

OPIS Asia Naphtha and LPG Report

A Daily Report on Asia Naphtha, LPG and Gasoline Markets, plus News and Commentaries

25 September 2020

NAPHTHA

- Asia naphtha crack rises to two-and-half month high
- But H1 Nov./H1 Dec. backwardation narrows further on ample paraffinic supply
- Elevated freight rates slow arbitrage inflow

Naphtha (\$/mt)	LOW	HIGH	MEAN	CHANGE	PREM/DISC
CFR Japan	405.88	406.88	406.375	11.000	5.500
FOB Arab Gulf LR1	386.12	387.12	386.622	10.639	15.000
Naphtha (\$/bbl)	LOW	HIGH	MEAN	CHANGE	PREM/DISC
FOB Singapore	43.79	43.89	43.836	1.195	--

LPG

- Asian prices lift by paper values and physical bid; cash differentials continue to improve
- BPCL seeks second spot for Nov.; demand recovering
- China imports 1.92 million mt LPG in Aug., up 25% on-month

LPG (\$/mt)	LOW	HIGH	MEAN	CHANGE	PREM/DISC
CFR Japan Propane	390.00	391.00	390.500	16.500	--
CFR South China Propane	398.50	399.50	399.000	16.000	--
FOB Arab Gulf Propane	356.50	357.50	357.000	4.000	-13.000
FOB Arab Gulf Butane	361.50	362.50	362.000	4.000	-13.000

GASOLINE

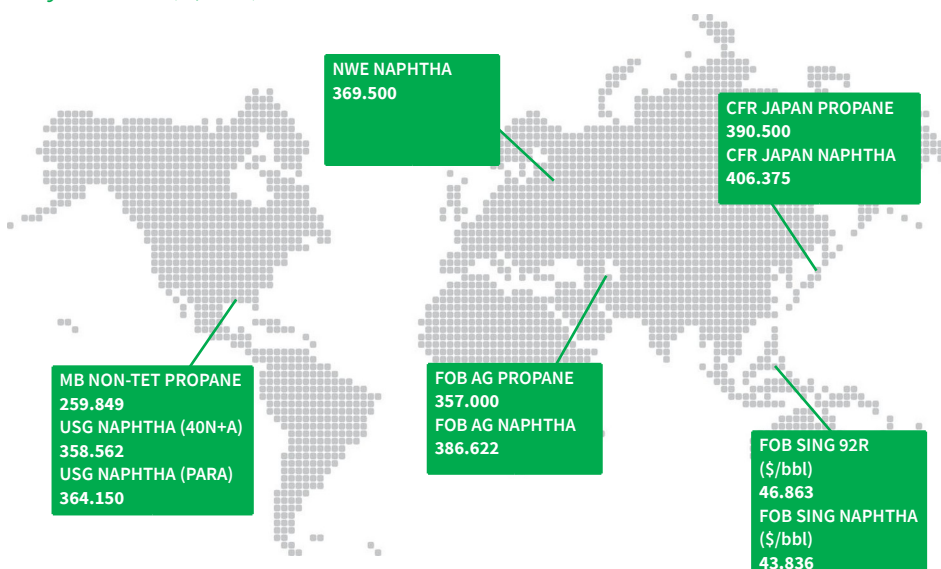
- CNOOC offers low-MTBE 92 RON for late-Oct. loading
- IOC seeks mid-Oct. delivery 92 RON gasoline
- RIL Sept. alkylate shipments to Europe/USAC shrink amid limited outlets
- Chinese Aug. exports gain as refiners ramp up productions

FOB Singapore (\$/bbl)	LOW	HIGH	MEAN	CHANGE	PREM/DISC
92-RON	46.81	46.91	46.863	1.139	0.277
95-RON	48.62	48.72	48.669	0.995	0.533
97-RON	49.87	49.97	49.919	0.945	--

Market News Headlines

- Asia Heavy Full Range Naphtha Pressured as Buyers Shun Kerosene-Rich Grades
- Libya Crude Oil Export Resumption Unlikely to Roil Markets on Limited Volume
- China Raises Crude Imports from Brazil, US in August... **(More from page 8)**

Key Prices (\$/mt)



16:30 SINGAPORE BRENT MARKER (\$/bbl)

MONTH	PRICE	CHANGE
November	42.08	0.68
December	42.57	0.68
January	43.02	0.70

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NAPHTHA

Asia naphtha crack at two-and-half month high

Asia naphtha followed crude higher on Friday with the crack, or refining margin, rising to a two-and-half month high.

The CFR Japan naphtha crack to Brent jumped \$5.90/mt on the day to \$90.775/mt. The crack spread was last bigger on July 9, OPIS data showed. But the H1 Nov./H1 Dec. open specification naphtha (OSN) backwardation shrank for a third straight session, losing \$0.50/mt to +\$2.25/mt. The inter-month spread has been narrowing since Sept. 11, OPIS data showed.

Liquidity picked up in afternoon trade, following two quiet sessions. Glencore sold a H2 Nov. parcel to BP at \$407/mt while PetroDiamond sold a H1 Nov. lot to Equinor at \$408/mt. On Tuesday, H2 Nov. traded at \$396/mt.

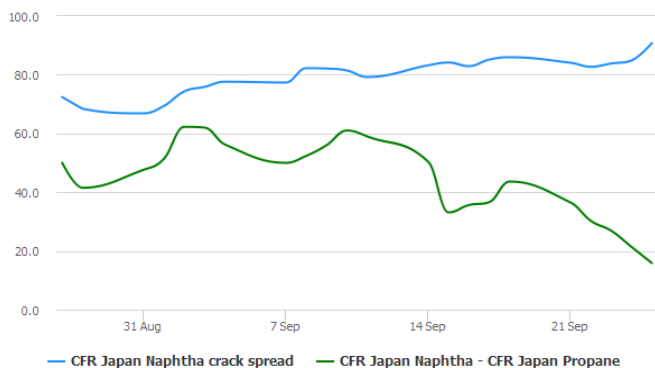
Spot requirements were once more subdued on Friday, sources said, while the inter-month spread is squeezed further by ample H1 Nov. supply of paraffinic naphtha, resulting from the influx of light naphtha from the U.S., said a trader.

