

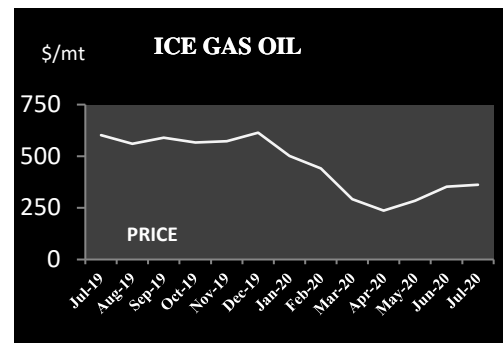
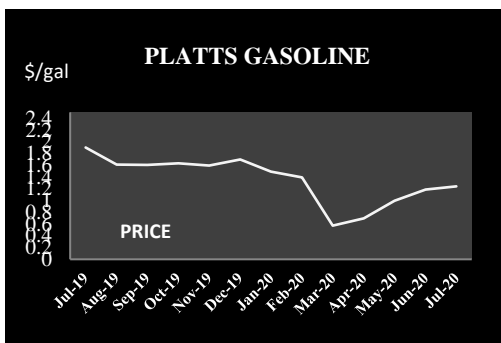
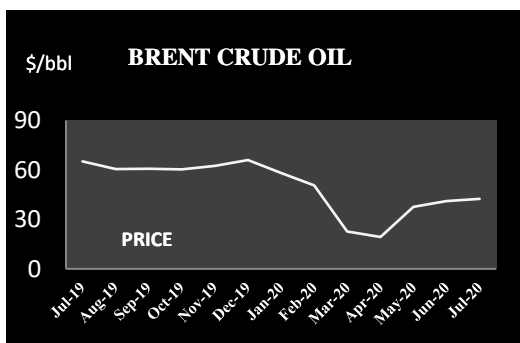
# GLADIUS

## MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	330,873	121,907	-
P.H.	-	-	-
DELTA	30,774	-	-
CALABAR	22,754	-	-

### NIGERIA

The Nigerian National Petroleum Corporation (NNPC) has announced new appointments and redeployments in the corporation as part of ongoing efforts to strengthen and reposition NNPC for greater efficiency, transparency, and profitability in line with the Next Level Agenda of President Muhammadu Buhari's administration. The Group General Manager, Crude Oil Marketing Division (COMD), Adokiye Tombomiye, has been appointed the new Chief Operating Officer (COO) Upstream, while Mr. Mohammed Abdulkabir Ahmed, the Managing Director of the Nigerian Gas Marketing Company (NGMC), has been appointed the new COO, Corporate Services, following the retirement of Engr. Farouk Garba Sa'id. Engr. Adeyemi Adetunji, the Chief Operating Officer, Upstream, moves to the Ventures & Business Development Directorate as COO, a position left by Mr. Roland Onoriode Ewubare. Sir. Billy Okoye is to replace Mr. Tombomiye as the Group General Manager, Crude Oil Marketing Division; while Mrs. Elizabeth Aliyuda, the General Manager, Sales, and Marketing NNPC Retail Limited, takes over from Sir Okoye as Managing Director, NNPC Downstream Company, NNPC Retail Limited. Similarly, Mr. Usman Farouk, Executive Director Asset Management and Technical Services at the NGMC will take over from Mr. Ahmed as Managing Director. The Group Managing Director of the Corporation, Alhaji Mele Kyari, said the new appointments would enable the corporation to live up to the expectation of her shareholders, Nigerians, and give impetus to the ongoing restructuring within the Corporation, which, he said, was in line with the corporate vision of Transparency, Accountability & Performance Excellence (TAPE).

