcined					
fob US Gulf	3.0%	510.00	550.00	530.000	
fob China	3.0%	600.00	660.00	630.000	
cif Europe	1.5%	500.00	545.00	522.500	
cif Mideast Gulf	3.0%	640.00	760.00	700.000	

Next assessment date: 6 May 26

Calcined fob USGC 3% sulphur

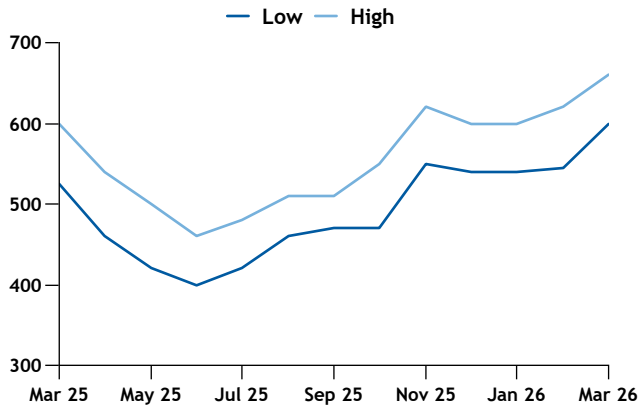
\$/t



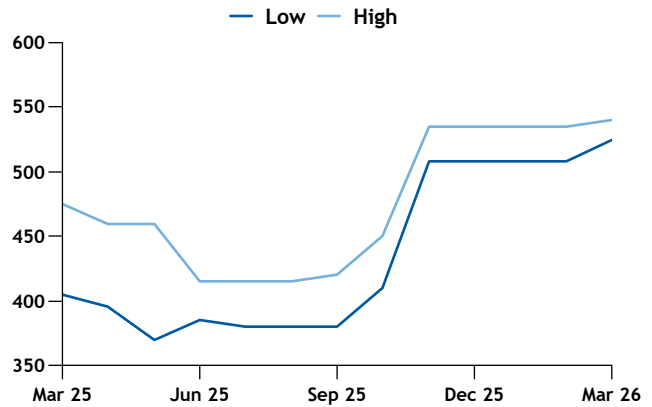
Monthly anode-grade coke assessments											\$/t
	Sulphur	Jan 26			Feb 26			Mar 26			Mid
		Low	High	Mid	Low	High	Mid	Low	High		
Green											
cif US Gulf, dry basis	0.8%	508.00	535.00	521.500	508.00	535.00	521.500	525.00	540.00	532.500	
	3.0%	230.00	248.50	239.250	235.00	250.00	242.500	235.00	285.00	260.000	
	5.0%	110.00	162.00	136.000	119.00	169.00	144.000	137.00	186.00	161.500	
cif China, as received	0.8%	480.00	560.00	520.000	480.00	550.00	515.000	520.00	550.00	535.000	
	ex works China, as received Yn/t	0.8%	3,900.00	4,500.00	4,200.000	4,030.00	4,380.00	4,205.000	4,200.00	4,850.00	4,525.000
	3.0%	2,200.00	3,400.00	2,800.000	2,400.00	3,200.00	2,800.000	2,600.00	3,800.00	3,200.000	
	fob Mideast Gulf, as received	4.0%	325.00	390.00	357.500	335.00	380.00	357.500	335.00	390.00	362.500
Calcined											
fob US Gulf	3.0%	495.00	530.00	512.500	510.00	530.00	520.000	510.00	550.00	530.000	
fob China	3.0%	540.00	600.00	570.000	545.00	620.00	582.500	600.00	660.00	630.000	
cif Europe	1.5%	447.50	510.00	478.750	450.00	530.00	490.000	500.00	545.00	522.500	
cif Mideast Gulf	3.0%	540.00	630.00	585.000	580.00	640.00	610.000	640.00	760.00	700.000	