Shipments from Europe appeared to have slowed in recent days, with the last fixture reported on Sept. 20, when Total chartered the STI Steadfast to ferry 75,000 mt from Skikda to Japan, a source said.

Elevated benchmark Mediterranean-to-Japan freight rates relative to the East-West paper spread might have hampered arbitrage, said a trader, although other sources maintain that Europe is structurally long and must export surpluses to Asia.

Data compiled by OPIS showed that the East-West spread averaged \$20.49/mt so far this month, while the Med-to-Japan freight rate has held above \$30/mt since Sept. 15, according to the Baltic Clean Tanker Index. (To be continued on page 8)

30 DAYS CFR JAPAN NAPHTHA SPREADS (\$/mt)



CFR JAPAN OPEN SPEC NAPHTHA (\$/mt)

LAYCAN	LOW	HIGH	MEAN	CHANGE
H1 Nov	407.50	408.50	408.000	10.750
H2 Nov	406.50	407.50	407.000	10.750
H1 Dec	405.25	406.25	405.750	11.250

SPOT PHYSICAL NAPHTHA (\$/mt)

MARKET	LOW	HIGH	MEAN	CHANGE	PREM/DISC
CFR Japan	405.88	406.88	406.375	11.000	5.500
CFR Korea (Daesan-basis)	404.88	405.88	405.375	11.000	4.500
FOB Singapore (\$/bbl)	43.79	43.89	43.836	1.195	--
FOB Arab Gulf LR1	386.12	387.12	386.622	10.639	15.000
FOB Arab Gulf LR2	388.95	389.95	389.451	11.590	--

CFR JAPAN NAPHTHA SWAPS (\$/mt)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	402.50	403.50	403.000	9.750
Nov	400.75	401.75	401.250	10.000
Dec	399.50	400.50	400.000	10.250

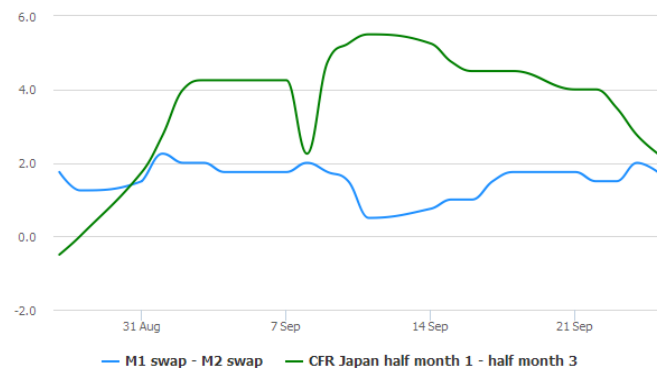
NAPHTHA EAST-WEST SPREADS (\$/mt)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	21.00	22.00	21.500	-0.750
Nov	20.00	21.00	20.500	-0.250
Dec	19.75	20.75	20.250	-0.250

FOB SINGAPORE NAPHTHA SWAPS (\$/bbl)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	43.65	43.75	43.700	1.200
Nov	43.40	43.50	43.450	1.300
Dec	43.25	43.35	43.300	1.350

30 DAYS CFR JAPAN NAPHTHA TIME SPREADS (\$/mt)



LPG

Cash differentials continues to improve; BPCL seeks second spot cargo for Nov.

Asian LPG prices gained on Friday lifted once more by higher paper values and physical bid, one day after term lifters recommended higher Oct. CP, amid stronger overnight crude.

The highest bid for H2 Oct. delivery was at a discount of \$7/mt to the Oct. Far East quotes, up \$2/mt from previous session, for a 23,000 mt propane parcel. No offer was placed.

One bid was placed for H1 Nov. delivery at a discount of \$11/mt to the Nov. Far East quotes, for a 46,000 mt propane parcel.

Cash differentials rebounded strongly since second half of September, with the discount to Oct. Far East quotes shrunk by \$9/mt from \$21/mt on Sept. 14 for a H2 Oct. delivery parcel, based on OPIS record.

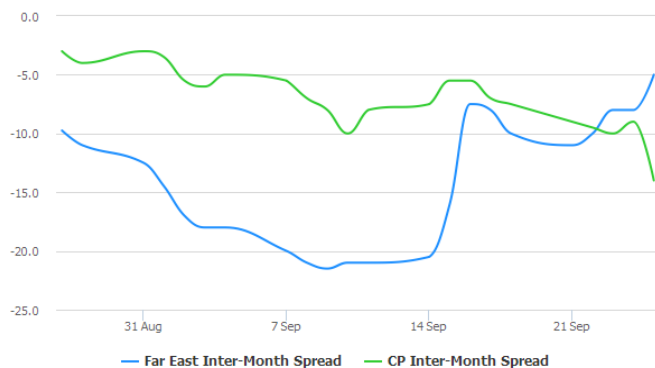
Bharat Petroleum Corp. (BPCL) sought a second 45,000 mt even-split spot parcel for November delivery to Mangalore and Haldia or Vizag and Haldia, after it bought at a premium of \$25s/mt to the Nov. CP for Nov. 7-20 to Mundra and Dahej from a trader via tender that closed on Tuesday, sources said. (See tender details on page 6)

This would be the fourth spot cargo that India will pick up for November delivery after Indian Oil Corp. bought two similar parcels to the east coast at premiums of \$30s/mt to the Nov. CP this week, based on OPIS record.

Indian demand continue to show improvement as cooking gas consumption rose 13.5% on-month in the first half of September, based on local media report.

