

OPIS Europe Jet, Diesel & Gasoil Report

Essential Intelligence on Europe's Distillates Market



7 July 2021

Jet Fuel Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
OPIS450 FOB FARAG Barge	23.50	3.50	609.000	-9.75	608.50	609.50	624.450	611.102
FOB NWE Cargo	12.25	2.75	597.750	-10.50	597.25	598.25	613.550	600.318
CIF NWE Cargo	23.25	2.75	608.750	-10.50	608.25	609.25	624.550	611.318
FOB Med Cargo	9.55	2.75	595.048	-10.50	594.55	595.55	610.848	596.616

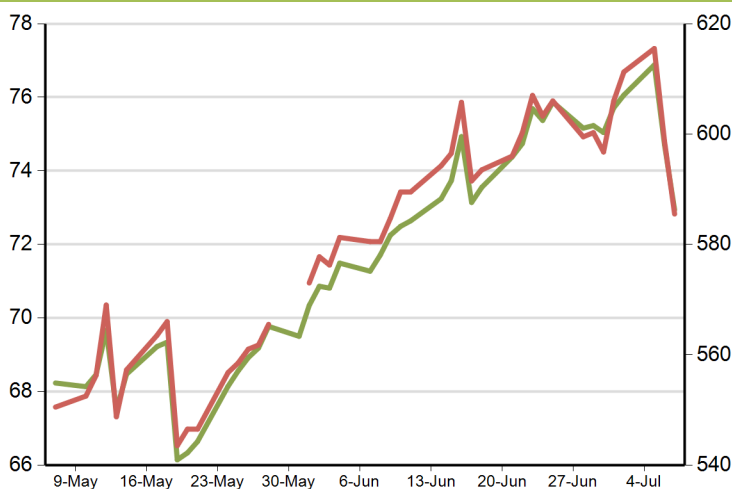
Diesel (ULSD) Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB ARA Barge	-1.25	-0.42	584.250	-13.67	583.75	584.75	602.233	590.283
FOB NWE Cargo	-8.25	0.25	577.250	-13.00	576.75	577.75	595.200	582.915
CIF NWE Cargo	4.25	0.25	589.750	-13.00	589.25	590.25	607.700	595.415
FOB Baltic Cargo	-6.66	0.25	578.842	-13.00	578.34	579.34	596.792	584.501
FOB Med Cargo	-7.50	0.25	578.000	-13.00	577.50	578.50	595.650	580.659
CIF Med Cargo	6.00	0.25	591.500	-13.00	591.00	592.00	609.150	594.159

Gasoil Prices (\$/mt)

Location	Spot Diff (LS Gasoil)	Change	Outright	Change	Low	High	Current Cal Month Avg	Prior Cal Month Avg
FOB ARA 0.1% Barge	-8.75	0.00	576.750	-13.25	576.25	577.25	594.250	581.943
FOB NWE Cargo	-15.75	0.25	569.750	-13.00	569.25	570.25	587.400	575.977
CIF NWE Cargo	-3.25	0.25	582.250	-13.00	581.75	582.75	599.900	588.477
FOB Med Cargo	-15.00	0.75	570.500	-12.50	570.00	571.00	587.850	574.136
CIF Med Cargo	-1.50	0.75	584.000	-12.50	583.50	584.50	601.350	587.636
FOB ARA 50ppm Barge	-4.25	-0.50	581.250	-13.75	580.75	581.75	599.550	588.697

ICE Brent and LS Gasoil Futures at 16:30 London



Brent (\$/bbl)	72.94
LS Gasoil (\$/mt)	585.50

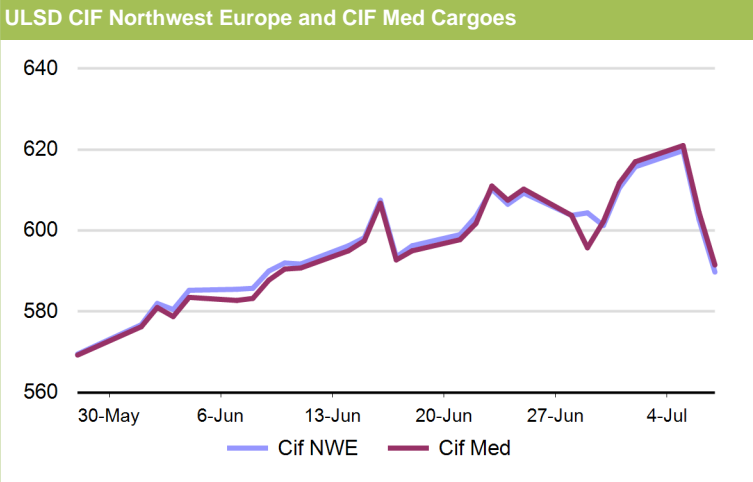
Jet Diffs Firm Even as Crude, Complex Crumbles

