



Regional Petroleum Fuel and Gas Price Review

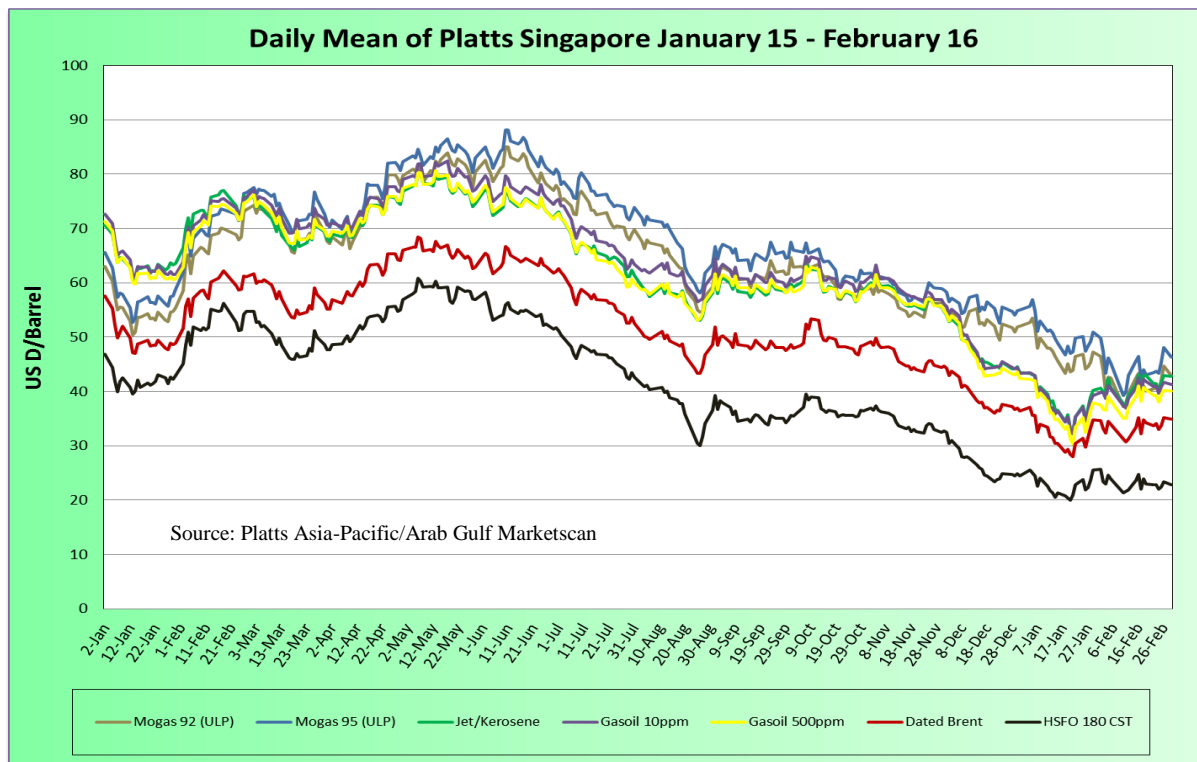
This report has been prepared by the Petroleum Advisory Service of the SPC Economic Development Division Energy Programme to review and analyse regional fuel and LPG prices for March 2016.

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1. REGIONAL FUEL PRICE MOVEMENT

Typical for this time of year, refinery production begins to drop as many refineries prepare for seasonal maintenance in advance of the summer driving season. In addition, some refineries reportedly have cut production because of abundant supplies and low prices. This decline in production has led to higher prices throughout the Midwest and slowed recent declines in the national average price of gas in the United States. Industry analysts expect this year's spring maintenance season to peak in April, and pump prices are likely to rise in the coming months due to fluctuations in supply and demand associated with this process. [AAA fuel gauge].



2. ASIAN MOGAS (GASOLINE 97, 95 & 92 RON)

The Asian gasoline market remained under pressure due to surplus cargoes from the US flooding the region.

3. ASIAN JET FUEL/KEROSENE

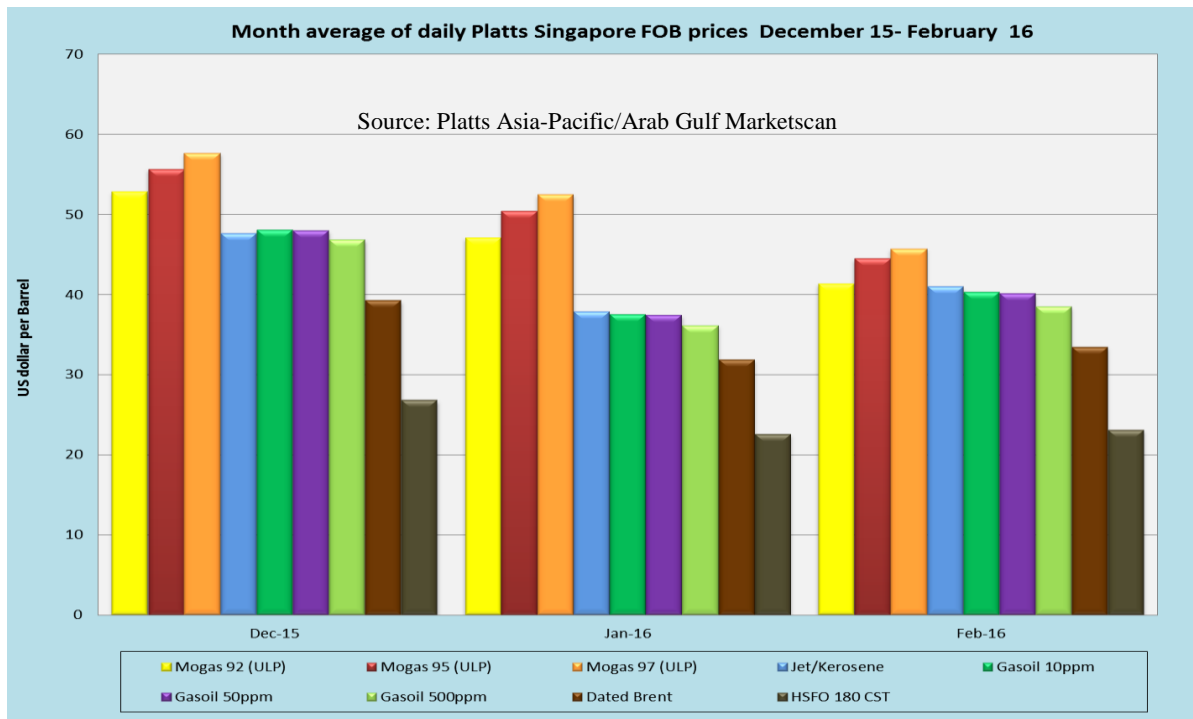
The Asian jet fuel/kerosene price slightly increased as winter kerosene consumption in Japan held steady with kerosene stocks falling amid a hike in production of the heating fuel.