(to be continued on page 8)

30 DAYS PRICE FOR PROPANE SPREADS (\$/mt)



CFR (\$/mt)

PROPANE	LOW	HIGH	MEAN	CHANGE
CFR Japan	390.00	391.00	390.500	16.500
CFR South China	398.50	399.50	399.000	16.000
BUTANE	LOW	HIGH	MEAN	CHANGE
CFR Japan	395.00	396.00	395.500	16.500
CFR South China	403.95	404.05	404.000	16.000
LPG (11:11)	LOW	HIGH	MEAN	CHANGE
CFR Japan	392.50	393.50	393.000	16.500
CFR South China	401.00	402.00	401.500	16.000

FOB (\$/mt)

ARAB GULF	LOW	HIGH	MEAN	CHANGE	PREM/DISC
Propane	356.50	357.50	357.000	4.000	-13.000
Butane	361.50	362.50	362.000	4.000	-13.000

FAR EAST PROPANE (\$/mt)

LAYCAN	LOW	HIGH	MEAN	CHANGE	PREM/DISC
H2 Oct	388.50	389.50	389.000	16.500	-6.000
H1 Nov	394.50	395.50	395.000	14.500	-5.000
H2 Nov	397.50	398.50	398.000	12.500	-2.000

FAR EAST LPG (11:11) (\$/mt)

LAYCAN	LOW	HIGH	MEAN	CHANGE	PREM/DISC
H2 Oct	391.00	392.00	391.500	16.500	-3.500
H1 Nov	397.00	398.00	397.500	14.500	-2.500
H2 Nov	400.00	401.00	400.500	12.500	0.500

FAR EAST PROPANE SWAPS (\$/mt)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	394.50	395.50	395.000	14.500
Nov	399.50	400.50	400.000	11.500
Dec	402.00	403.00	402.500	11.000

CP PROPANE SWAPS (\$/mt)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	369.50	370.50	370.000	4.000
Nov	383.50	384.50	384.000	9.000
Dec	389.00	390.00	389.500	10.000

PROPANE/BUTANE CP SWAP DIFFERENTIAL (\$/mt)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	-5.50	-4.50	-5.000	0.000

SAUDI ARAMCO LPG CONTRACT PRICE (\$/mt)

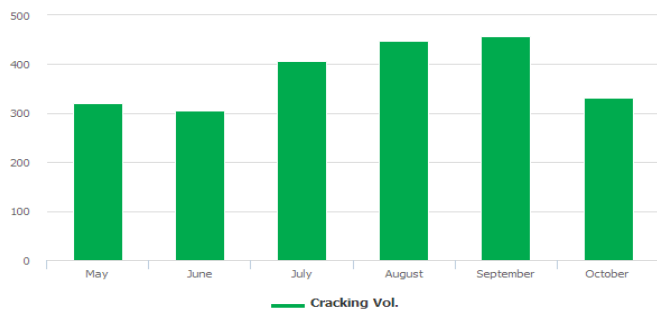
MONTH	PROPANE	CHANGE	BUTANE	CHANGE
Sep	365.000	0.000	355.000	10.000

SONATRACH LPG CONTRACT PRICE (\$/mt)

MONTH	PROPANE	CHANGE	BUTANE	CHANGE
Sep	305.000	20.000	340.000	30.000

LPG Cracking Survey

LPG CRACKING VOLUME ('000mt)

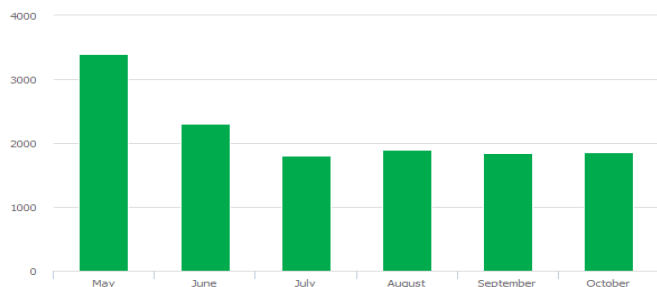


CFR PROPANE, LPG/CFR NAPHTHA RATIO (%)

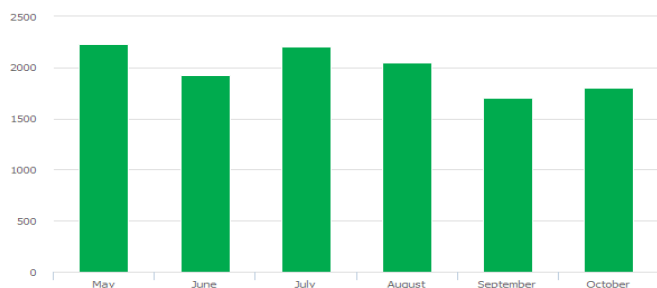
LAYCAN	PRO/NAP	CHANGE	LPG/NAP	CHANGE
1st Half Month	95.343	1.573	95.956	1.557
2nd Half Month	97.052	1.027	97.666	1.010
3rd Half Month	98.090	0.371	98.706	0.354

Arb Economics

NAPHTHA NWE/MED ARBITRAGE VOLUME ('000mt)



US-ASIA LPG VOLUME ('000mt)

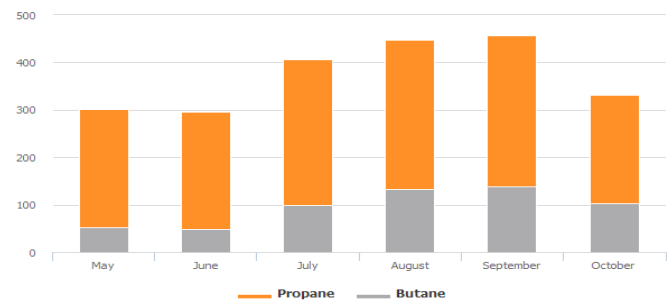


FREIGHT RATES (\$/mt)

ROUTE	PRODUCT	PRICE
Sing-Japan	Naphtha	12.58
AG-Japan LR 1	Naphtha	19.75
AG-Japan LR 2	Naphtha	16.92
Houston - Chiba (via Panama)	LPG	94.00
Houston - South China	LPG	103.00
Middle East Gulf - Japan	LPG	53.50
Middle East Gulf - South China	LPG	42.00

- The CFR Japan naphtha to propane spread now more than 50% lower from a week ago (See chart on page 2)
- Both markets lifted by stronger paper values, with Far East propane in a smaller contango and Japan naphtha in a narrower backwardation
- H1 Nov/H1 Dec OSN naphtha backwardation shrank for a third straight session, squeezed by ample H1 Nov. supply from the U.S.

PROPANE/BUTANE CRACKING VOLUME ('000mt)



*Based on participants who provide C3/C4 breakdown. Total volumes differ from LPG Cracking Survey.