- Unipet sells 30kt jet CIF NWE to Vitol
- Global jet demand up 0.4% on month in May
- CIF NWE jet swaps rise \$1/mt on day

Distillate differentials for the most part firmed on day, though a \$2/bbl drop in the 4:30 pm U.K. front month Brent crude futures market took its toll on the underlying Low Sulfur Gasoil (LSG) futures curve.

The July LSG futures contract shed \$13.25/metric ton at its settle to \$585.50/mt, according to ICE data. However, the northwest European CIF jet fuel cargo diff was assessed at \$23.25/mt, above the most competitive EFP bid from Shell into CIM Le Havre at July LSG plus \$23.00/mt, in line with OPIS methodology. Jet fuel CIF NWE July swaps firmed around a \$1/mt on day, pegged at \$22.75/mt according to broker data. There was a CIF NWE jet 30,000-mt cargo trade, with Unipet selling to Vitol, and the trade was done on

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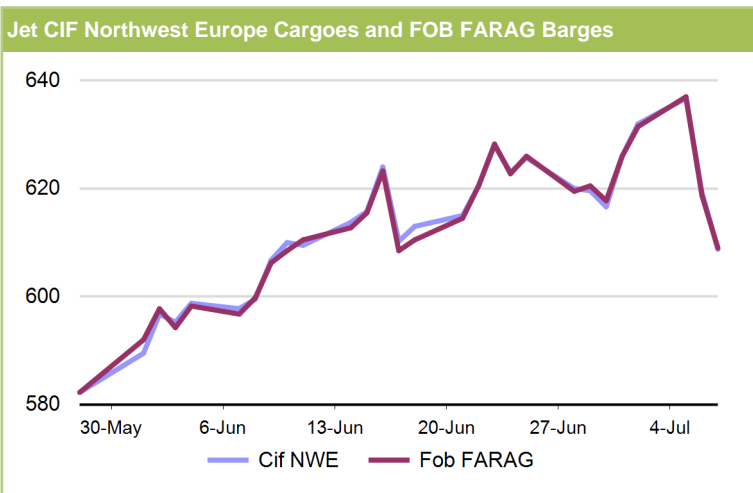


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a floating price basis.

While the volume of jet fixtures from the East of Suez appears to have slowed following a slew of fixtures seen second decade June, the flow of diesel remains robust.

BP has a newbuild Long/Large Range 2 tanker, the Onex Precious, on subs to ship 90,000 mt of ULSD from WCI to UKC, with Singapore options, at \$1.5 million lump sum. Lukoil has the STI Connaught on subs for the same cargo size and type, at \$1.6 million, with both LR2s loading second decade July. Unipecc has the Minerva Indiana on subs to haul 90,000 mt of ULSD from Yanbu to UKC at \$1.3 million, loading July 19. Lastly, Shell has the Bahra on subs to load 90,000 mt jet from the Middle East to UKC, loading July 19 also, paying \$1.725 million. All data was provided to OPIS by shipbroker reports.



Global demand for jet fuel, as measured in cargo tonne-kilometers, was up 9.4% in May, compared to May 2019. Seasonally adjusted demand rose by 0.4% month-on-month in May, thirteenth consecutive month of improvement, according to data International Air Transport Association (IATA).