ANODE COKE MARKET

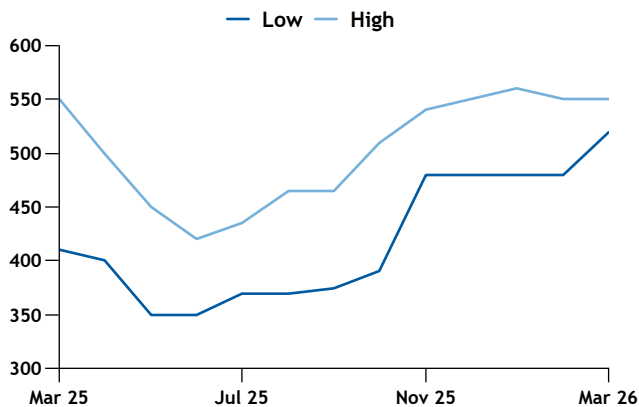
Calcined fob China 3% sulphur \$/t



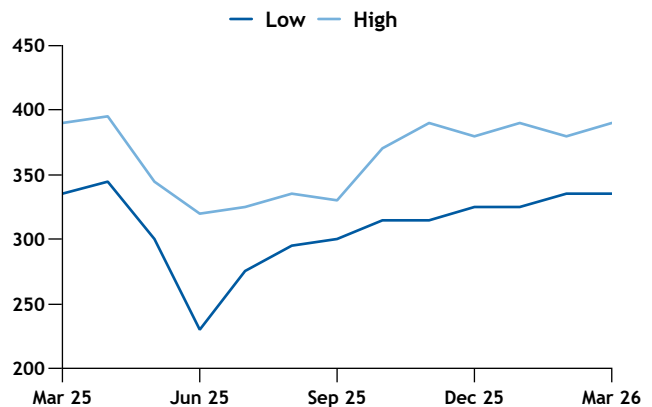
Green cif USGC 0.8% sulphur \$/t



Green cif China 0.8% sulphur \$/t



Green fob Mideast Gulf 4% sulphur \$/t



runs because the throughput cuts were mainly at state-controlled Sinopec and China’s highly integrated mega-refineries, while state-controlled PetroChina’s run rates edged higher and Shandong independent sector run rates were broadly stable.

And by the end of the month, Beijing pushed refiners, including independents, to maintain runs, regardless of profit.

By late March, sellers began revising prices lower because of growing resistance from calciners and battery anode producers, leaving some domestic refineries with excess inventory.

Buyers also showed renewed interest in US-origin mid-sulphur GPC to substitute potential long-term losses of Kuwaiti and other Mideast supplies. A US Gulf cargo sold at around \$260-\$270/wmt fob in late March, discounted because of potential shot content. A US west coast refinery also sold an anode-grade cargo to China in the low to mid-\$340s/wmt fob.

CPC prices jump on higher costs

CPC prices also rose significantly in March because of higher GPC feedstock costs and concerns surrounding supply availability from the Middle East and Europe.

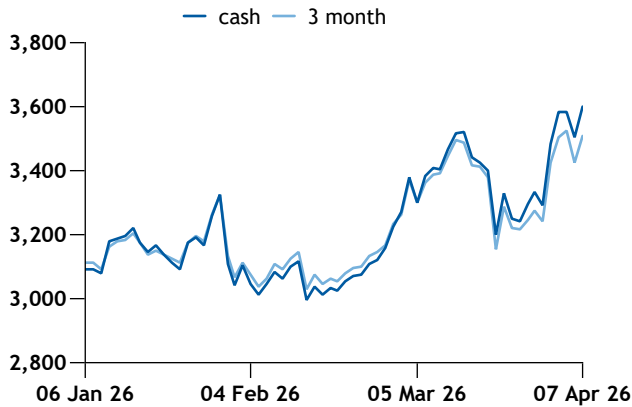
But Iranian missile strikes on two of the Middle East’s largest aluminium smelters in late March could hit CPC demand, although for the time being, GPC and CPC cuts in the region are largely keeping supply and demand in balance. The steep increase in delivered prices for 3pc sulphur CPC in the Middle East was mainly because of a jump in transportation costs.

The attacks on Emirates Global Aluminium’s (EGA) Al Taweelah facility and Aluminium Bahrain (Alba) on 28 March were estimated to have removed more than 2mn t/yr of aluminium capacity and almost 1mn t/yr of CPC demand, which raised concerns of redirected Chinese supply and softer demand in the near term. At least one

ANODE COKE MARKET

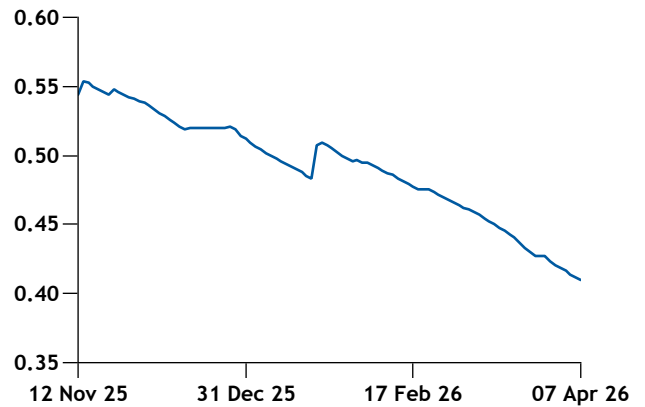
LME aluminium prices

\$/t



LME aluminium warehouse stocks

mn t



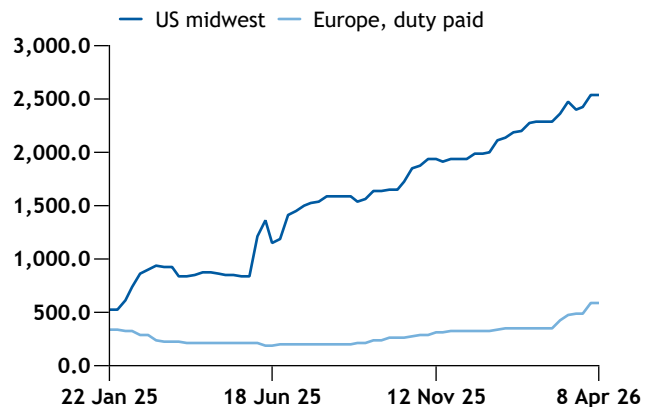
Chinese calciner sold a cargo to an Indian smelter in the final week of March – prior to the strikes – at around \$600/dry metric tonne fob after the original Middle East buyer could no longer receive the cargo because of shipping and operational disruptions. A trade earlier in March to a European smelter had concluded at \$630/dmt fob, and offers were heard as high as the mid-\$700s/dmt during the month, reflecting sharply higher GPC input costs. One calciner said input costs are now from \$660-\$700/dmt.