4. DIESEL (GASOIL 10, 50 & 500 PPM)

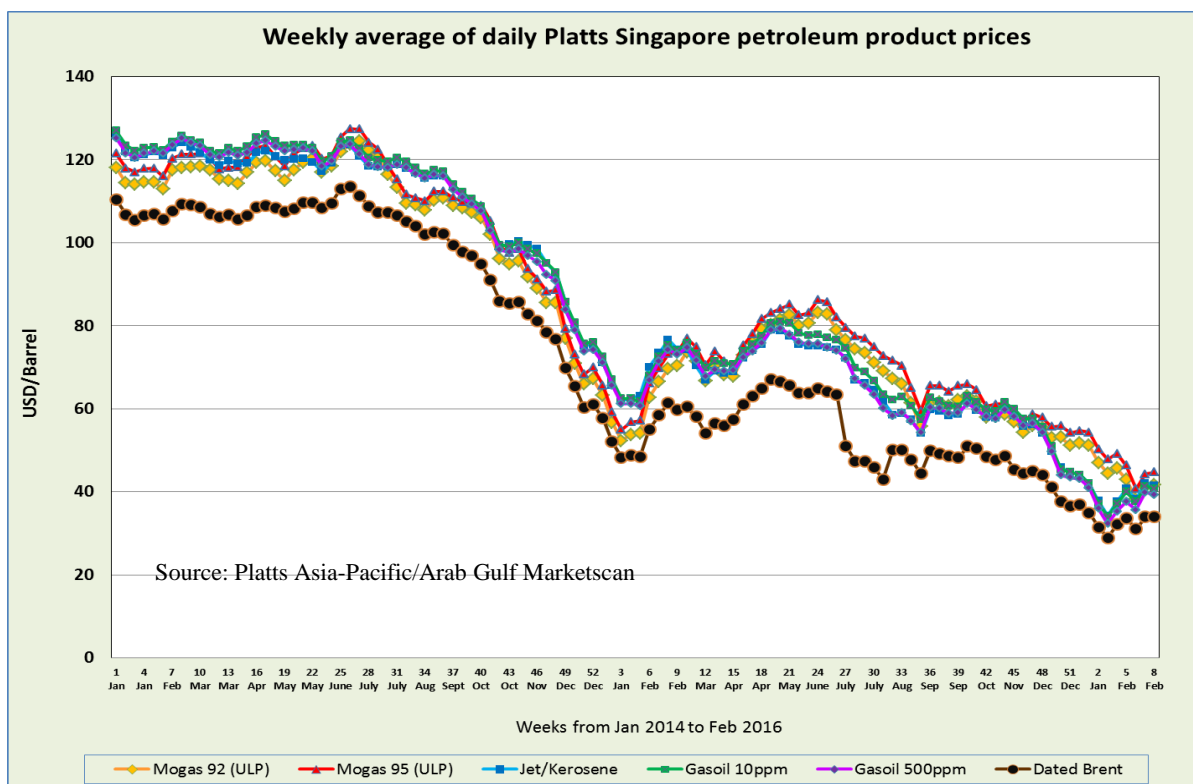
Supply overhang of spot gasoil in the Asia-Pacific region was shrinking as refinery turnarounds start to limit production causing Asian gasoil price to increase.