Ever Given Container Ship Finally Exits Suez Canal, Heads to Port Said

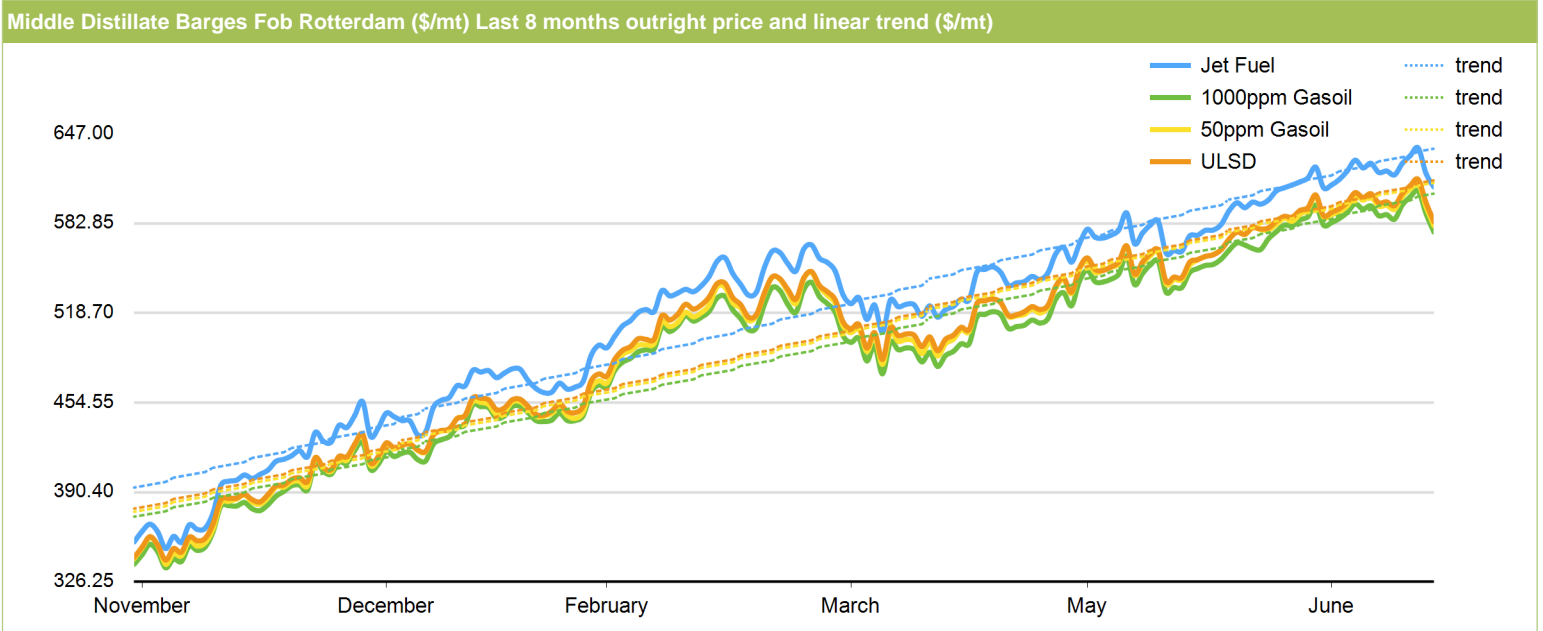
The Ever Given, the 400 meter-long container ship that ran aground in the Suez Canal in March, has finally departed the waterway and is heading to Egypt's Port Said for a dive survey, Japanese owner Shoei Kisen Kaisha said in a statement Wednesday.

The Ever Given ran aground in the Canal on March 23 at around 7 a.m. local time and was re-floated at approximately 3 p.m. local time on March 29, causing the longest closure of the waterway since 1975. A dust storm

OPIS Freight Assessment \$/mt

Augusta - Amsterdam (30kt)	13.70
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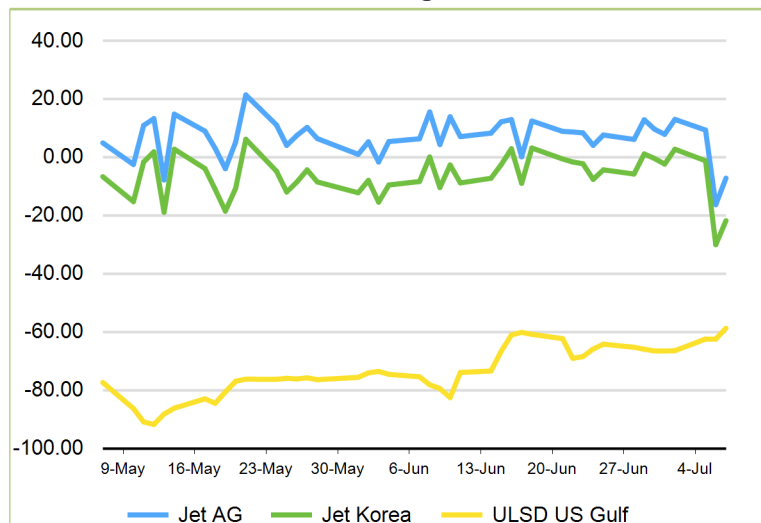