Quarterly settlements in the US were generally in the \$510-\$530/dmt range, with spot business for loading in the second quarter heard higher.

European CPC markets remained quieter, with most first-quarter pricing already settled at lower levels ahead of the conflict. Indicative offers were mainly above \$500/dmt cif Rotterdam later in March.

Aluminium premiums

\$/t



ANODE COKE NEWS

Mideast anode-grade market balanced for now

Disruptions to local calcined petroleum coke (CPC) and green petroleum coke (GPC) supply in the Mideast Gulf region so far have largely balanced lost demand from lower aluminium smelting output in the region, although CPC capacity could return sooner than smelting if the war is resolved.

While the US and Iran announced a tenuous ceasefire late Tuesday, market participants were still wary about whether normal commodity trade will resume immediately through the strait of Hormuz. Regardless, disruptions to Mideast Gulf aluminium smelting will likely continue for the medium term,

although anode-grade GPC and CPC production could begin to restart sooner.

Emirates Global Aluminium was forced to fully curtail its 1.6mn t/yr Al Taweelah smelter because of [Iranian missile attacks](#) on 28 March, according to sources, and restoration could take **up to 12 months**, the company said.

Aluminium Bahrain (Alba) is only operating Lines 5 and 6, with Lines 1-3, or 300,000 t/yr of capacity, **initially curtailed** because of raw material supply and Line 4 being curtailed because of the 28 March attacks, according to sources. This means the smelter is operating at about 60pc of its 1.6mn t/yr capacity.

Qatar-based smelter Qatalum is also operating at 60pc capacity, according to a source. Joint venture partner Norway's Hydro said on 3 March that Qatalum had [initiated a controlled shutdown](#) because of lack of energy supply, with a restart potentially taking 6-12 months.

The aluminium companies have not confirmed their current production rates.

While the cuts to aluminium production are expected to dent demand for CPC and coal tar pitch (CTP) over the next 6-12 months, CPC and GPC production in the region is also lower.

Alba's petroleum coke calciner is operating using inventory and some deliveries of GPC raw material from Kuwait, although it will likely soon reduce production because of the lower smelter operating rate, according to sources.

Petroleum Coke Industries in Kuwait has recently restarted its 350,000 t/yr petroleum coke calciner at reduced rates with a smaller staff for safety reasons, after [idling](#) on 1 March.

UAE state-owned Adnoc's 817,000 b/d Ruwais refinery and 430,000 t/yr Takreer calciner in Abu Dhabi are operating at reduced rates, with one source saying it is not producing any GPC or CPC.

Kuwait state-owned refiner Kuwait National Petroleum's integrated Mina al-Ahmadi and Mina Abdullah refinery complex has not been producing GPC after [coming under multiple drone attacks](#) in recent weeks, although it is working to get coker operations restarted, sources said. The integrated refineries together produce about 800,000t/yr of high-quality anode-grade GPC with 3-4pc sulphur and low metals content.

Together with Adnoc, the reductions amount to about 1.5mn t/yr of GPC capacity.

India-based Sanvira Industries' 570,000 t/yr calciner in Sohar, Oman, is continuing to operate normally, shipping some of its calcined coke to Mideast Gulf regional customers by road to avoid the strait of Hormuz.

Saudi Arabia-based smelter Ma'aden has been trucking raw materials, including CPC and CTP, from Oman and the Yanbu port, on the western side of Saudi Arabia. Ma'aden has also been selling alumina raw material to its neighbours, another source said.

By Lauren Masterson

US-Iran truce unlikely to undo Al premium gains

Record-high aluminium delivery premiums are unlikely to ease even if a two-week ceasefire between the US and Iran announced late Tuesday leads to a longer-term resolution of the conflict, as the war has already caused [lasting damage](#) to global supply.

ANODE SPOTLIGHT

[Mina al-Ahmadi refinery hit again by drones](#)
[Drone hits Kuwait power and desalination plant](#)
[Several Mideast Gulf energy sites hit by drones](#)
[Trump adjusts tariff policy for metal products](#)
[Chinese refiners cut cracker runs](#)
[BYD's NEV sales extend falls in March](#)
[CATL accelerates electric vessel development](#)
[China's Al fabricated product exports rise](#)
[China's aluminium scrap imports rise in Jan-Feb](#)
[China electric heavy trucks sales up in Jan-Feb](#)
[Brazil Mar crude exports rise](#)
[Saudi Arabia's Maaden seeks June sulphuric acid](#)

The US and Iran said on Tuesday that they would [halt hostilities](#) for two weeks to finalise a peace deal, just before the expiration of US president Donald Trump's deadline for Iran to reopen the strait of Hormuz. Trump said the ceasefire would reopen the strait, but Iran's supreme national security council described the peace proposal under discussion as enshrining "continued Iranian control over the strait of Hormuz".

Markets responded positively on Wednesday to the ceasefire announcement. Benchmark Brent crude oil prices fell back below \$100/bl and European gas prices [plunged by almost 20pc](#) at market opening.