5. HIGH SULFUR FUEL OIL (HSFO) 180 CST

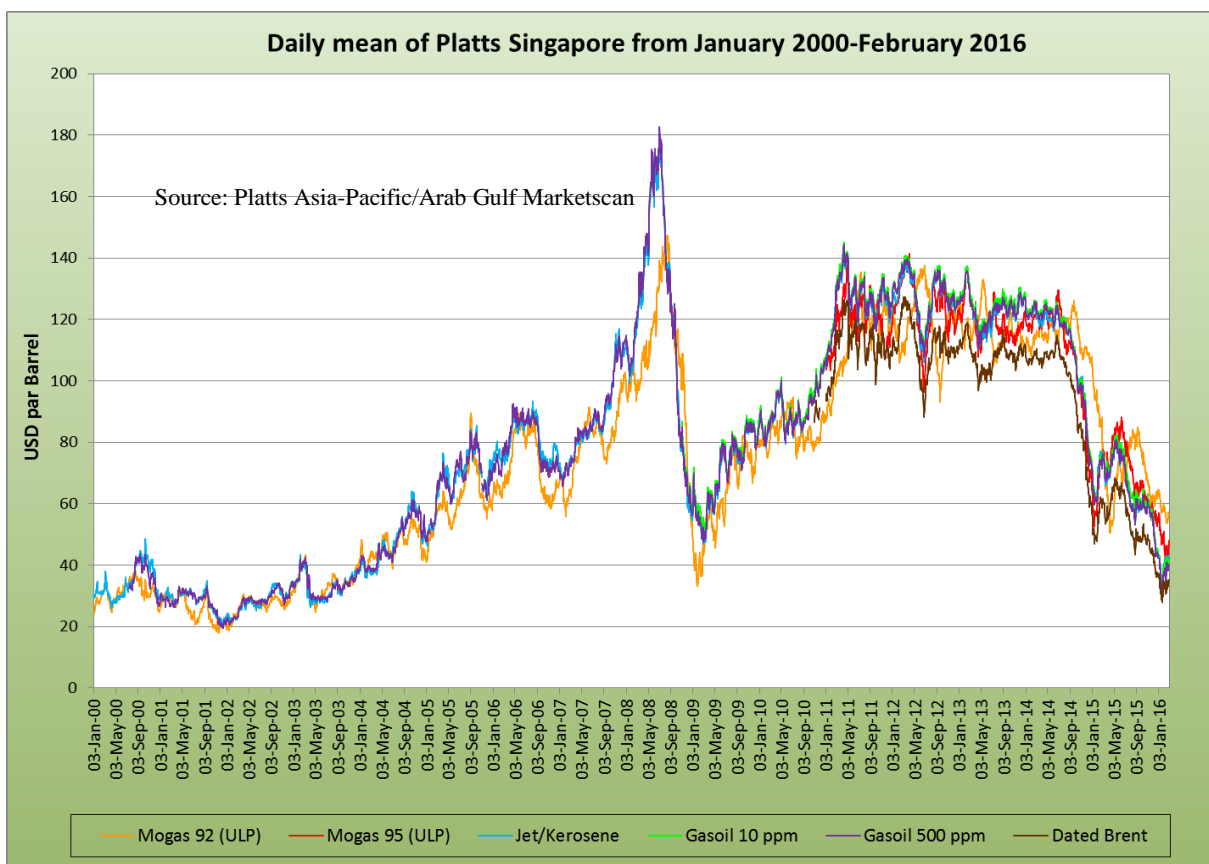
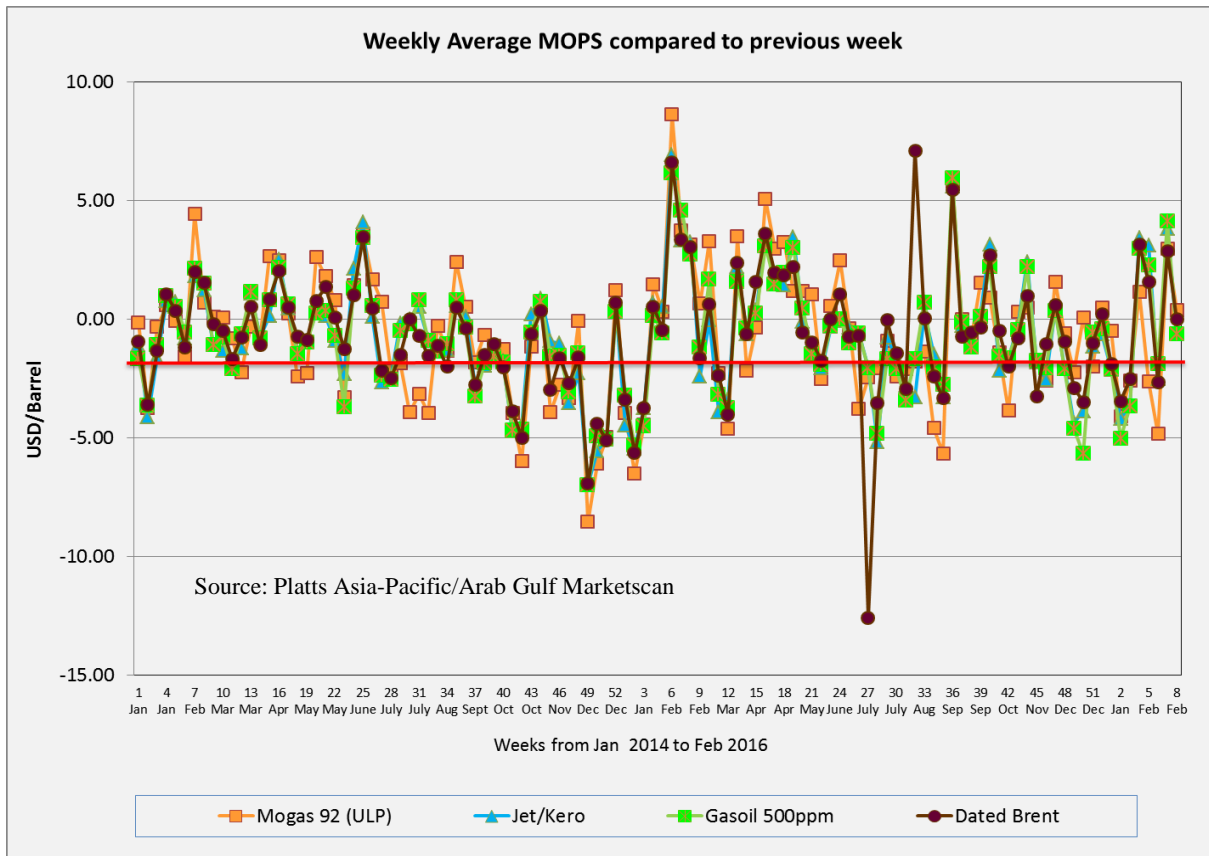
The Singapore high sulfur fuel oil market strengthened due to steady demand.