10ppm Gasoil vs ICE LS Gasoil Futures (EFS)

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	FOB Sing Gasoil	LS Gasoil M+1	Difference	Change	30-day average
Jul	597.27	603.00	-5.73	0.38	-5.575
Aug	597.34	603.75	-6.41	0.53	-8.269

Jet and Diesel Indicative Arbitrage to NWE



From	Fob value	Freight (last done)	Forward Value NWE	Spread	Time Stamp
Jet Fob AG (LR2)	598.38	18.06	609.33	-7.10	09:30
Jet Korea (LR2)	613.13	19.72	611.14	-21.72	09:30
ULSD US Gulf (MR)	633.70	14.69	589.75	-58.64	16:30

and wind speeds of 40 knots caused the containership to lose control of its steering, and the bow became wedged in the sand wall of the canal, according to a shipbroker report.

The number of vessels waiting to transit the Suez Canal grew to more than 400 ships by the end of March, according to data from IHS Markit, the parent company of OPIS. About 2 million barrels of crude oil and refined products including middle distillates, naphtha and fuel oil flow through the Suez Canal each day, according to Braemar ACM shipbroking.

"Subject to approval from the vessel's classification society, the American Bureau of Shipping, Ever Given will then complete her voyage to the next port where her cargo will be discharged," said Shoei Kisen Kaisha in the statement. "Our company has a large fleet of ships and will continue to be a regular and loyal customer of the Suez Canal. We are looking forward to the vessel returning to full operations in due course."

Some 10% of global seaborne trade transited the Suez Canal in 2020, according to IHS Markit data.

--Reporting by Rob Sheridan, rob.sheridan@ihsmarkit.com, Trisha Huang, Trisha.Huang@ihsmarkit.com; Editing by Anthony Lane, alane@opisnet.com

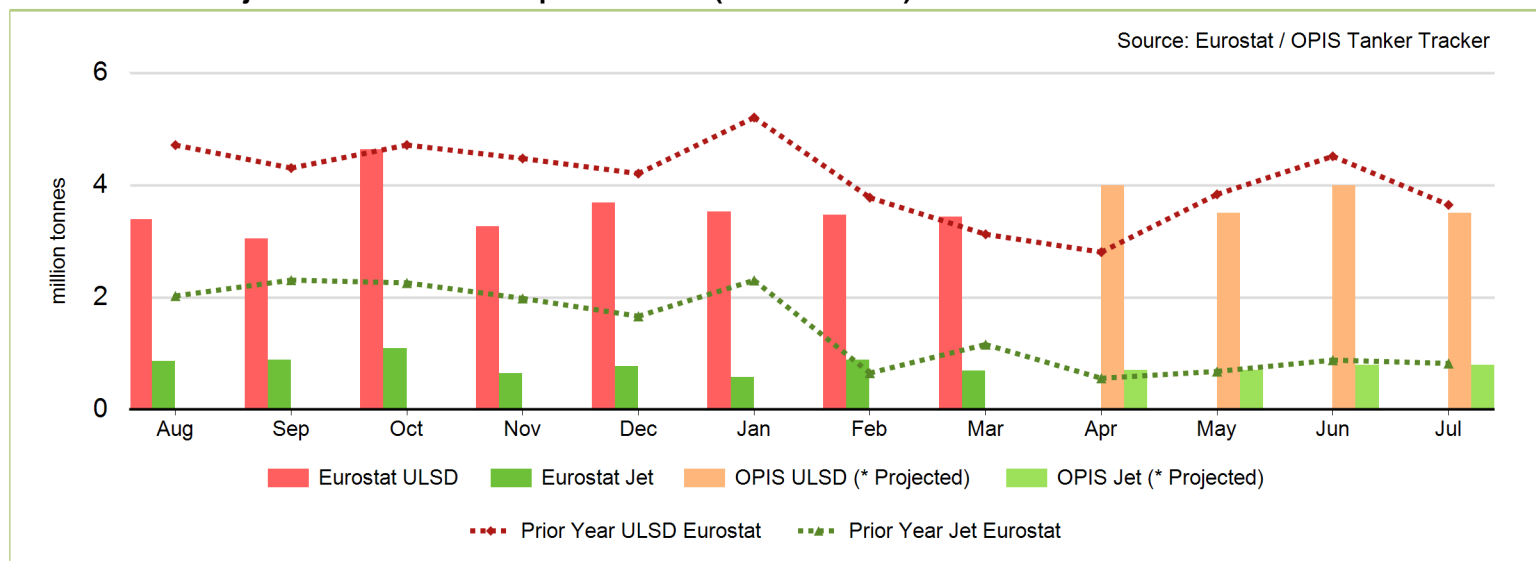
Georgia Ports Prepping for Tropical Storm Elsa, US Coast Guard Reports