- Northwest Europe naphtha crack gained on firmer gasoline crack following bullish EIA report showing a sizeable drawdown in U.S. fuel inventories: OPIS Europe
- Seasonal switch to winter grade gasoline in the U.S. and Europe to boost butane use in gasoline blending, potentially resulting in excess naphtha for exports: IHS Markit
- East-West spread shrinks by \$0.75/mt to \$21.50/mt
- Terminal operator offers two 2H Oct. ex-Nederland parcels since this week without deal, initial offer slightly below 5 cts/gal to Mt. Belvieu, OPIS N.A. report.
- Loss of exports on Houston closure estimated around 300kt or 8.5% of Aug. U.S. exports, sources.
- Cash differentials for Japan landed cargoes rebounded strongly since mid-Sept., with the discount level shrunk by \$9/mt from \$21/mt on Sept. 14 for H2 Oct. delivery

PROPANE SPOT CARGO FLOW ECONOMICS (\$/mt)

PROPANE	MONTH	LOW	HIGH	MEAN	CHANGE
Mont Belvieu Swap	Oct	263.52	266.39	263.756	5.408
	Nov	268.73	271.60	268.966	6.710
	Dec	271.96	274.83	272.223	7.362
Diff to Far East	Oct	-131.74	-130.74	-131.244	-9.092
	Nov	-131.53	-130.53	-131.034	-4.790
	Dec	-130.78	-129.78	-130.278	-3.639
USGC FOB Resale Diff	H2 Oct	23.45	28.66	26.050	0.000
	H1 Nov	23.45	28.66	26.050	0.000

GASOLINE

RIL Sept. alkylate shipments to Europe/USAC shrink amid limited outlets

Asian gasoline crack for 92 RON edged up \$0.469/bbl to \$4.763/bbl, while that for 95 and 97 RON gained \$0.325/bbl and \$0.275/bbl to \$6.569/bbl and \$7.819/bbl respectively.

Spot prices jumped \$1.139/bbl and \$0.995/bbl for 92 RON and 95 RON to \$46.863/bbl and \$48.669/bbl respectively, while 97 RON gained \$0.945/bbl to \$49.919/bbl.

The 92 RON cargo differentials rose to \$0.277/bbl from \$0.143/bbl as Trafigura sold an Oct. 20-24 to PTT at \$46.90/bbl during the afternoon trade session.

China National Offshore Oil Corp (CNOOC) offered up to 37,000 mt of 92 RON gasoline for Oct. 27-28 loading from Dongguan, according to a tender. The latest offer has methyl tertiary butyl ether (MTBE) content of up to 1% compared to the typical 10%.

Bids are to be submitted by Sept. 28 with a same-day validity.

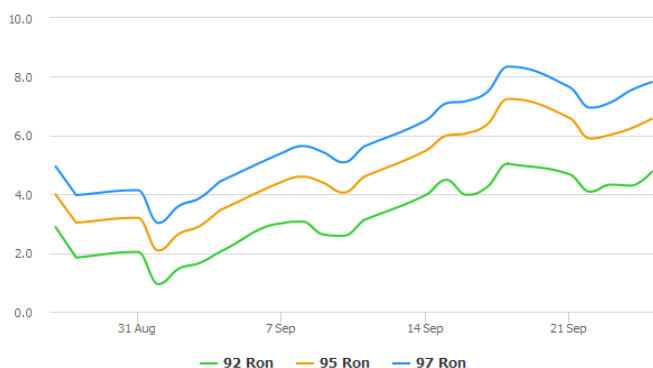
CNOOC last sold a similar cargo for loading from Huizhou Dagang at a premium of \$1.10-\$1.20/bbl to Singapore 92 RON prices.

The price is considered high against current levels of parity to minus \$0.20/bbl due to its low MTBE content, a trader said. "They are well sought after because such gasoline can be blended into oxygenated gasoline, but not the other way round," a trader said.

Indian Oil Corp. (IOC) floated a tender to buy 30,000 mt of 92 RON for Oct. 10-11 delivery to Chennai or Kochi, according to an official document. Offers are to be submitted by Sept. 29 with a same-day validity.

(To be continued on page 8)

30 DAY GASOLINE CRACK SPREADS (\$/bbl)



FOB SINGAPORE (\$/bbl)

PRODUCT	LOW	HIGH	MEAN	CHANGE	PREM/DISC
92-RON	46.81	46.91	46.863	1.139	0.277
95-RON	48.62	48.72	48.669	0.995	0.533
97-RON	49.87	49.97	49.919	0.945	--

FOB ARAB GULF (\$/bbl)

PRODUCT	LOW	HIGH	MEAN	CHANGE	PREM/DISC
92-RON	44.89	44.99	44.939	1.112	3.600
95-RON	46.69	46.79	46.745	0.968	4.050

SINGAPORE 92 RON GASOLINE SWAP (\$/bbl)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	46.56	46.66	46.610	1.020
Nov	46.20	46.30	46.250	0.940
Dec	46.24	46.34	46.290	0.860

SINGAPORE 95 RON GASOLINE SWAP (\$/bbl)

MONTH	LOW	HIGH	MEAN	CHANGE
Oct	48.11	48.21	48.160	0.970
Nov	47.75	47.85	47.800	0.890
Dec	47.79	47.89	47.840	0.760

GASOLINE CRACK SPREADS (\$/bbl)

PRODUCT	LOW	HIGH	MEAN	CHANGE
92-RON	4.71	4.81	4.763	0.469
95-RON	6.52	6.62	6.569	0.325
97-RON	7.77	7.87	7.819	0.275

GASOLINE REFORMING SPREADS (\$/bbl)