But elevated aluminium prices and premiums are unlikely to see any relief. Iran's missile strikes on Emirates Global Aluminium's (EGA) and Aluminium Bahrain's (Alba) smelters have cut more than 2mn t/yr of aluminium production. And those losses will not be swiftly recovered. EGA has said that a complete restoration of aluminium production at its Al Taweelah smelter could take up to 12 months.

"Psychologically things are more positive now, but the reality is that about 3mn t/yr of capacity is gone for the long term," a trader said.

Additionally, even if shipping does resume through the strait of Hormuz, the costs of insuring such vessels will be so high as to increase the cost of all goods being transported, which is a double blow to the region's aluminium producers because raw materials have to be shipped in through the strait as well as international deliveries of aluminium shipped out.

London Metal Exchange (LME) official three-month aluminium prices breached \$3,500/t for the first time since March

2022 on Tuesday, while Argus' European duty-paid aluminium premiums rose to a record high of \$580-600/t last week.

By Jethro Wookey

Al Taweelah repair to take up to a year: EGA

Emirates Global Aluminium (EGA) said repairs at its Al Taweelah smelter may take up to a year after the facility sustained significant damage during an Iranian missile and drone attack on the Khalifa Economic Zone Abu Dhabi on 28 March.

"To resume operations at the smelter, EGA must repair infrastructure damage and progressively restore each of the reduction cells," the company said in an update published on 3 April. "Early indications are that a complete restoration of primary aluminium production could take up to 12 months."

Iran hit the facility on 28 March, injuring several employees.

Iranian steelmakers Khouzestan Steel (KhSC) and Mobarakeh Steel were struck by air raids attributed to the US and Israel on 27 March, damaging storage facilities and power infrastructure, officials said. Iran was preparing retaliatory strikes on Gulf steel producers, according to the Tasnim news agency, which is linked to the Islamic Revolutionary Guard Corps.

Al Taweelah produced 1.6mn t of cast metal in 2025, according to EGA.

EGA is a major bauxite importer, bringing in 11.15mn t in 2025 and 10.65mn t in 2024, according to Kpler data, and is a significant Capesize charterer.

Some vessels destined for Al Taweelah are currently delayed because of the de facto closure of the strait of Hormuz. The *Amarantos*, which loaded in Takoradi, Ghana, on 20 February, has been idling between Mozambique and Madagascar for several days and has since been redirected to Kandla, India, Kpler data show. The *Clivia Oldendorff*, carrying Ghanaian bauxite, remains idling between Mozambique and Madagascar, according to Kpler.

By Andrey Telegin

Vedanta posts record metals output in FY2025-26

Indian mining firm Vedanta Resources achieved record combined metals production in the April 2025-March 2026 fiscal year, as efficiency improvements and capacity additions boosted output, according to the company.

The Lanjigarh refinery produced 2.91mn t of alumina, by up 48pc on the year after the second furnace restarted in the first quarter. Aluminium production rose by 1pc to 2.45mn t from 2.42mn t a year earlier.

Zinc and lead production totalled 1.11mn t, up by 2pc, sup-

ported by improved mined metal grades and higher production levels.

Chrome ore production at Vedanta's ferro-alloys subsidiary Facor increased by 49pc to 371,000t, driven by the restart of the Kalarangiatta mines and enhanced environmental clearance at the Ostapal mine. Ferro-chrome output rose by 21pc to 101,000t.

Copper cathode production at the Silvassa smelter increased by 15pc to 170,000t, as debottlenecking, operational efficiency, and diversification of raw material sources supported higher output.

By Deepika Singh

China asks independent refiners to maintain runs

China has asked independent refineries to maintain their run rates and mandatory crude stocks to ensure stable domestic product supply as some refineries have been cutting rates due to surging feedstock costs following the strait of Hormuz closure.

The refineries will be granted additional import quotas to support their feedstock needs, sources told Argus.

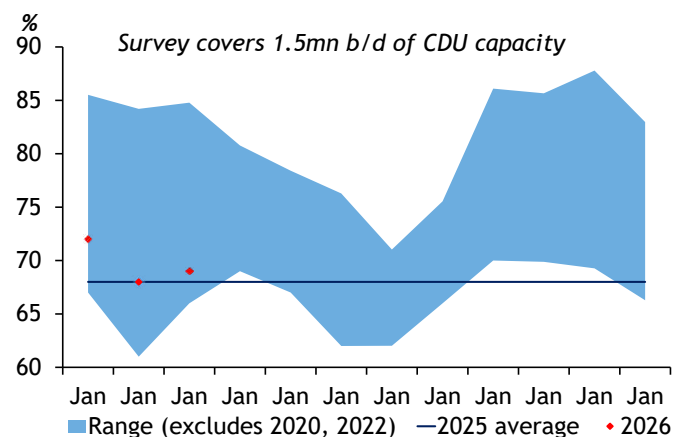
The National Development and Reform Commission (NDRC), China's main economic planning agency, met private-sector refiners this week, ordering them to keep crude stocks above mandatory levels and sustain runs to ensure stable refined product output, the refinery sources said. Runs must not fall below last year's average levels, or future crude import allowances could be affected, market sources said.

No official document has been released yet.