The Georgia ports of Savannah and Brunswick were moved to port condition "X-Ray" on Wednesday ahead of Tropical Storm Elsa, according to the U.S. Coast Guard.

Port condition "X-Ray" is set as tropical storm winds are expected within 48 hours.

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Historical and Projected Jet and ULSD Imports into EU (million tonnes)



Month	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr*	May*	Jun*	Jul*
ULSD	3.389	3.048	4.635	3.270	3.685	3.529	3.464	3.438	4.000	3.500	4.000	3.500
Jet	0.861	0.887	1.094	0.643	0.773	0.582	0.889	0.694	0.700	0.700	0.800	0.800

Please note: Eurostat data does not include UK data as of February 2020

OPIS Worldwide Outright Jet and ULSD Prices (\$/mt)

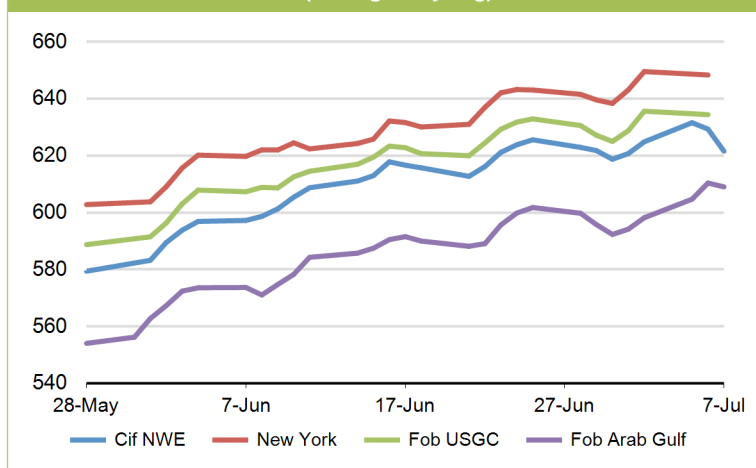
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Location	Outright	Change	Date and London Time	3-day avg
Jet Cif NWE	608.75	-10.50	7 Jul 16:30	621.583
Jet Fob Med	595.05	-10.50	7 Jul 16:30	607.881
Jet Fob AG (LR1)	597.98	-21.07	7 Jul 09:30	609.055
Jet Fob Singapore	609.42	-21.22	7 Jul 09:30	620.601
Jet Fob Korea	613.13	-20.99	7 Jul 09:30	622.916
Jet GC Close	622.79	-20.83	6 Jul 22:15	634.427
ULSD Cif NWE	589.75	-13.00	7 Jul 16:30	604.083
ULSD Cif Med	591.50	-13.00	7 Jul 16:30	605.667
ULSD GC Close	645.22	-22.62	6 Jul 22:15	658.013
Gasoil 10ppm Sing	596.45	-19.97	7 Jul 09:30	607.349