PRODUCT	LOW	HIGH	MEAN	CHANGE
92-RON	2.98	3.08	3.027	-0.056
95-RON	4.78	4.88	4.833	-0.200
97-RON	6.03	6.13	6.083	-0.250

30 DAY GASOLINE REFORMING SPREADS (\$/bbl)



TENDERS

ISSUER	DETAILS	INCO/PORT	TIMING	CLOSING DATE	VALIDITY DATE
State Trading Corporation (Mauritius)	Buy 78,000 mt LPG of cargo size 1,800-3,000mt OR 10,000-12,000mt, with 15-25% propane	DES/Port Louis, Mauritius	Nov. 2020-Oct. 2021	12-Aug-20	11-Dec-20
Indian Oil Corp.	Buy one 45,000 mt LPG of 50:50 split per month	CFR/Ennore & Haldia	Jan. - Dec. 2021	28-Sep-20	30-Sep-20
AltaGas	Sell one 44,000 mt propane	FOB/Prince Rupert, Canada	Oct. 13-17	23-Sep-20	24-Sep-20
Ningbo Kingfa	Buy one to two lots of 23,000 mt propane	DES/Ningbo, China	Nov. 7-16 and/or Dec. 1-10	25-Sep-20	25-Sep-20
Bharat Petroleum Corp.	Buy one 45,000 mt LPG of 50:50 split	CFR/Mangalore & Haldia or Vizag & Haldia	Nov. 7-30	28-Sep-20	29-Sep-20
Indian Oil Corp.	Sell 35,000 mt naphtha	FOB/Chennai	Oct. 11-13	25-Sept-20	25-Sept-2020
Pertamina	Buy minimum one cargo of 200,000 bbls, 250,000 bbls, 500,000 bbls and/or minimum one cargo of 100,000 bbls, 140,000 bbls, 200,000 bbls, 250,000 bbls of 88 RON	CFR/Merak, Tuban, Balongan, Cilacap, multiport-FOB/Singapore, Malaysia	Oct.-Dec.	21-Sept-2020	25-Sept-2020
CPC Corp.	Sell 32,000 mt of 92 RON or 95 RON catalytic cracked gasoline	FOB/Kaohsiung	Nov. 1-15	23-Sept-2020	25-Sept-2020
CNOOC	Sell 35,000-37,000 mt of 92 RON	FOB/ Dongguan	Oct. 27-28	28-Sept-2020	28-Sept-2020
IOC	Buy 30,000 mt of 92 RON	CFR/ Chennai or Kochi	Oct 10-11	29-Sept-2020	29-Sept-2020
PSO	Buy three 50,000 mt cargoes of 92 RON	CFR/Karachi	Nov. 6-20	5-Oct-2020	12-Oct-2020
Ceypetco	Buy 1,564,500 bbls of 92 RON and 535,500 bbls of 95 RON	DAP/Colombo	Dec. 1, 2020-July 31, 2021	13-Oct-2020	11-Jan-2021

SHIPPING FIXTURES

VESSEL NAME	SIZE (kt)	CARGO	LOADING DATE	EST. DEL. PERIOD	ROUTE	CHARTERER
Reimei	44	Pro:But 22:22	8-9 Oct	2H Oct	AG/East	Vitol
Gas Star	44	Pro:But 22:22	9-10 Oct	2H Oct	Mina Al Ahmadi/India	HPCL
STI Steadfast	75	NAP	20-Sep	H2 Oct	Skikda/Japan	Total
Torm Maren	75	NAP	19-Sep	H2 Oct	Eleusis/Far East	CNR
Jag Pushpa	35	MOG	25-Sept	H1 Oct	AG/East Africa	SAHARA
Lian Gui Hu	60	MOG	26-Sept	H1 Oct	Yanbu/Sikka	ATC
Al Adailiah	35	MOG	28-Sept	H2 Oct	Yanbu/East Africa/AG/Pakistan/West Africa/Singapore	CSSSA
Petrolimex TBN	35	92 RON	28-Sept	H1 Oct	Singapore/Thailand	PetroChina
Norstar Integrity	60	MOG	28-Sept	H1 Oct	Sikka/AG/Pakistan	TOTAL
Bluebird	60	MOG	28-Sept	H1 Oct	Sikka/AG/Jeddah	ATC
Jag Aanchal	60	MOG	28-Sept	Oct	Sikka/AG/Singapore	VITOL
Mineerva Pacific	35	MOG	28-Sept	H2 Oct	Fujairah/West Africa	SAHARA
Wisby Atlantic	35	MOG	28-Sept	H2 Oct	Fujairah/West Africa	SAHARA
Energy Centurion	60	MOG	29-Sept	H2 Oct	Yanbu/Singapore	ATC
UACC Mirdif	35	MOG	29-Sept	H1 Oct	Sohar/Colombo	OQ
Sanmar Sangeet	90	MOG	1-Oct	H2 Oct	AG/East Africa	ENOC
Cielo Di Rotterdam	60	92 RON	2-Oct	H1 Oct	Dalian/Singapore	PetroChina
Gulf Crystal	60	92 RON	8-Oct	H1 Oct	Dalian/Singapore/West Africa	PETROINEOS

REFINERY MAINTENANCE

REFINERY	LOCATION	CAPACITY	START DATE	PERIOD	DETAILS
Pengerang Refining and Petrochemical (PRefChem)	Johor, Malaysia	300,000 b/d	15-Mar	Q1 2021	The Petronas-Saudi Aramco JV refinery was shut after fire and explosion at DHT. The plant was originally due to restart in August.
ENEOS	Oita, Japan	136,000 b/d	12-May	1 year	CDU to be off-line for at least a year after fire on May 27 that occurred while CDU was off-line for maintenance that started May 12.
Ampol (formerly Caltex Australia)	Lytton, Australia	109,000 b/d	20-May	3-4 months	Ampol said phased restart of units at Lytton refinery expected during September, with maintenance works due to be completed as planned at end-August. Full production expected by the beginning of October.
Formosa Petrochemical Corp.	Mailiao, Taiwan	80,500 b/d	15-Jul	6-12 months	No. 2 RDS closed after a fire on July 15. Likely to stay offline for six to 12 months.