Beijing will soon issue an extra batch of crude import quotas, separate from normal allocations, based on each refinery's actual crude capacity and historical quotas, govern-

Shandong independent run rates

pc



ment officials said at the meeting. The additional quotas are intended to encourage independent refiners to boost imports and raise throughput.

Refiners were advised to use the extra quotas and lift crude runs as soon as possible, despite weak margins caused by high crude benchmark prices. The quotas may expire 30 days after normal passage resumes through the strait.

The decision follows NDRC's investigation into crude stocks available at Shandong independent refineries last week, traders said. The measures signal that there is short-term supply pressure on the state-owned refiners, the traders added.

One major state-owned refiner was heard to have cut its April crude runs to about 11 percentage points below February's – before the strait of Hormuz closure. Requests to lower mandatory crude stock requirements were declined by Beijing, sources said.

State-owned oil companies have been buying alternative crudes to offset the loss of Mideast grades.

Last month, state refiners accelerated buying Atlantic basin crudes over the past month – though these cannot fully offset reduced Middle East supplies, according to *Argus* deals tracking. State-owned refiners have also recently bought 6-10mn bl of Russian crude, traders said. All volumes fall within the exemption period, with no purchases outside the waiver window.

Crude buying

The requirements on crude stocks and runs could spur activity in the independent feedstock market, though it will depend on each refinery's financial position as to how much they can buy, traders said.

Some private-sector refiners are facing weak margins and heavy debts and so will not be able to meet the requirements. One refinery source said the refiner planned to cut staffing after crude costs reached nearly \$120/bl.

The weighted average crude unit utilization rate of 15 Shandong independent refineries – with combined capacity of around 1.5mn b/d – rose to 69pc in March from 68pc in February and the 2025 average, supported by maintenance restarts. But several refiners plan further cuts in April-May as discounted feedstocks are depleted.

Many independents have largely halted buying crude since March and were running on stocks. Discounted Russian and Iranian supplies remain available, with most state-run refiners and buyers outside China still avoiding Iranian oil, and the Russian crude waiver set to expire on 11 April.

May-loading Russian supplies outside the waiver window and delivered Iranian oil have been slow to clear. Unsold Venezuelan crude also remains in tanks after arriving earlier this year, market participants said.

Russian ESPO Blend for May loading was heard offered at \$8-10/bl above July Ice Brent, compared with \$8/bl below June Ice Brent for April trades before the war, resulting in limited interest from private-sector buyers. Offers for onshore and floating Iranian Light crude have remained roughly steady at premiums narrower than \$5/bl to Ice Brent, though traders expect higher differentials if independent refiners increase buying.

Refiners must maintain run rates no lower than their last year's average to be eligible for the extra quota, otherwise they will face penalties in 2027's allocation, the sources said.

"This means we are not allowed to shut down or cut runs even though we are making deep losses," a refinery source said. The independent refiners are also concerned that they will not be able to pass down the costs to end-users later.

China releases more crude import quotas

Chinese independent refiners received an additional batch of crude import allowances on 3 April, as Beijing pushes them to sustain runs to secure product supplies due to Mideast flow disruption.

Around 30 private-sector refiners, mainly in Shandong province, were granted extra quotas set to expire 30 days after normal transit resumes through the strait of Hormuz, based on market information. The allocation totalled more than 50mn t, traders said, equivalent to about 25pc of their usual annual quota volumes.

This could not be directly confirmed with government officials, and refiners do not expect written notices. "We were notified orally by local commerce departments," a refinery official said.

Volumes were calculated at 115pc of nameplate capacity minus annual quota allowances for each independent refinery, refinery officials said. Some refiners with quotas well below their nameplate capacity received as much as around 5mn t in this batch, market participants said. Independents had faced quota shortages, but surging crude benchmarks since the Iranian war and weak downstream demand have pressured some refiners to cut runs or enter early maintenance, keeping spot buying slow.

The move follows a National Development and Reform Commission (NDRC) meeting [earlier this week](#) with local refiners, which called for mandatory crude stocks and sustained runs. Some refiners may struggle to raise or stabilize through-

put under financial strain and weak margins, traders said. Consequences for failing to use the quotas were not specified, but independents were ordered to operate at no lower than their 2025 average run rates, while spot buying has remained slow.

“There is still unsold Iranian oil in floating storage and delivered tanks, but **weak margins** remain a problem to spur buying intentions,” traders said. It is unclear whether Beijing will introduce supportive policies such as tax relief, as hoped by local refiners, to encourage higher runs.

Beijing has issued 70pc of 2026 full-year quota volumes **at end last year**, indicating the country may grant another batch for 2026 later this year.

China cuts fuel oil imports on losses, extra quotas

Chinese independent refiners have reduced fuel oil imports as sharply higher feedstock costs following disruptions to Middle East flows erode margins, while expectations of additional crude import quotas further dampen buying interest.

Calculated outright prices for April-delivery Russian M100 reached \$113/bl on 2 April, exceeding the \$109/bl for Iranian light crude delivered in the same month, despite the latter yielding significantly more refined products. Chinese traders cut premium offers for M100 to around \$40/t from \$50/t at the start of March, but the reduction failed to offset the sharp rise in the Singapore benchmark. The benchmark surged by 63pc from February to average \$691/t in March and climbed further to \$731/t on 2 April. Persistently high feedstock costs pushed refining margins down to -\$15/bl on 2 April, despite an improvement from March’s -\$24/bl.