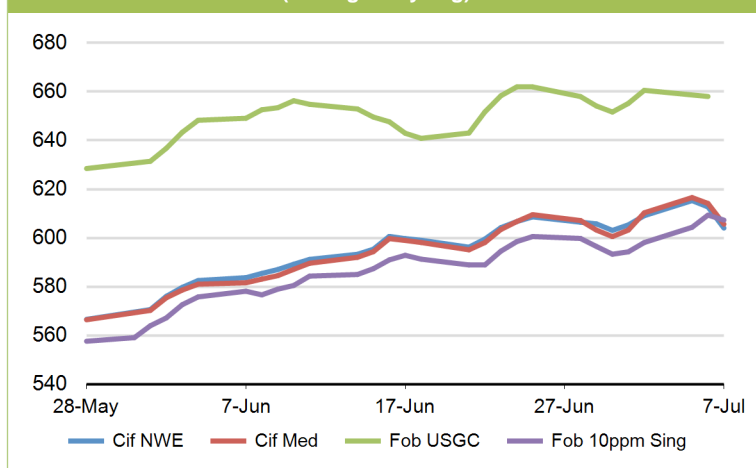
OPIS Ticking Price Derived

Location	Outright	Change	Net CIF NWE	Date and London Time	3-day avg
Jet NYH Ticker	627.83	-10.21	19.08	7 Jul 16:30	641.033
Jet GC Ticker	611.26	-14.35	2.51	7 Jul 16:30	626.673
ULSD GC Ticker	633.03	-15.11	43.28	7 Jul 16:30	648.673

International Jet Fuel Prices (trailing 3-day avg)



International ULSD Prices (trailing 3-day avg)



The coasts of Georgia and South Carolina were under a tropical storm warning as Elsa was making its way up the Eastern Coast of the U.S., according to the National Weather Service.

The Elba Island LNG terminal is located near the Port of Savannah. The terminal supplies product to Shell's LNG bunkering activities which occur farther south at Port Canaveral in Florida.

In Florida, the Port of Jacksonville was open with restrictions under port condition "Yankee" on Wednesday, while port Canaveral was open, according to the Coast Guard. Port condition Yankee is set when tropical-storm-force winds are expected within 24 hours, vessel movements may be restricted, and ship movements must be approved by the captain of port.

The National Weather Service predicted heavy rainfall Wednesday for Florida as the storm moved across the western and northern Florida Peninsula.

That heavy rainfall was expected to continue to hit parts of Georgia, South Carolina, North Carolina and Virginia as the storm makes its way up the coast, eventually hitting the Northeast and New England.

--Reporting by Eric Wieser, eric.wieser@opisnet.com; Edited by Tom Sosnowski, tsosnowski@opisnet.com

Global Banks Launch Blockchain-based Carbon Offsets Trading Platform

Four international banks are launching a blockchain-based offsets trading platform called Project Carbon to bring liquidity and transparency to the voluntary carbon market (VCM), the financial institutions announced Wednesday.

The banks behind the project are Canadian Imperial Bank of Commerce (CIBC), Itau Unibanco of Brazil, National Australian Bank (NAB) and NatWest Group of the United Kingdom.

"Project Carbon aims to support a thriving global marketplace for quality carbon offsets with clear and consistent pricing and standards and will provide a valuable pathway for our clients in their efforts to achieve a net zero goal," the banks said in a news release.

Blockchain solutions provider ConsenSys will build the platform, with a pilot beginning in August to demonstrate its operational, legal and technical capabilities, they said.

The consortium said the project will facilitate increased delivery of high-quality carbon offsets; a liquid carbon credit marketplace with price certainty and transparency; the creation of a strong ecosystem to support the offset market; and the development of tools to help clients manage climate risk.

The technology will offer buyers full traceability and linkage back to the source of the credit to reduce the risk of double counting, a notable concern among market stakeholders. Executed prices and trade sizes will be posted on the platform to support price discovery.

The release did not give details on the types of carbon offsets or crediting methodologies vetted for the platform, potential participants or buying and selling operations. CIBC did not immediately return a request for comment.