REFINERY	LOCATION	CAPACITY	START DATE	PERIOD	DETAILS
Viva Energy	Geelong, Australia	120,000 b/d	July	Late October	RCCU and HFA shut down since late-Apr, refinery being run in hydro-skimming mode to cut gasoline output until end-Oct. All units to resume full output by late-Oct. HFA T/A in 2021.
BSR	Dung Quat, Vietnam	148,000 b/d	12-Aug	1-Oct	Scheduled maintenance. BSR postponed the overhaul twice due to the COVID-19.
Saudi Aramco	Ras Tanura	550,000 b/d	15-Aug	29-Sep	Full refinery turnaround. The works were initially scheduled in March, but postponed due to lockdowns to curb COVID-19.
Seibu Oil Co Ltd	Yamaguchi prefecture, western Japan	120,000 b/d	27-Aug	2 months	Scheduled maintenance for all units from Aug. 27 to Oct. 20. The 120,000 b/d CDU taken off-line Aug. 29. Other units include 27,500 b/d CCR reformer, 28,000 b/d FCC among others.
ENEOS	Negishi, Japan	150,000 b/d	31-Aug	Late October	Scheduled maintenance for CDU.
SK Energy	Ulsan, South Korea	60,000 b/d	Around 31-Aug	Unknown	SK shuts the No. 1 CDU due to weak demand.
Ningxia Petrochemical	Yinchuan, China	100,000 b/d	August	45 days	Scheduled maintenance for CDU.
Jinxi Petrochemical	Huludao, China	130,000 b/d	August	62 days	Scheduled maintenance for CDU.
S-Oil	Onsan, South Korea	76,000 b/d	6-Sep	3-4 weeks	Shutdown due to technical issues. The other 73,000 b/d RFCC was operating normally.
Formosa Petrochemical Corp.	Mailiao, Taiwan	80,500 b/d	September	1 month	FPCC will operate No.1 RDS at 90% capacity until end Sept. To be shut in Oct. for 40 days of scheduled catalyst change.
Formosa Petrochemical Corp.	Mailiao, Taiwan	540,000 b/d	September	1 month	FPCC plans to process 370,000 b/d of crude in Sept. or 69% of capacity, up from 57% in Aug.
Formosa Petrochemical Corp.	Mailiao, Taiwan	168,000 b/d	September	1 month	FPCC is operating one of two RFCC at 85% after closing the other in mid-Aug.
CNOOC	Dongying, China	100,000 b/d	September	35 days	Scheduled maintenance for CDU.
ENEOS	Negishi, Japan	120,000 b/d	Late September	Early November	Scheduled maintenance for CDU.
ENEOS	Wakayama, Japan	127,500 b/d	Late September	Early December	Scheduled maintenance for CDU.
Cosmo Oil, Yokkaichi	Yokkaichi, Japan	86,000 b/d	October	1 month	Scheduled maintenance for CDU.
Sinopec SK Wuhan Petrochemical	Wuhan, China	170,000 b/d	Q4-2020	Unknown	Scheduled maintenance
SK Energy	Ulsan, South Korea	170,000 b/d	Q4-2020	Unknown	SK considers the No. 3 CDU turnaround in Q4. Its 88,000 b/d RHDS will be shut for scheduled maintenance in Q4.
HPCL	Mumbai, India	150,000 b/d	Jan.-2021	unknown	Postponed from Q2 2020 due to manpower issues amid COVID-19

CRACKER/PDH MAINTENANCE

CRACKER/PDH	LOCATION	ETHYLENE CAP	PROPYLENE CAP	START DATE	PERIOD	DETAILS
Lotte Chemical	Daesan, South Korea	1.1 million mt/y	550,000 mt/y	4-Mar	By end of 2020	Shut down after an explosion on March 4. Company targets end-2020 restart.
FPCC No. 3	Mailiao, Taiwan	1.2 million mt/y	600,000 mt/y	Aug. 11	50 days	Scheduled maintenance
Idemitsu Kosan	Tokuyama, Japan	690,000 mt/y	255,000 mt/y	Sept. 8	H2 Oct.	Scheduled maintenance
ExxonMobil	Pulau Ayer Chawan, Singapore	1.0 million mt/y	500,000 mt/y	Mid-Sept.	6 weeks	Scheduled maintenance.
Sinopec Zhongke Refinery	Zhanjiang, south China	800,000 mt/y	426,000 mt/y	October	-	New cracker, issue with testing this week, potentially delay start-up.
Sinopec Wuhan	Hubei, China	800,000 mt/y	500,000 mt/y	October	2 months	Scheduled maintenance
SK Global Chemical No. 2	Ulsan, South Korea	670,000 mt/y	410,000 mt/y	Oct. 12	41 days	Scheduled maintenance
YNCC No.2	Yeosu, South Korea	580,000 mt/y	280,000 mt/y	Oct. 20	60 days	Ethylene capacity to be expanded by 350,000 mt/year to 930,000 mt/year.
Fujian Meide	Fuzhou, south China	-	660,000 mt/y	November	-	New PDH construction completed and handed over on Aug. 5, to start trial run in Oct.
Wanhua Chemical	Yantai, north China	1,000,000 mt/y	250,000 mt/y	November	-	New cracker, to use propane as feedstock. Plan to feed in by end-Oct.
Tae Kwang	Ulsan, South Korea	-	300,000 mt/y	Early Nov.	4 weeks	Scheduled maintenance for PDH
Map Ta Phut Olefins Co. (MOC)	Map Ta Phut, Thailand	900,000 mt/y	800,000 mt/y	November	Jan. 2021	Scheduled maintenance. New gas cracker will boost ethylene capacity to 1.2 million mt/yr.
PTTGC	Map Ta Phut, Thailand	500,000 mt/y	250,000 mt/y	December	-	New cracker
Oriental Energy Ningbo II	Ningbo, east China	-	660,000 mt/y	Q4 2020	-	2nd PDH unit at Ningbo site.

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For complete methodology, visit

www.opisnet.com/about/methodology**(Naphtha commentary continued from page 2)**

Additionally, the seasonal switch to winter grade gasoline in the U.S. and Europe would boost butane use in its blending at the expense of naphtha, potentially resulting in excess gasoline blendstock for exports, according to the latest IHS Markit Asian Petrochemical Feedstock Market Outlook.

(LPG commentary continued from page 3)

China registered the second-highest monthly LPG import in August at 1.9 million mt, up 25% on-month, boosted by more propane sourced from the Middle East, based on customs data.

It imported 1.37 million mt of propane and 549,274 mt of butane, up 27% and 19% on-month, respectively, while 485,406 mt was bought from the U.S., up 4%, and 1.1 million mt from the Middle East, up 36% on-month, the data showed.

Propane from the Middle East almost doubled to 731,634 mt from 478,767 mt in July, according to the data.

(Gasoline commentary continued from page 5)

This is the first gasoline buy tender that IOC has issued since March, according to OPIS records. It previously sought five 31,000 mt of 92 RON for January to March to Chennai and Haldia, however results were undisclosed.

Meanwhile, Reliance Industries (RIL) exported fewer gasoline cargoes to Europe in September, according to shipping fixtures.

“These are in fact, alkylate cargoes but put under gasoline in some shipping fixtures,” an India-based trader said. “They usually send such cargoes to the USAC but might drop off in Europe for storage,” he added.