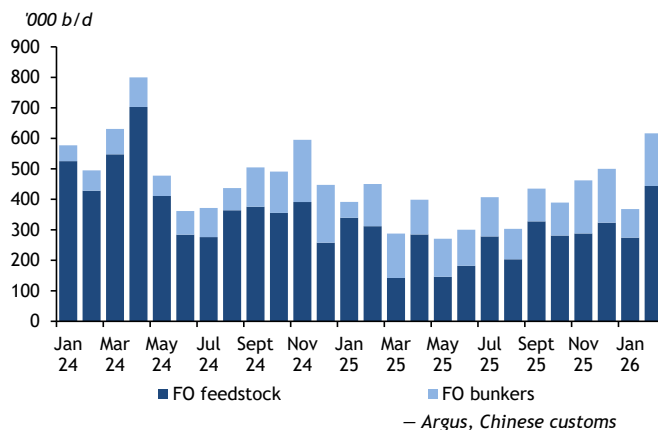
“We have not sold a single April-delivery cargo even though it is already April. Previously, we could sell out deliveries for a certain month one month in advance,” a Shandong-based trader said.

An independent refiner operating a 70,000 b/d plant in Dongying, Shandong province, halted fuel oil purchases last month after buying some in January-February, a company official told *Argus*, citing persistently high costs. The refiner, which holds crude import quota but uses fuel oil as supplementary feedstock, has cut run rates to 90pc from 95pc at the start of March. It bought about 2mn bl of Russian fuel oil in 2025 and 390,000 bl in January-February 2026.

Separately, China’s economic planning body the National Development and Reform Commission (NDRC), plans to offer 33 traditional independent refiners additional crude import quotas to encourage them to buy more crude and **keep runs no lower than last year’s average**.

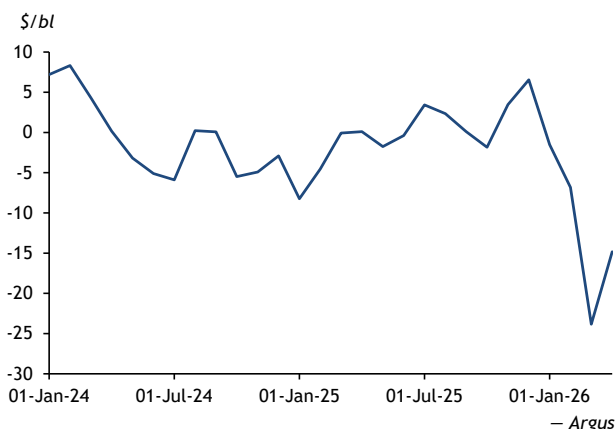
Independents’ fuel oil imports

’000 b/d



Shandong M100 refining margins

\$/bl



The NDRC said the extra quota should be used within one month after the reopening of the strait of Hormuz. But many refiners are reluctant to buy extremely expensive crudes with the additional quota because refining margins remain deeply negative. They are unable to raise product prices sufficiently to cover higher crude costs owing to the NDRC’s retail price ceiling and weak end-user demand. Refiners are in talks with authorities over partial tax relief if they import high-cost crude to ensure domestic fuel supply, a refinery official said.

High fuel oil costs, additional crude quota allocations and higher consumption taxes are expected to further curb purchases of the alternative feedstock. A reduction in the consumption tax rebate – from nearly 100pc to 50-80pc since January 2025 – has already weighed on fuel oil imports. Independent refiners imported about 260,000 b/d of fuel oil in

2025, down by 150,000 b/d or 37pc from 2024, Argus estimates based on customs data show.

Imports rebounded to a 22-month high of 445,000 b/d in February, supported by relatively strong refining margins in late December and January, when February-delivery cargoes were ordered. The recovery also reflected the US takeover of Venezuelan oil in January, which diverted Merey crude to the US, Europe and India. Chinese independent refiners had previously been exclusive buyers of Merey crude, often declaring it as diluted bitumen, which does not consume crude import quota. Fuel oil has become a key alternative for refiners facing crude quota constraints following the loss of diluted bitumen supply.

Russia can not fill the gap

Independent refiners had been expected to increase fuel oil purchases from Russia to raise product output, as state-owned Sinopec and private mega-refiners have significantly cut runs because of their high exposure to the closure of the strait of Hormuz. But Russia has diverted fuel oil supplies to other Asian markets, led by India, under a temporary US waiver. Russian fuel oil loadings to China fell to 110,000 b/d in March, from 170,000 b/d in February and 200,000 b/d in January, according to Kpler data.

Russian fuel oil accounted for around one-third of China's total imports last year, while cargoes declared as Malaysian and Singaporean origin – typically blends of Iranian and Russian cargoes – made up about one-quarter. Middle Eastern supplies excluding Iran accounted for around 16pc.