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Distillate differential and outright swaps at 16:30

Location	Jet NWE Cargo Swap	Jet NWE Cargo Forward	Jet Barge Swap	Jet Barge Forward	ULSD NWE Cargo Swap	ULSD NWE Cargo Forward	ULSD Barge Swap	ULSD Barge Forward
July	22.75	609.33	0.38	609.70	3.25	589.83	-1.38	585.20
August	23.75	611.14	0.25	611.39	3.75	591.14	-1.00	586.39
Quarter 4	28.00	612.37	-0.38	612.00	4.25	588.62	0.75	585.12
Quarter 1	31.75	610.06	-0.25	609.81	4.50	582.81	0.50	578.81

Location	Gasoil NWE Cargo Swap	Gasoil NWE Cargo Forward	Gasoil Barge Swap	Gasoil Barge Forward	Gasoil Med Cargo Swap	Gasoil Med Cargo Forward	ULSD Med Cargo Swap	ULSD Med Cargo Forward
July	-3.50	583.08	-10.00	576.58	-2.50	584.08	5.50	592.08
August	-3.75	583.64	-10.25	577.14	-3.50	583.89	5.25	592.64
Quarter 4	-3.00	581.37	-10.25	574.12	-3.00	581.37	5.50	589.87
Quarter 1	-2.50	575.81	-10.25	568.06	-2.00	576.31	5.50	583.81

ICE Brent and LS Gasoil (ULSD) Futures at 16:30

(Continued from Page 4)

Product	Jul	Aug	Sep	Oct
Brent (\$/bbl)	-- --	-- --	72.94	72.01
Spread	-- --	-- --	-- --	-0.93
Change	-- --	-- --	-1.78	-1.72
LS Gasoil (\$/mt)	585.50	586.75	587.75	588.25
Spread	-- --	1.25	1.00	0.50
Change	-13.25	-13.00	-13.00	-13.00

Analyst Forecasts for Future Brent Crude Prices

Analyst	Brent /bbl	Period	Stamp*
IHS Markit	68.70	Q3 2021	April
SEB Research	75.00	Q3 2021	April
Goldman Sachs	80.00	Q3 2021	May
JBC Energy	67.00	Q3 2021	May
Deutsche Bank	67.00	Q3 2021	May
EIA	63.00	Q3 2021	May

The banks said Project Carbon will be aligned with the objectives of the Taskforce on Scaling Voluntary Carbon Markets, a private-sector initiative led by Mark Carney, United Nations' special envoy for climate action and finance.

In January, the task force published its blueprint, saying a large-scale expansion of the VCM is critical to reaching the goals of the Paris Agreement, which seeks to limit global warming to well below 2 degrees Celsius, with an aspirational goal of 1.5 degrees C.

And in May, the task force said it is seeking feedback on its proposal for the creation of an independent governing body for the VCM.

"We are helping to find solutions and support our customers as they take action to transition to Net-Zero by 2050," the CEOs of the four banks said in a joint statement. "Project Carbon is a terrific example of how technologies such as blockchain can address existing barriers and make carbon offsets more accessible for our customers as part of their broader plans to reduce overall emissions and achieve their own targets."

The banks said they are keen to invite like-minded institutions to join the cohort to help deliver a shared service platform that the group believes will be fundamental to the scaling of the VCM.

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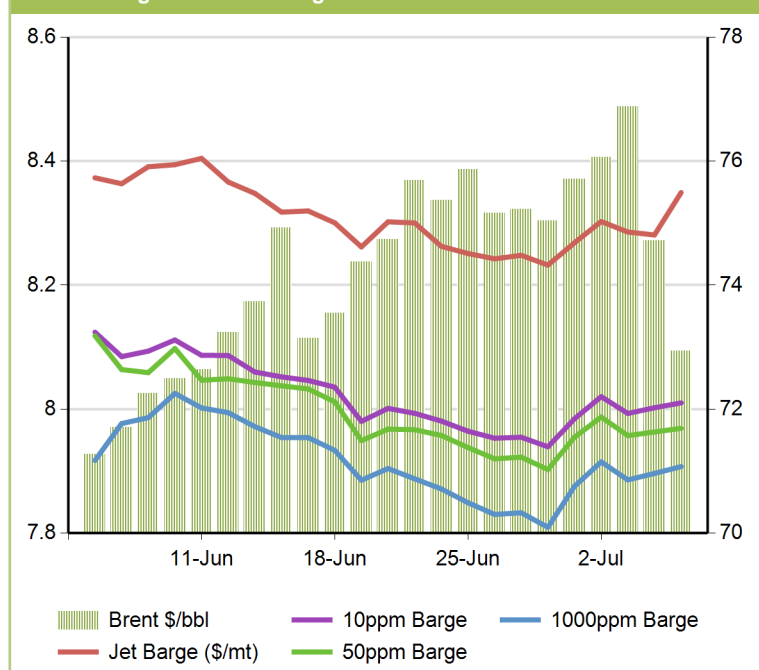
For subscription information, please call 888.301.2645 (U.S. only) or +1 301.284.2000 or email energycs@opisnet.com.