6. WEEKLY AVERAGE PRICES

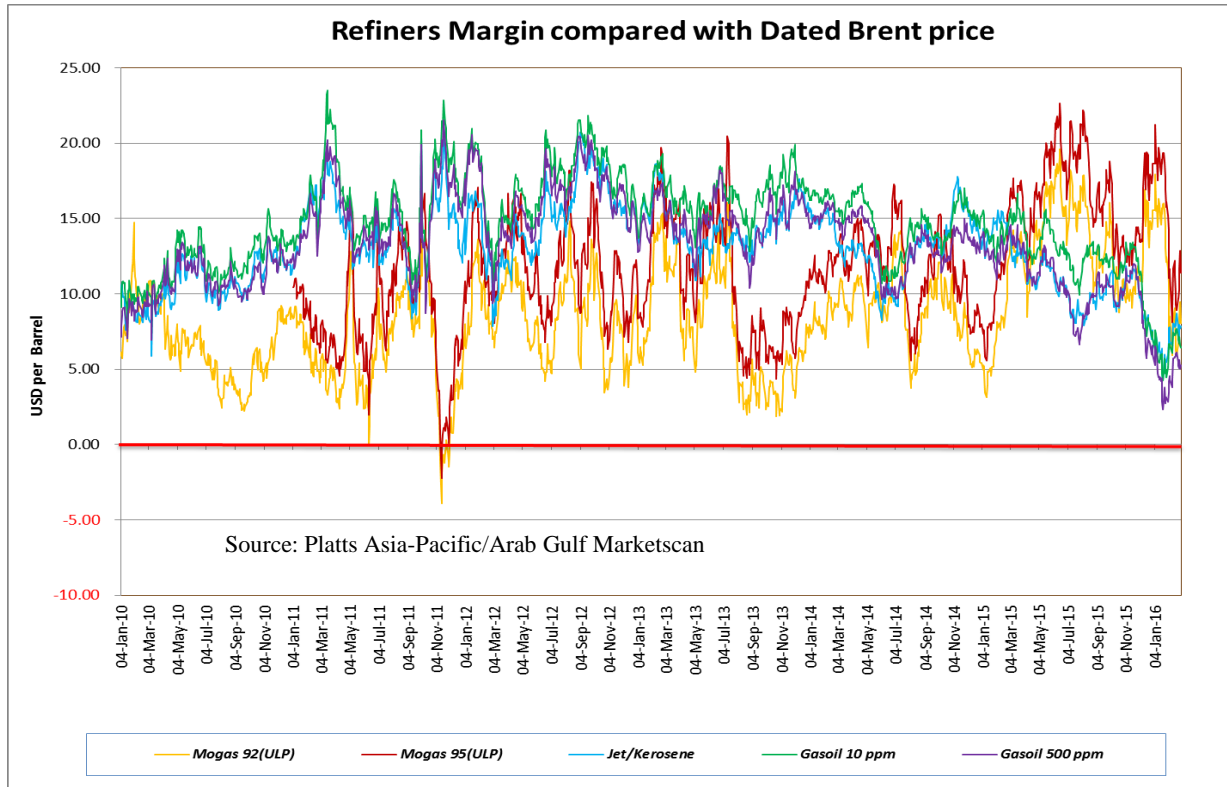


The weekly average pricing for both crude and petroleum fuels exhibited mixed performance in February. The amplitude of the weekly changes indicates fuel market instability.



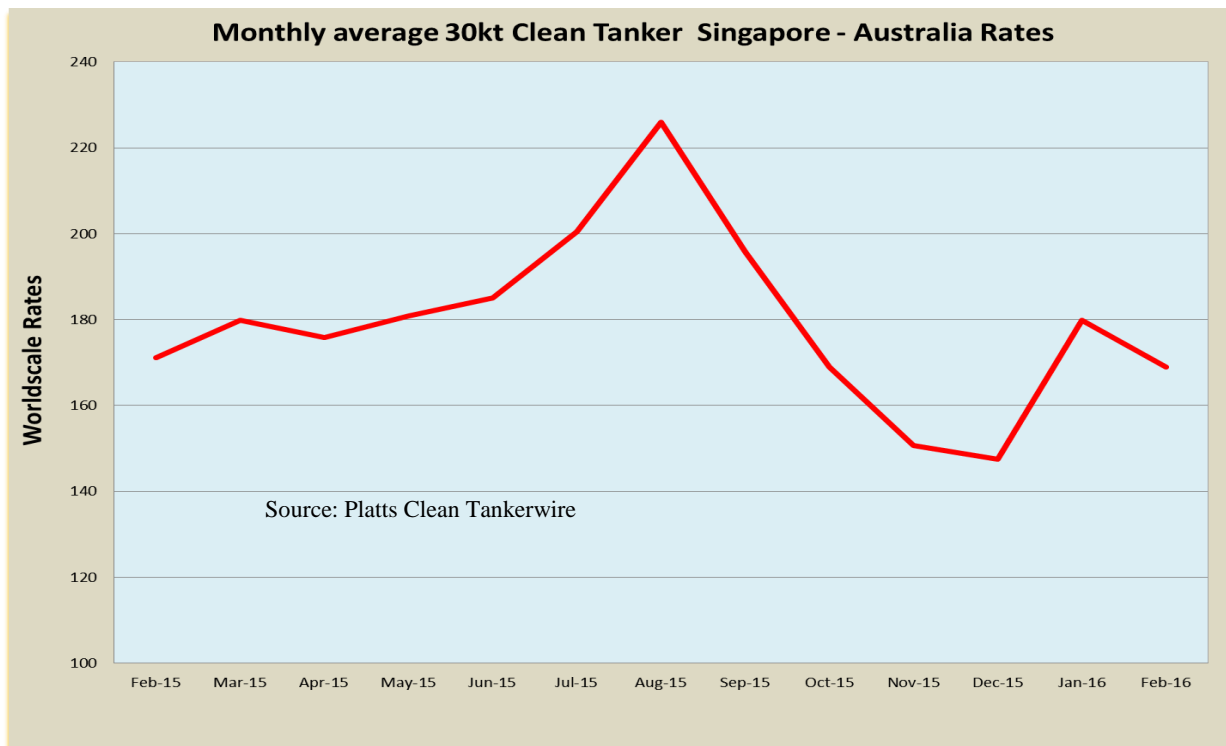
7. REFINERS MARGIN

Asian margins lost some momentum despite tightening sentiment which was fueled by the peak of the refinery maintenance season in the region.