RIL booked two tankers, Till Jacob and an undisclosed Navig8 tanker, to load 60,000 mt each on Sept. 28 and end-Sept. respectively, shipping data showed.

Both tankers were chartered at a cost \$1.15 million each, while the Navig8 tanker has an option to head for the U.S. Atlantic Coast (USAC) at \$1.45 million.

In July and August, RIL shipped 180,000 mt to Europe, according to records. The lower export volume in September is likely due limited outlets in the West, a trader said.

Chinese gasoline exports in August jumped 8.93% on-month to 1.22 million mt, according to the General Administration of Customs (GAC). Exports were also 15.1% higher than the same period in 2019.

A trade analyst attributed the higher exports to an increase in production and weaker-than-expected domestic demand.

Chinese gasoline output rose 3.5% to 11.9 million mt in August from a year earlier, National Bureau of Statistics (NBS) data showed. “With supply overflowing in the domestic market, Chinese traders offered low-priced cargoes to offload their inventories,” a trader said.

Asian 92 RON cargo differentials fell from premiums of \$3.45/bbl on Aug. 3 to discounts of \$0.03/bbl on Aug. 31, according to OPIS records. “Differentials were pushed lower and lower as traders raced to sell their stocks,” another trader said.

Asia Heavy Full Range Naphtha Pressured as Buyers Shun Kerosene-Rich Grades

Heavy full range naphtha (HFRN) traded at a bigger discount to lighter or cracker grades in Asia amid ample arbitrage barrels as splitter operators shun heavier grades with high jet-kerosene yield, the demand for which is decimated by COVID-19 mobility restrictions, market participants said.

HFRN traded at a discount to open-specification naphtha (OSN) with minimum 70% paraffin since late June as soft aromatics

margins and lower splitter runs crimped demand. While paraffinic naphtha continued to trade at premiums to Japan assessments, discounts for HFRN steepened.

On Wednesday, Hanwha Total Petrochemical (HTC) bought HFRN for H1 Nov. to Daesan at a discount of \$5/mt or larger to Japan prices, said sources. An HTC company source declined to comment.

On Thursday, Yeochoon NCC (YNCC) bought OSN (minimum 70% paraffin) for H1 Nov. at plus \$4.50/mt, effectively placing the HFRN-OSN spread at \$9-\$10/mt, bigger than the \$5-\$6/mt in mid-September.

Last Friday, GS Caltex bought H1 Nov. HFRN at minus \$3-\$5/mt but the absence of H1 Nov. OSN deals until Thursday meant that a meaningful comparison was not possible at that time.

Given that HFRN values are grade dependent, for the purpose of price discovery it is equally important to find out the specific grade purchased by HTC, a trader cautioned, adding that splitter operators currently prefer B grade HFRN with a lower jet kerosene yield than A grade.

"Nobody wants A grade now. If given a choice, any splitter operator would pick other HFRN. B grade with less jet-kerosene is more attractive to buyers," the trader said.

So-called A grade is splitter grade HFRN while B grade is swing grade that can be used by either splitter or cracker, a source explained. Shipments from the Black Sea ports of Tuapse and Novorossiysk are classified as A grade, although Novorossiysk barrels tend to be the lighter of the two with variable specifications, the source added.

A driver of the recent HFRN price slide versus OSN could be due to some grades that are jet-kerosene rich, another trader said, adding that exports from Tuapse typically have a higher yield of the middle distillate.

"Buyers prefer whatever that has lower jet-kerosene. Some grades are full of kerosene which could explain the low premiums," the second trader said.

Despite the deepening HFRN discount and the relatively high freight rates for the benchmark Mediterranean-to-Japan route in recent weeks, the inflow of HFRN is unlikely to ebb because Europe needs to export surpluses to Asia, market participants said.

"Tuapse doesn't have many alternative outlets in Europe; cargoes still have to come to this region," the first trader added.

Monthly exports from the Russian Black Sea to East Asia averaged about 440,000 mt for the year to August, with 85.4% of the barrels landing in South Korea, IHS Markit Commodity at Sea (CAS) data showed. Inflow from the Russian Baltic Sea is not included.

Shipments in 2019 averaged 450,000/month, the data showed.

"Structurally, Europe needs to export at least 700,000-800,000 mt/month," a source added.

Rates to carry 80,000 mt of naphtha from the Mediterranean to Japan, a route known as TC15, topped \$30/mt on Sept. 15 and held at this level until Thursday, compared with \$26/mt a month ago, according to the Baltic Clean Tanker Index.

--Reporting by Trisha Huang, Trisha.Huang@ihsmarkit.com; Editing by Raj Rajendran, Rajendran.Ramasamy@ihsmarkit.com

Libya Crude Oil Export Resumption Unlikely to Roil Markets on Limited Volume

The imminent resumption of crude oil exports from Libya following a deal to remove a near year-long blockade is unlikely to roil an already well-supplied market nor cause the OPEC+ group much alarm due to its limited scale on top numerous concerns if the accord would hold, trading sources said.

Shipments from Libya, which averaged around 890,000 b/d last year prior to the blockades since January, according to IHS Markit Commodities At Sea (CAS) data, are unlikely to soar to anywhere near the lofty levels of 2019 in the coming months due to extensive damage to oil infrastructure in the country as a result of the fighting, they said.

"Our estimates are that in the short-term Libyan exports are unlikely to exceed 300,000 b/d and we are not even sure if the agreement will last for a long time because we hear it may not have full support at the ground level," said one trading source.

A crude trader also agreed with the 300,000 b/d ceiling, adding that the market has factored in the extra volume and is not cause for much worry to the OPEC+ group.

"OPEC+ are more interested in making sure there are no more cheaters," the trader said, referring to recent comments by heavyweight ministers within the group including Saudi Arabia for countries that exceeded their output quota to fall in line and compensate their oversupply, the deadline of which was extended to December.

According to shipping reports and trading sources there are at least three Suezmax and one Aframax due to load oil that's already in the shore tanks from the freed ports following the agreement.

First up on paper is the Delta Hellas, which is currently moored alongside berth 1 at Marsa El Brega having arrived outside the port on Sept. 23, according to IHS Markit Market Intelligence Network (MINT) vessel tracker. The tanker was chartered by Unipet to pick up 130,000 mt, reports show.