The Nigerian Content Development and Monitoring Board (NCDMB) has signed two equity investment agreements worth \$25 million with companies for the establishment of an energy park in Egbokor, Edo State, and a lubricating oil blending plant in Gbarain, Bayelsa State. The partnership is expected to generate about 1,500 direct, indirect, and induced employment opportunities with the energy park to comprise of a 2,500 barrels per day (bpd) modular refinery, and a 30MMscfd gas processing facility. The Executive Secretary, NCDMB, Mr. Simbi Wabote signed the shareholders and shares subscription agreements with the companies, clarifying that the investments were part of the approval granted recently by the board governing council chaired by the Minister of State for Petroleum Resources, Chief Timipre Sylva.

### WAF/CAF SENEGAL

Norway-based energy intelligence firm Rystad Energy said it is not expecting any new Floating, Production, Storage, and Offloading (FPSO) vessel orders for 2020. However, it expects the situation to improve next year when it foresees seven new FPSO orders. Rystad said that Modoc won the only contract so far awarded in 2020, to deliver a new-built FPSO for Woodside's Sangomar development in Senegal. The vessel will be the first FPSO to operate in Senegal. It will be supplied on a turnkey basis and feature topsides capable of handling 100,000 bpd of oil and 130 million cubic feet per day (CFD) of gas. Rystad Energy estimates that the total greenfield Capex for Sangomar phase 1 will be around \$4.2 billion.

### CONGO

Zenith Energy has entered a Joint Venture Agreement with a local oil and gas company in the Republic of the Congo for the Potential Acquisition of an onshore oil production license. The last producing rate was approximately 300 bpd from the regionally proven Mengo formation as recently as 2019. Production has currently been suspended pending the assignment of a new license. The Potential Acquisition is in the Kouilou region of the Republic of the Congo in the proximity of Pointe-Noire, the country's second-largest city, also in the vicinity of Tilapia. Under the terms of the Agreement, Zenith and its local partner will jointly apply to the relevant authorities, including the Ministry of Hydrocarbons for the award of a new license concerning the Potential Acquisition. Zenith shall have the role of joint operator and majority partner if the new license is successfully obtained. Following preliminary technical analysis of the Potential Acquisition, Zenith is confident of a profitable oil production operation. The Potential Acquisition is in line with the Company's strategy of identifying near-term production and development assets in Africa that have material, near-term production potential.

### GLOBAL

On Thursday 9<sup>th</sup> July, oil prices slumped as much as 3%, the most in over two weeks, as the continued surge in new U.S. coronavirus cases sparked fears that the world's largest economy might be forced into a round of wide-scale lockdowns. The U.S. West Texas Intermediate (WTI) crude futures were down \$1.26 at \$39.64 per barrel at 1:26 PM ET (17:26 GMT), while Brent crude futures slid \$1.01 to \$42.28. The U.S. Energy Information Administration weekly report for Wednesday 8<sup>th</sup> July showed a rise in U.S. crude stockpiles by 5.65 million barrels in the week ending 3<sup>rd</sup> July, against analysts' forecast of a crude draw of 3.1 million barrels. At 968 million barrels, inventories are over 10% above the average level of the last five years. The surprise build prompted OPEC+ to press on over-producers such as Iraq and Nigeria, to improve their compliance with supply curbs.

Oil is struggling to extend its rally after rebounding from a plunge below zero in April amid concerns rising virus cases may derail the demand recovery. Meanwhile, U.S. oil production stayed put at an estimated 11 million bpd, indicating that the huge slides in output seen between March and April during the height of the coronavirus pandemic were practically over. The United States produced a record-high 13.1 million barrels daily in mid-March before demand destruction triggered by the Covid-19 forced drillers in U.S. shale oil patches to slash operating rigs and shut-in some wells.

GLOBAL	PRICE
BRENT	42.35 \$/bbl
ICE GAS OIL	367.75 \$/mt
PLATTS GASOLINE	1.2505 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	221.041 \$/mt

### PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	130-133.5	133.50	133	132.7-133.5
AGO	157-165	158	160-163	151-158

### FX RATES

09/07/2020	USD	GBP	EUR
NGN (PARALLEL MARKET)	455/463	550/562	498/505
NGN (INTER BANK)	381.00	-	-
NAFEX	386.50	-	-

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