8. SINGAPORE-AUSTRALIA CLEAN TANKER FREIGHT RATES

The freight market weakened in February, translating to a decrease in the freight component for this month's fuel prices. East of Suez, spot freight rates on reported route Singapore to Australia fell by 6.07% from last month. The Singapore–Australia route was assessed at 169.03WS points, a decrease of 10.92WS points from the previous month.



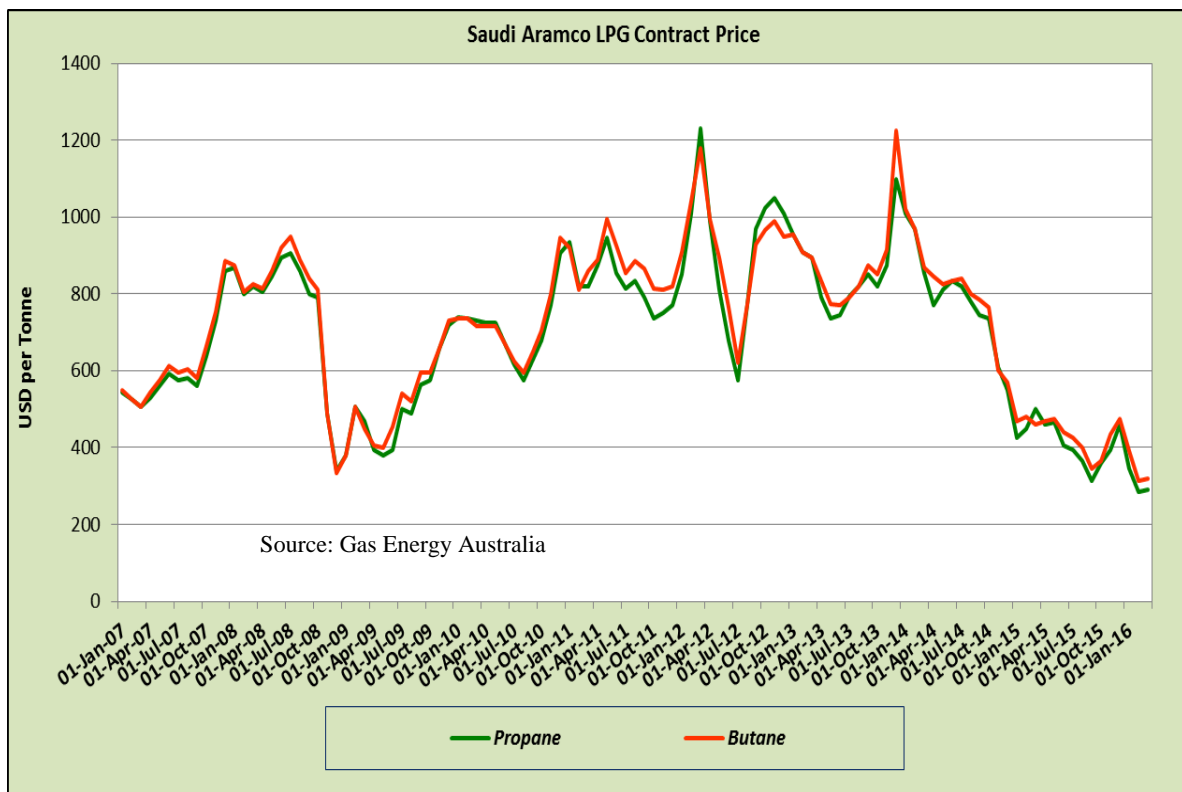
9. SAUDI ARAMCO LIQUEFIED PETROLEUM GAS (PROPANE & BUTANE) CONTRACT PRICE

State-run Saudi Aramco has increased its March contract price for propane to USD290 a tonne, up USD5 from the February level. Butane prices for March 2016 were set to USD320 a tonne, up USD5 from February level of USD315. The prices provide a benchmark against which Middle East sales of liquefied petroleum gas (LPG) to Asia are priced. Following is a table of Saudi Aramco's contract prices of propane and butane per tonne in US dollars.

Table 1: Monthly average of Saudi Aramco LPG (propane and butane) contract prices

Monthly average of Saudi Aramco Butane and Propane prices		
	Propane (USD/T)	Butane (USD/T)
March-Average	290.00	320.00
February-Average	285.00	315.00
Difference (Feb avg. – Mar avg.)	5.00	5.00
% Change	1.75	1.59

(Source: Gas Energy Australia)