China builds crude stocks on Mideast supply risk

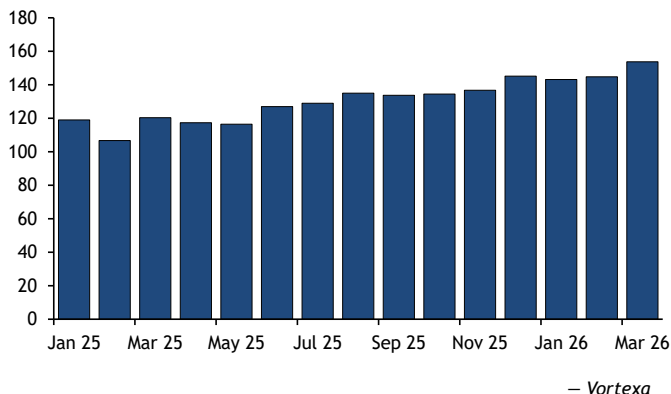
China's onshore crude inventories rose to historic highs in March as refiners slashed runs. With Beijing preparing for a protracted and costly oil supply shock, the government has reiterated the need for refiners to maintain minimum mandatory crude stock cover levels and has rejected requests for emergency stock draws.

Onshore crude stocks reached all-time highs in March, data from oil analytics firms Kpler and Vortexa indicate, exceeding even 2020 levels. In 2020, China froze pump prices even as crude prices collapsed due to the pandemic, encouraging oil companies to import massive amounts of crude. Stocks in March rose even above those levels, rising to 1.2bn bl, according to Kpler and 1.3bn bl according to Vortexa.

China had scaled back its February-loading Saudi crude purchases but aimed to load more in March, until Iran closed the strait of Hormuz in response to US attacks. Supplies from Saudi

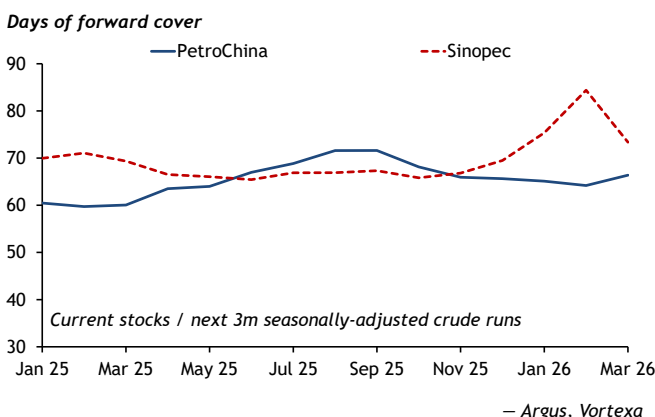
China port crude stocks

mn bl



China SOE crude stock cover

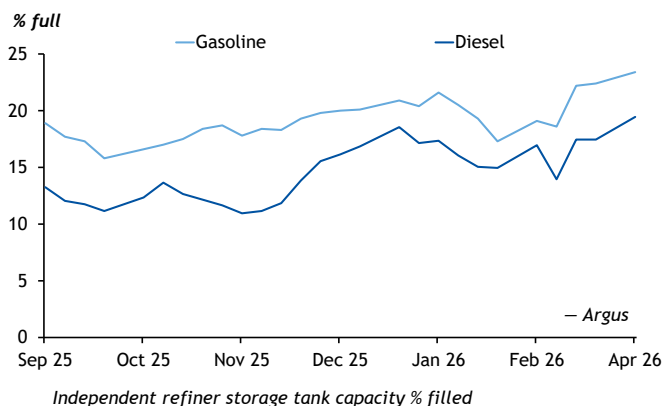
days



Arabia and UAE fell sharpest in March, Vortexa data indicate. In response, refiners – chiefly major Saudi customer Sinopec – cut runs by a combined 1.3mn b/d to preserve stocks.

Beijing has instructed state-owned refiners to maintain mandatory crude inventories equivalent to around 30 days of use and rejected requests to relax these requirements, company officials said. Sinopec holds about two months of operational stocks, the oil giant's vice chairman and president, Zhao Dong said on 23 March. Sinopec continues to buy crude from Saudi Arabia's Yanbu port in the Red Sea, Zhao said, and has stepped up purchases of crude from the Atlantic basin. It also stepped up fuel purchases from Shandong independent refineries in March after ZPC, which sells it gasoline and diesel under a term contract, diverted diesel to its steam crackers as an ethylene feedstock when ZPC's own crude supply shortfall reduced naphtha availability.

Independent refiner product stock level %



Not all crude imports fell. [Iran stepped up crude deliveries to China in February](#) in anticipation of the US attacks. Large amounts of this accumulated in storage tanks at ports such as Dongjiakou in Shandong in March, as Shandong independent refiners' margins shrank and they pared crude buying. Chinese port crude stock levels in March reached 153mn bl, Vortexa data show.

Independent refiners are presently running down stocks of crude bought at earlier, cheaper levels, and expect to cut runs in April-May. Independents are also trying to defer sales of refined products, allowing stocks to build. China's top economic planning body the NDRC slowed the rate at which it changes retail price caps for gasoline and diesel in March after crude prices spiked, weighing on wholesale prices and refiners' margins. Many independents hope that the NDRC will begin to pass through crude costs in May-June, making later sales more profitable.

Repsol coke calciner closure sparks protests

Spain's integrated refiner Repsol has decided to permanently decommission the country's sole petroleum coke calcining unit, located at its 120,000 b/d Coruna facility, sparking worker protests.

