

MARKET REPORT

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BRENT CRUDE OIL

PLATTS GASOLINE

ICE GAS OIL


LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	1,578,425	56,884	-
P.H.	31,954	23,500	-
DELTA	8,054	21,498	-
CALABAR	33,251	-	-

NIGERIA

The Nigerian National Petroleum Corporation (NNPC) disclosed that the country earned \$434.85 million from the sale of crude oil and gas in January 2020. This represents an increase of 94.30% compared to the figure in 2019. These figures are as reported in the NNPC Monthly Financial and Operations report. January's crude oil export sales contributed \$336.65 million (77.42%) and gas sales amounted to \$98.20 million. The report comes at a time where the country weighs its options concerning stopping the production of crude oil while the global crude glut continues to persist. NNPC said Nigeria has not stopped producing crude oil, however, if prices keep crashing and continuous destruction in demand persists, stopping production is something that is bound to happen. The Group Managing Director NNPC, Alhaji Mele Kyari called for optimism among Nigerians, also adding that before any halt in oil production, stakeholders would have to decide on the best way forward. He also stressed that some of the crude oil wells produce the gas that we use for power generation in the country, therefore, stopping production can only be done after proper planning in which all modalities and details have been worked out carefully.

The Nigerian Content Development and Monitoring Board (NCDMB) has asked the Nigeria LNG Ltd (NLNG) to engage and evaluate indigenous firms that are beneficiaries of its project 100 program and engage them in the execution of its Train 7 project and other related services. The request is contained in a letter by the Executive Secretary of the NCDMB Eng. Simbi Wabote to the Managing Director of NLNG, Mr. Tony Attah. According to Eng. Wabote, project 100 was conceived to identify 100 start-up oil and gas companies and support them through special interventions to facilitate their incubation, maturation, and growth into world-class service companies. He said that this was part of the Board's mandate to develop the capacity of the local supply chain for effective and efficient service delivery in the oil and gas industry.

WAF
GAMBIA

Norwegian seismic contractor TGS announced that it has begun a 3D seismic survey offshore The Gambia. Under the cooperation of The Gambian Ministry of Petroleum & Energy, the acquisition is being undertaken in conjunction with BGP, utilizing the BGP Prospector vessel. The 4,770-square kilometre Gambito 2020 3D survey covers open acreage in deep and ultra-deep waters and looks to be highly prospective since extensive basin floor fans were identified in TGS 2D regional seismic grids. The acquisition in The Gambia will last around three months, with the full dataset available after final processing in Q2 2021. The survey will support a future licensing round organized by the country. TGS also has exclusive rights to existing multi-client seismic data offshore The Gambia. Kristian Johansen, CEO at TGS, said: "The commencement of the Gambito 2020 3D is the latest step to increase our extensive subsurface survey activities in the MSGBC basin, a prolific region in offshore West Africa. TGS unique combination of seismic and interpretation products in the area will offer our customers critical insight into supporting their E&P plans in this region."

GLOBAL

On Thursday 23rd April, oil prices rose spurred by rising tensions in the Middle East, output cuts by producing nations to tackle oversupply and the promise of more government stimulus to ease the economic pain of the new coronavirus pandemic. The U.S. West Texas Intermediate (WTI) traded 20% higher at \$16.54 a barrel at 9:25 AM ET (13:25 GMT), having fallen into negative territory for the first time on Monday, 20th April, while Brent contract rose 9.4% to \$22.29 but has still lost roughly two-thirds of its value so far this year. The U.S. Energy Information Administration in its weekly report showed that U.S. crude inventories rose by 15 million barrels in the week ending April 17 to 518.6 million barrels, the fourth consecutive week where inventories have grown by more than 10 million barrels, and close to the record of 535 million barrels set in 2017.

The oil market is facing uncharted territory as the drop-off in demand combined with rapidly filling storage sent prices plunging into negative territory for the first time in history. Oil storage is about the only thing in demand in the crude market right now. The coronavirus pandemic has obliterated consumption and forced producers and traders to store more oil on the water as land-based facilities near tank tops. As oil consumption collapses, the Organization of the Petroleum Exporting Countries including Russia and other producers, known as OPEC+, are set to cut supply by a record 9.7 million barrels per day (bpd) from May 1. Those cuts may have to be extended to match the shortfall in demand. Kuwait began reducing oil supply to the international market without waiting for the OPEC+ deal taking effect on May 1, hence, supporting prices.

Meanwhile, Guyana has attracted interest from several oil trading companies for a contract to serve as the marketing agent for the government's share of the country's crude, despite a plunge in global prices. The government said it is planning on shortlisting no more than 20 companies that submit expressions of interest. Those companies would be required to provide a full technical proposal and financial offer. Guyana joined the ranks of the world's crude producers in December 2019 with more than 8 billion barrels of recoverable oil discovered from the offshore Stabroek block. A consortium led by Exxon Mobil Corp began exporting crude in January 2020. Under the contract with the consortium, which also includes Hess Corp and China's CNOOC Ltd, the government is entitled to 50% of the crude after cost recovery. Oil major Royal Dutch Shell and commodities traders such as Gunvor, Mercuria and Gladius Commodities Ltd were among the list of companies that have submitted expressions of interest.

GLOBAL	PRICE
BRENT	20.37 \$/bbl
ICE GAS OIL	212.00 \$/mt
PLATTS GASOLINE	0.6384 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	106.390 \$/mt

PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	113.5-115	-	113	113.28-116.50
AGO	158-163	-	165	176-183

FX RATES

23/04/2020	USD	GBP	EUR
NGN (PARALLEL MARKET)	420/430	490/500	425/435
NGN (INTER BANK)	361.00	-	-
NAFEX	383.00	-	-

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