10. EXCHANGE RATES:

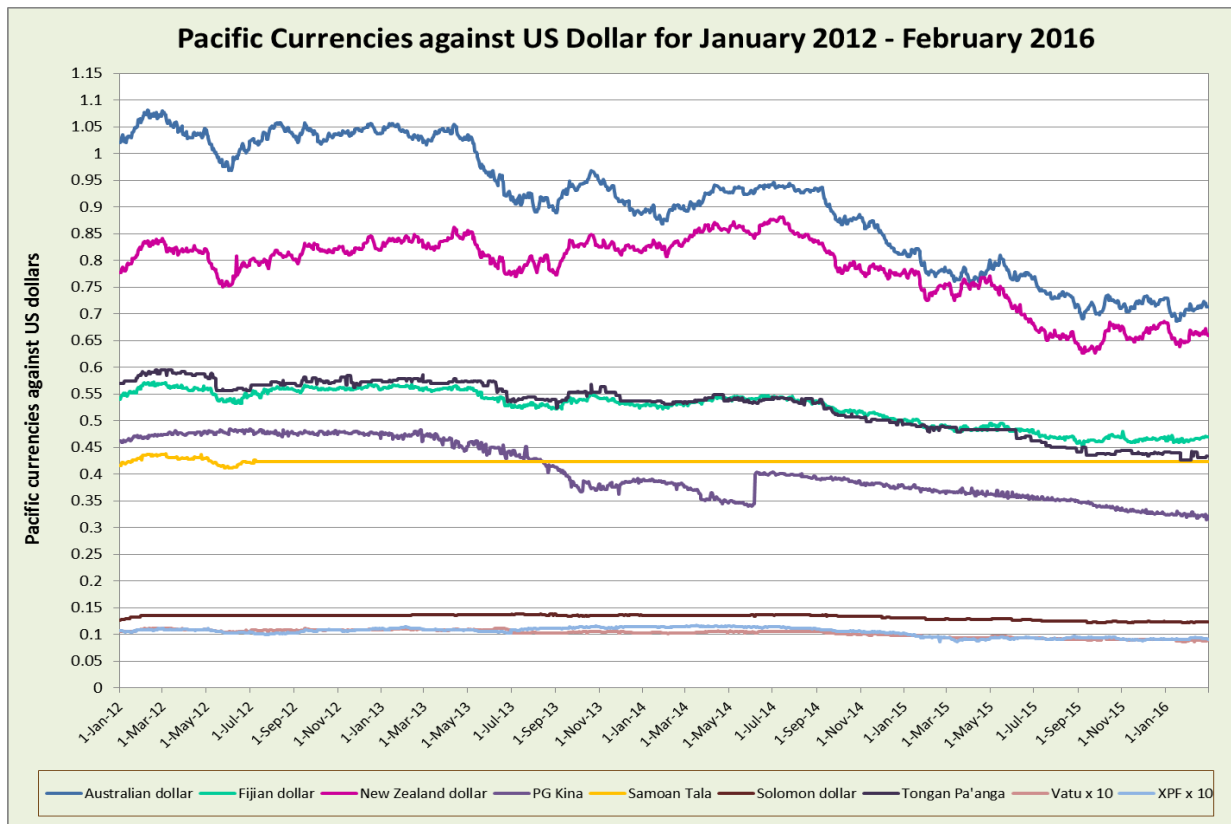
Major and local currencies exhibited mixed performances in February. The Samoan Tala and Vatu remained virtually unchanged against the US dollar.