The calciner has been [out of service](#) since the end of 2019, when its [contract with BP](#) to toll calcine green coke from the latter's 110,000 b/d Castellon refinery ended.

The announcement comes after Repsol restarted conversion units at Coruna, which were fully operative last week after a two-month maintenance turnaround that began in [early February](#).

It also coincides with the conclusion this week of the two-

year restart process of all 512 electrolysis pots at Spain's last operating aluminium smelter, US-based Alcoa's San Ciprian plant, works council chairman Jose Antonio Zan confirmed.

San Ciprian was historically one of the main consumers of Coruna calcined coke before Alcoa halted operations in 2022-24.

The decommissioning of the calciner is another example of "internal restructuring" that has led to the "elimination of about 50 positions", the Coruna refinery's works council said. Arguing the job cuts have resulted in a dangerous increase in workload for the remaining staff, the works council has called for a 24-hour strike on 27 April following two planned protests at the refinery gate on 14 and 22 April.

"The most recent restructuring considers the elimination of six operators at the coker and a maintenance planner, justified by the closure of the calciner and digitalisation," the works council said, noting that the complexity and risks related to operating the coker and related vacuum distillation unit have not diminished.

Repsol said that the closure will have "no impact on employment", since the staff related to the unit will be redeployed to other roles within the refinery and will "not increase workloads at units currently in operation".

It remains unclear whether minimum service levels were agreed ahead of the planned industrial action.

Repsol has the capacity to produce about 2.8mn t/yr of fuel-grade petroleum coke at the refineries it operates in Coruna, Cartagena, Bilbao and Puertollano, Spain, but does not usually produce or calcine anode-grade coke at these sites.

BP's Castellon refinery's anode-grade green coke is now calcined outside of Spain.

By Jonathan Gleave

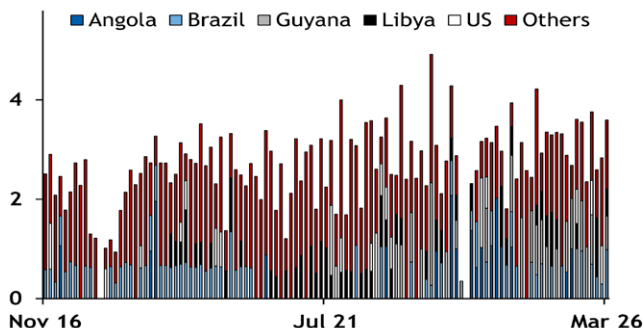
BP Castellon refinery lifts crude intake

Crude receipts at BP's 108,000 b/d Castellon refinery in Spain rose to 115,000 b/d in March from 100,000 b/d in February, according to *Argus* tracking. Deliveries averaged 100,000 b/d in the first quarter, compared with 108,000 b/d across the whole of 2025.

Castellon is in a good position to benefit from strong regional refining margins caused by the ongoing supply disruption in the Middle East as its crude slate largely comes from across the Atlantic, from the Black Sea and from west Africa. It lacks exposure to crude loaded in the Mideast Gulf compared with many other refineries in the Mediterranean. The last time Castellon took a Gulf-loaded cargo [was a shipment of Murban from the UAE in July 2022](#).

Castellon crude imports

mn bl



Castellon’s March deliveries comprised 30,000 b/d of Brazilian Tupi, 25,000 b/d of Canadian Hibernia, and 20,000 b/d each of Guyana’s Payara Gold, Caspian CPC Blend and Libyan Brega. A shipment of around 750,000 bl of Brazilian grade Peregrino is signalling arrival in April.

Maintenance plans at Castellon for 2026 are unclear. The refinery has not undergone any significant planned work since a full turnaround in October-November 2023.

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from the US-Iran war as its crude slate largely comes from across the Atlantic, from the Black Sea and from west Africa. It lacks exposure to crude loaded in the Mideast Gulf compared with many other refineries in the Mediterranean. The last time Castellon took a Gulf-loaded cargo was a shipment of Murban from the UAE in July 2022.

Argus assessed Castellon’s March crude imports at a weighted average gravity of 35.1°API and 0.6pc sulphur content, compared with 34.1°API and 1.1pc sulphur in February. Intake averaged 32.7°API and 0.7pc sulphur in the first quarter, close to an estimated 33.4°API and 0.6pc sulphur in 2025.

Overall Spanish seaborne crude receipts fell sharply last month to 1.07mn b/d from 1.36mn b/d in February. Deliveries have fluctuated so this year, with January imports slumping to a 54-month low of 970,000 b/d. Stormy weather, planned refinery maintenance and a fire at a crude distillation unit (CDU) at Repsol’s 220,000 b/d Cartagena plant have weighed on receipts. The fire is likely to temper Spanish imports for much of the year as the 100,000 b/d CDU will be offline until the autumn.

Spain’s top crude suppliers in March were Libya at 160,000 b/d, Brazil at 155,000 b/d, the US at 140,000 b/d, Mexico at 125,000 b/d and Nigeria at 100,000 b/d. Deliveries from Iraq fell to zero from 110,000 b/d in February.

Opec members supplied 44pc of Spain’s March imports. *By Adam Porter*



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