The Marlin Shikoku is anchored outside Marsa El Brega, according to MINT, with fixtures showing a booking also by Unipet to load 130,000 mt from the port on Sept. 29 for East Asia.

The Amoureux is currently in the west Mediterranean, just past Gibraltar, and is signaling Canakale in Turkey for orders, according to MINT. Fixtures show the tanker chartered by Shell to load in end September from Zuetina.

On the other hand, the Aframax Minerva Eleonora has been waiting outside Es-Sider to load since Sept. 11, MINT data show. The tanker was chartered by Hess to lift prompt barrels from the port with options to the Med, northwest Europe or USG, a fixture report released on Sept. 9 showed.

The tanker is still waiting to load due to the presence of paramilitary at the site, according to a shipbroker report on Friday, adding that the re-opening of Libyan ports has yet to make an impact in the Mediterranean tanker market.

The case of the Minerva Eleonora was symptomatic of the difficulties buyers face and likely to encounter going forward due to the uncertainties caused by the internal conflicts in Libya, the sources add.

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China Raises Crude Imports from Brazil, US in August; Russia Tops List Again

China bought bumper volumes of crude oil from Brazil and the U.S. in August while imports from Saudi Arabia and Angola tumbled as Russia held on to its top spot for a second month, data from the General Administration of Customs show.

Arbitrage economics on the back of cheaper freight meant that China was able to pick up more bargains from faraway regions such

as the Americas and also the Baltic and North Seas, according to the data and trading sources.

Russia supplied 5.8 million mt in August or about 1.37 million b/d, down 3.7% from a year earlier and well off the 7.38 million mt and 7.98 million mt shipped in July and June, respectively. Exports from Saudi Arabia, typically the largest supplier to China, fell to 5.26 million mt last month from 7.79 million mt a year ago.

Russia also usurped Saudi Arabia as the largest supplier so far this year as the nation's piped crude oil and ESPO grade from nearby Kozmino port are firm favorites, especially among independent refiners. It shipped 57.1 million mt versus 55.8 million mt from Saudi Arabia, the data showed.

Imports from Brazil climbed 75% on-year to 4.15 million mt and that from the United States more than doubled to 2.23 million mt, the data showed. Imports from the US jumped to a high of 3.67 million mt in July as large purchases made in the spring landed.

However, some pointed out that the detailed August import figures were not necessarily representative of market conditions due to the long waiting time faced by tankers before managing to discharge which makes it difficult to draw meaningful conclusions.

"I'm not sure if it is a good idea to draw any conclusions from the customs data, as you know some cargoes may be delayed for more than one month to get discharged," said Feng Xiaonan, IHS Markit downstream analyst in Beijing.

But, she highlighted that the wide arbitrage, which supported the large purchases made in the second quarter, is now easing and import volumes from the U.S. are therefore normalizing.

China will continue to actively buy U.S. barrels as part of its obligations in the energy purchase agreements, even though the targets are unlikely to be met given the sharp drop to the absolute price of oil from when the trade accords were made prior to the COVID-19 pandemic.

Overall imports have declined in the past two months since reaching a record 53.18 million mt in June with the August volume of 47.48 million mt falling to the lowest since April, the data show.

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Hin Leong Trading Founder Faces Second Forgery Charge: Singapore Police

The founder of beleaguered Singapore oil trader Hin Leong Trading (HLT), Lim Oon Kuin, also known as OK Lim, was charged on Friday with a second count of abetment of forgery for the purpose of cheating, the Singapore Police Force (SPF) said in a statement.

The charge asserts that Lim instigated a HLT employee to forge an email purportedly sent to China Aviation Oil (CAO) (Singapore) on Feb. 26 regarding the sale of a 10 ppm sulfur gasoil cargo. Lim was first charged six weeks ago over the same purported transaction. He was accused of instigating a HLT employee to forge a storage transfer certificate showing more than one million barrels of gasoil were transferred to CAO.

HLT had used the forged email and storage certificate to secure more than \$56 million in trade financing, the SPF said. Investigations into other offences allegedly committed by Lim are still ongoing, it added.

The penal code that Lim is being charged under carries an imprisonment term of up to 10 years and a fine.

HLT was placed under judicial management with liabilities totaling about \$4.05 billion while its assets are valued at \$714 million as of April 9, according to an earlier debt moratorium court filings.

HLT estimated that it owed around \$3.85 billion to 23 banks, around half of which was owed to the six largest lenders.

Lim admitted that he hid trading losses amounting to \$800 million, which triggered a credit squeeze and subsequent financial turmoil, according to the affidavit dated April 17 seen by OPIS.

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Total Will Convert 101,000 b/d Grandpuits Refinery to Biofuels Plant by 2024

Total will stop oil refining at its 101,000-b/d Grandpuits plant from the first quarter of next year and will convert the site into a biofuels and bioplastic production complex by 2024, the French oil major said Thursday.

The decision to end its oil refining comes after problems with the 260-kilometer Ile-de-France pipeline that carries crude oil from the Port of Le Havre to the refinery, which restricted the plant to 70% of capacity.

An audit showed normal operations at the refinery could be restored only by replacing the pipeline, at a cost of nearly 600 million euros (\$698 million), Total said.

It will also stop storing petroleum products at the site late in 2023. The Greater Paris region, formerly supplied by the Grandpuits refinery, will now be supplied from the 219,000-b/d Donges and the 253,000-b/d Normandy plants.

Total is now planning to put forward more than 500 million euros to convert the site into a biofuels complex. For biofuels production, Total is planning to commission a new unit by 2024, which would produce about 170,000 metric tons of sustainable aviation fuel (SAF), 120,000 mt of renewable diesel and 50,000 mt of renewable naphtha, for bioplastics.

Total is looking to manufacture PLA bioplastic that is biodegradable and recyclable, and entirely made of sugar, with a market growth pegged at 15%/year.

For the plastics recycling plant Total will build France's first chemical recycling plant with project partner Plastic Energy.

Total will construct two photovoltaic solar plants, one with a capacity of 28 Mega Watt peaks (MWp) at the Grandpuits site, and the other with a capacity of 24 MWp at the Gargenville site.

--Reporting by Paulina Lichwa-Garcia, paulina.lichwa-garcia@ihsmarkit.com; Editing by Rob Sheridan, rob.sheridan@ihsmarkit.com

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