Table 2: Monthly averages of currencies against the US Dollar

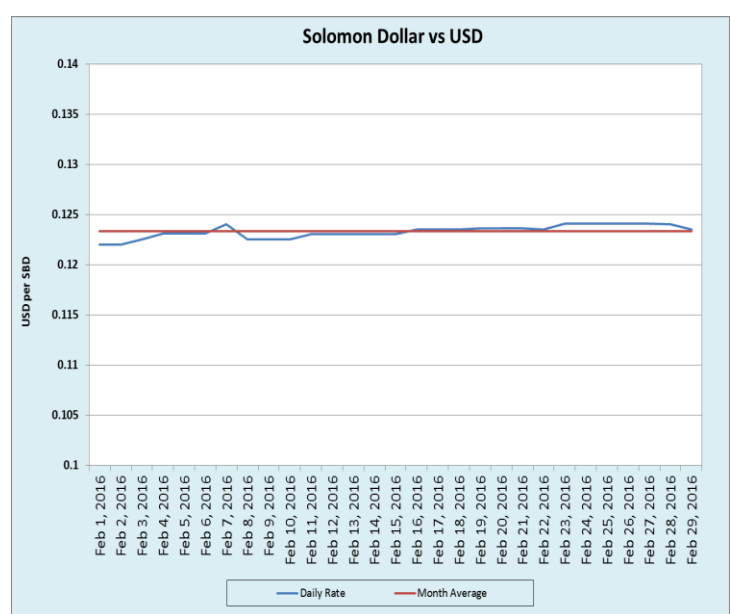
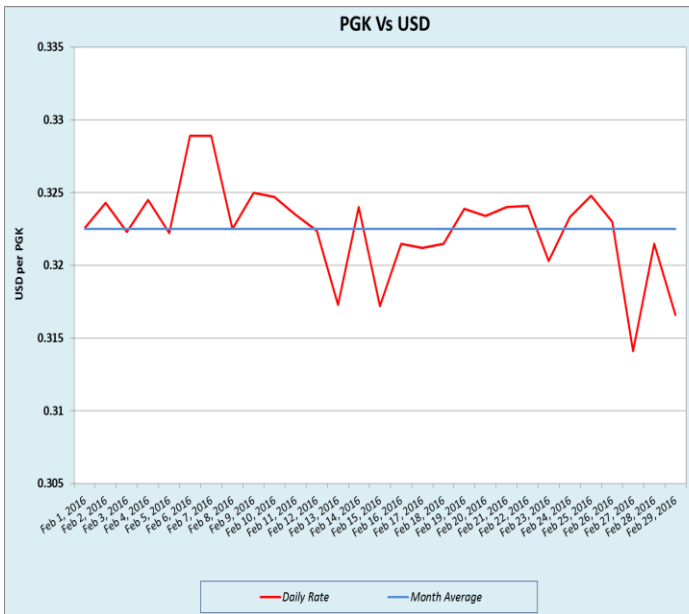
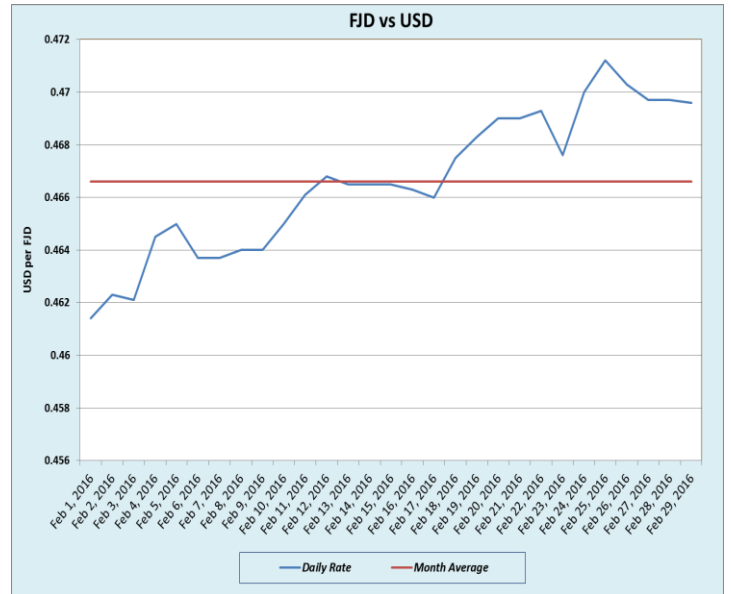
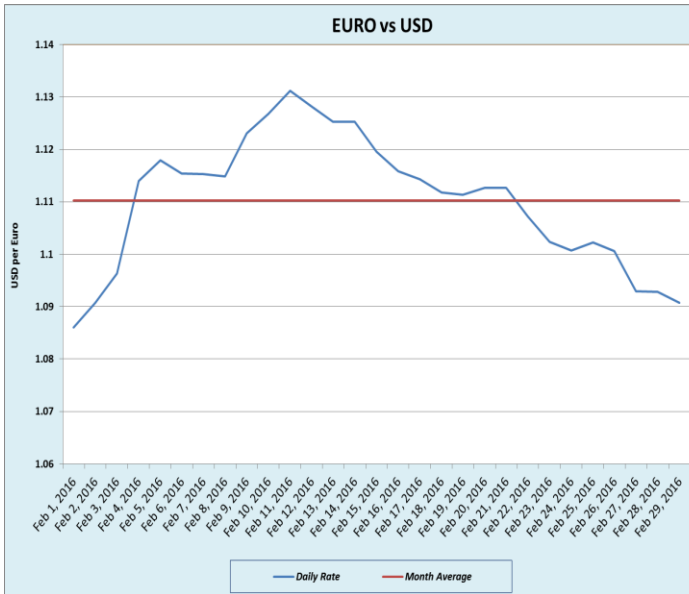
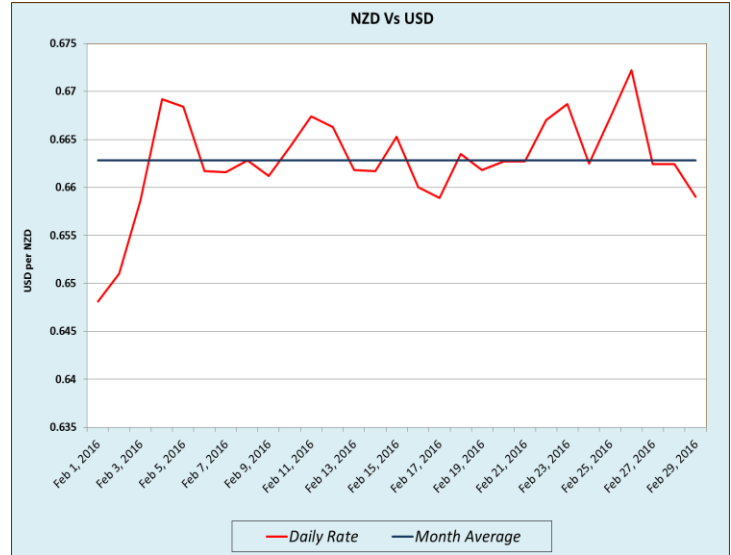
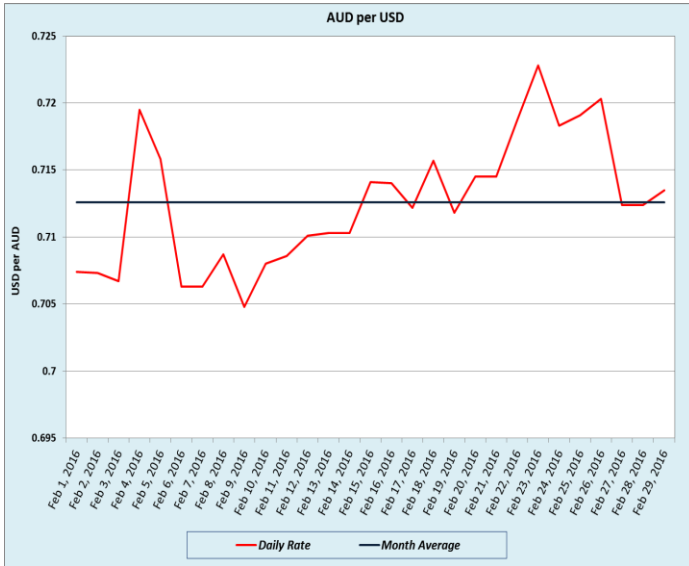
Monthly average of currencies against the US Dollar										
	AUS Dollar	Euro	Fiji Dollar	PNG Kina	NZ Dollar	Samoa Tala	Solomon Islands Dollar	Tongan Pa'anga	Vanuatu Vatu	French Polynesian Franc (XPF)
February Average	0.7126	1.1103	0.4666	0.3225	0.6628	0.4237	0.1233	0.4328	0.0089	0.0093
January Average	0.7025	1.0864	0.4641	0.3247	0.6548	0.4237	0.1229	0.4359	0.0089	0.0091
Difference (Oct avg. – Sept avg.)	0.0101	0.0239	0.0025	-0.0022	0.0080	-	0.0004	-0.0031	-	0.0002
% Change	-3.05	2.20	0.54	-0.68	1.22	-	0.31	-0.71	-	2.20

