

## MARKET REPORT

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\$/bbl BRENT CRUDE OIL



\$/gal PLATTS GASOLINE



\$/mt ICE GAS OIL



LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	1,195,514	33,901	-
P.H.	64,365	-	-
DELTA	71,332	8,000	-
CALABAR	30,315	-	-

### NIGERIA

Nigeria's crude programs for July 2020 showed a higher output on Key grades after previously reducing output for May and June to meet the Organization of the Petroleum Exporting Countries and producers including Russia, (OPEC+) led cuts to mitigate demand destruction. Forcados grade export is expected to go from 190,000 barrels per day (bpd) in June to 272,000 bpd while the Qua Iboe grade will load at a rate of 215,000 bpd jumping from 95,000 bpd in June. The Agbami and Escravos programs are expected to each have five cargoes in July, while the Bonga will edge slightly lower as the crude oil export terminal has started two-week routine maintenance according to Shell Nigeria Exploration and Production Company (SNEPCo), the terminal operator. The Nigerian National Petroleum Corporation (NNPC) has also raised the official selling prices for Bonny Light and Qua Iboe to dated Brent minus \$1.05 per barrel. The May differential for Bonny Light in May was dated Brent minus \$3.95 per barrel while Qua Iboe was dated Brent Minus \$3.92.

Nigeria's Minister of State for Petroleum Resources, Chief Timipre Sylva, stated that the country expects a rise in investor interest as it is set to launch bidding rounds for several Oil blocks during the year. This is in conjunction with the approval of the Petroleum Investment Bill (PIB) which he stated is expected to be approved later in the year. This was included in his address at the 178<sup>th</sup> Extraordinary Meeting of OPEC. In his statement, the minister of state stated that: "The PIB has been in the making for about 20 years now. It's been a long time coming and we think that when it comes out later this year, it will come out with a lot of sweetness. We are very mindful of the fact that it's a very competitive environment right now and we are taking that on board in the new law." He further explained that the law will create both Brownfield and Greenfield opportunities for investors.

The Group Managing Director of NNPC, Alhaji Mele Kyari has hailed indigenous EPC company Oilserv Limited on the significant progress it has made in a short timeframe of the NNPC sponsored Ajaokuta-Kaduna-Kano (AKK) gas pipeline project. The company has been awarded the engineering, procurement, construction, installation, testing, and commissioning of the first segment of a 614km x 40-inch gas pipeline. Alhaji Kyari stated that the AKK gas project is key to resolving the power deficit challenge of the country, stating that its multiplier effect upon the economy and provision of jobs will be unprecedented. He vowed that the NNPC will provide all necessary support to contractors to enable them to deliver the projects within the allocated time, making use of the allocated budget.

### WAF

#### CAMEROON

The National Hydrocarbons Company (SNH) is currently on its expansion project for the Liquefied Natural Gas (LNG) carrier Hilli Episeyo, the Floating Liquefaction Natural Gas unit (FLNG), off Kribi, in southern Cameroon. SNH reveals that with its Franco-British partner, Perenco, Cameroon has entered into negotiations with Golar (British) and Gazprom (Russian), in connection with the extension of the lifespan of the Hilli Episeyo, whose end of the project is planned for 2026. Negotiations between the parties also concern the acceleration of LNG production through this floating unit operated by Golar. This could boost LNG production in Kribi where the total quantity exported in 2019 is estimated at 1.2 million tonnes. According to SNH, the extension of the service life of the Hilli Episeyo is due to the discovery of hydrocarbons and plans to build a pipeline between the known gas fields in the Rio Del Rey area and the Hilli Episeyo or move the floating liquefaction unit to develop the said fields.

### GLOBAL

On Thursday 28<sup>th</sup> May, oil markets were mixed with the U.S. West Texas Intermediate (WTI) contract underperforming after industry data showed a steep and surprising build-up in crude stockpiles. The U.S. WTI crude futures traded 0.4% lower at \$33.82 a barrel at 9:10 AM ET (13:10 GMT), while Brent crude futures rose 2.3% to \$35.38. The Energy Information Administration (EIA) in its weekly report for Wednesday 27<sup>th</sup> May showed that crude oil inventories rose by 7.9 million barrels for the week ending May 22, compared with analysts' expectations for a draw of about 1.9 million barrels. This build-in inventory will reverse two weeks of inventory declines - a sign that record supply cuts are not draining a massive supply glut fast enough.

Prices have rebounded in May, OPEC+ cut their output by circa 10 million bpd in May and June. Saudi Arabia and some other OPEC oil producers are also considering extending these record output cuts until the end of 2020, in the lead-up to its June 9 meeting, but doubts remain over Russia's support given its desperate need for capital in the wake of the damage done to its economy due to the coronavirus outbreak. Investor sentiment has also been soured by rising Sino-U.S. tensions. A possible trade conflict between the two largest economies in the world would likely undermine any recovery in demand that is likely to occur as the global economy reopens. Traders will once again be looking to OPEC and its partners to stabilize the oil market during this tough year for the industry.

GLOBAL	PRICE
BRENT	34.74 \$/bbl
ICE GAS OIL	286.75 \$/mt
PLATTS GASOLINE	0.9933 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	142.053 \$/mt

### PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	106.5-108	108.3-108.5	107	108
AGO	140-140.5	153.5-155	153-159	-

### FX RATES

28/05/2020	USD	GBP	EUR
NGN (PARALLEL MARKET)	445/453	530/545	465/475
NGN (INTER BANK)	361.00	-	-
NAFEX	386.33	-	-

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