Clean jet prices and carbon futures \$/mt

Location	Clean spread	Outright Clean Jet	Change	Stamp
Cif NWE	195.51	804.26	-10.50	7 Jul
Fob Med	195.51	790.56	-10.50	7 Jul

ICE Carbon Futures (/mt)	Price €	Change	Price \$	Clean Spread
EUA Dec 2021	52.62	-1.40	62.07	195.51

Ratio of Barge Price to Rolling Brent Crude at 16:30 London



OPIS Europe Jet, Diesel and Gasoil Report

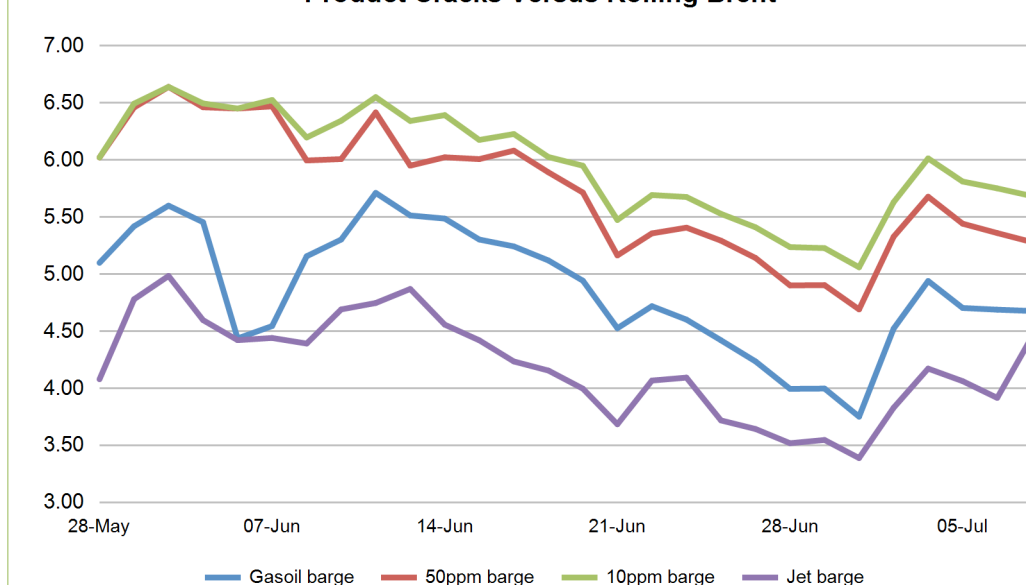
Methodology: OPIS assesses trades and market deals over a full trading day from 9.30am to 4.30pm. Based on this data, OPIS calculates a simple average of differentials which are added to the official settlement of the ICE gasoil contract at 4.30pm London time. A more complete summary of OPIS full-day price methodology is found at www.opisnet.com/about/methodology.aspx.

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Exchange Rate and prices in Euros		Change
Dollars per Euro	1.1795	-0.0034
Jet Barge Fob	516.30	-6.75
NWE Jet Cargo Cif	516.09	-7.38
Med Jet Cargo Fob	504.47	-7.42
ULSD Barge Fob	495.32	-10.12
NWE ULSD Cargo Cif	499.98	-9.54
Med ULSD Cargo Cif	501.46	-9.54
50ppm Barge Fob	492.77	-10.20

Product Cracks Versus Rolling Brent



Product \$/bbl	Price	Change
Gasoil barge	4.68	-0.01
50ppm barge	5.28	-0.08
10ppm barge	5.68	-0.07
Jet barge	4.45	0.53
Rolling Brent	72.74	-1.77

* The Rolling Brent assessment smooths out the curve between front and second month ICE Brent contracts on expiry. Each new trading day, Rolling Brent takes proportionally less account of the front month and more of the second month.

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