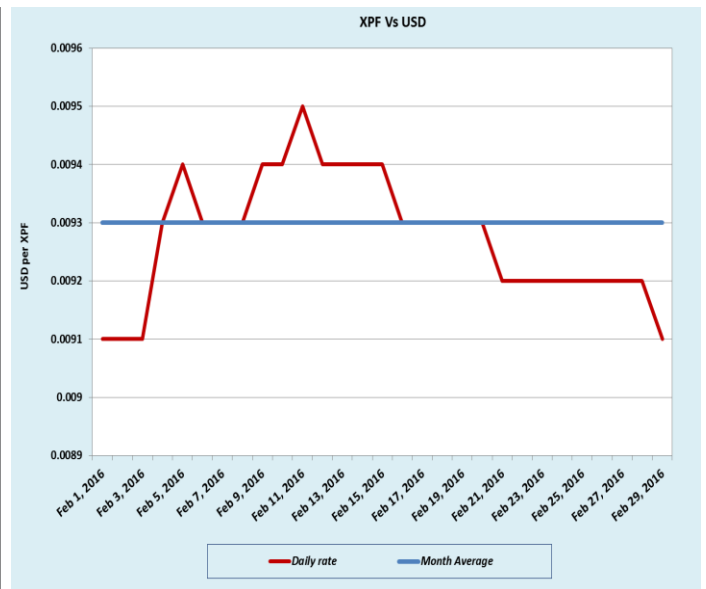
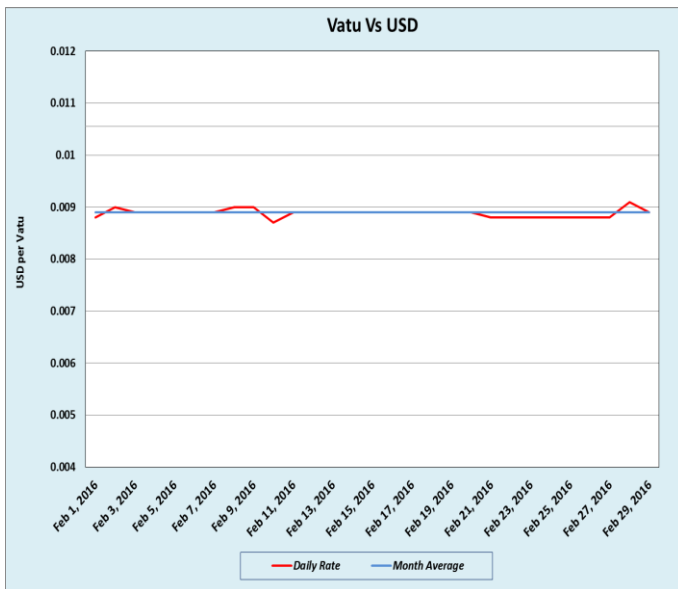
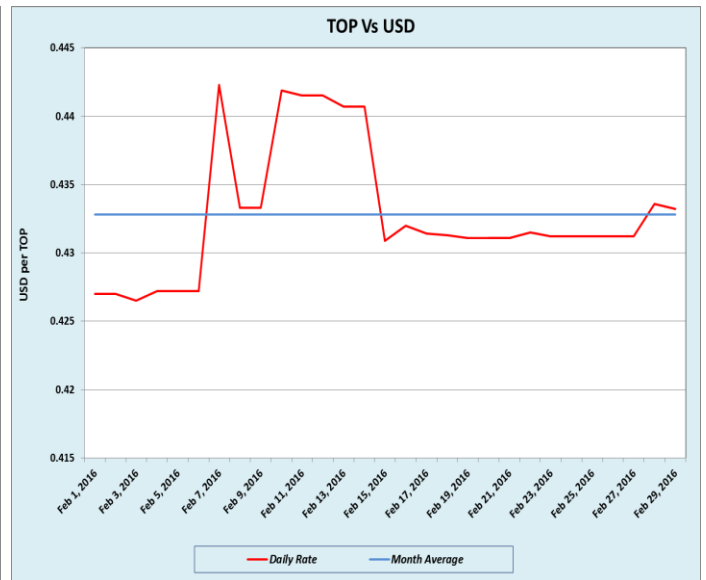
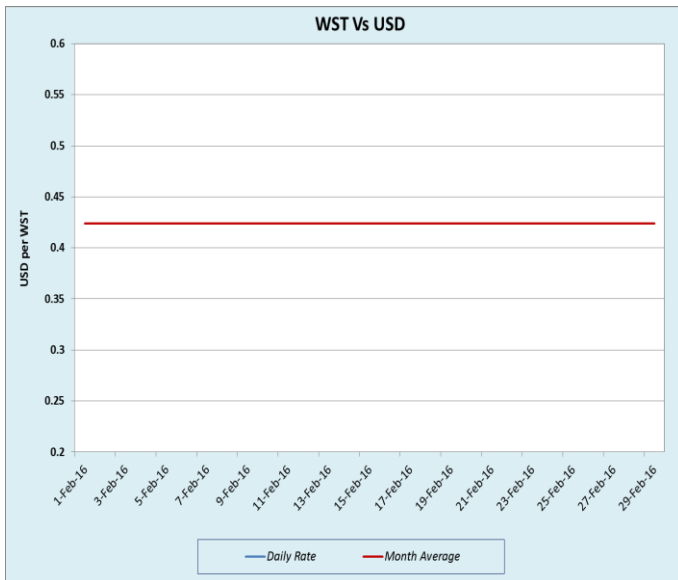
Exchange rates from www.oanda.com

11. CURRENCY CHARTS



*Note: Exchange rates sourced from www.oanda.com





NET RESULT:

Decrease in Singapore petroleum product price, fall in freight rates and appreciation of some of the major currencies should result in drop in regional pump prices however depreciation of some of the currencies will offset any decrease in pump prices.

Regional LP gas prices are expected to increase since Saudi Aramco contract prices for both propane and butane increased for the month of March 2016.

The Samoan Tala and Vatu remained unchanged against the US dollar.

Please contact us if you have any comments or feedback.

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Historical Reports:

Historical fuel and LPG review reports can be downloaded from: <http://prdrse4all.spc.int/production/content/fuel-and-lpg-price-review>

Data Sources:

1. Exchange rates is sourced from www.oanda.com
2. LPG price is sourced from <http://gasenergyaustralia.asn.au/>
3. Prices for diesel, gasoline and jet/kerosene prices are provided by Platts (The McGraw-Hill Companies, Inc).

Abbreviations and Glossary

bbl	Barrel (of oil)
ppm	Parts per million
RON	Research Octane Number
MT	Metric Tonne
USD/bbl	US dollars per barrel

Note: For detailed explanation of terms used in this report please download petroleum glossary from SPC's PRDR link: <http://prdrse4all.spc.int/production/node/1523>

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