



Regional Petroleum Fuel and Gas Price Review

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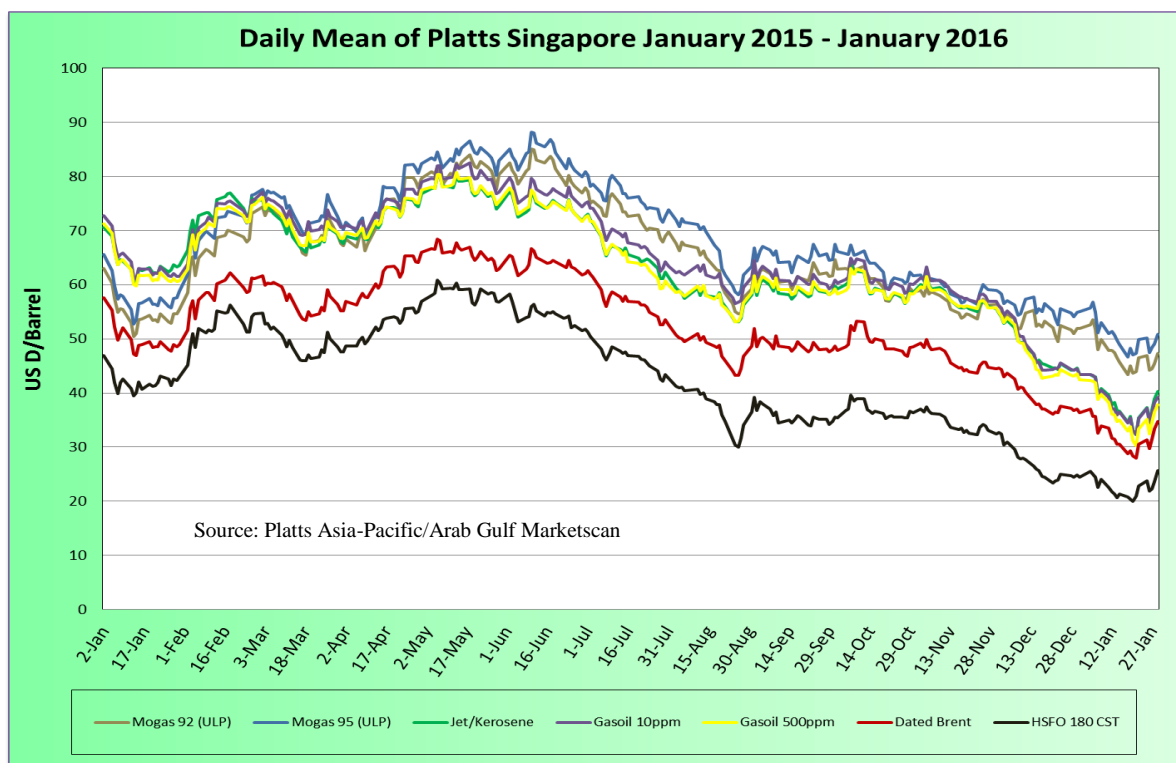
This report has been prepared by the Petroleum Advisory Service of the SPC Economic Development Division Energy Programme to review and analyse regional fuel and LPG prices for February 2016.

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1. REGIONAL FUEL PRICE MOVEMENT

Global oversupply and the anticipation that additional oil will soon enter the market with the lifting of sanctions on Iran, contributed to both benchmarks—Brent and West Texas Intermediate—trading at lows unseen since 2003. Expectations that prices will continue to hover at multi-year lows are beginning to surface and market watchers are paying close attention to both China and the Middle East. Unlike historical trends where geopolitical instability in the Middle East has led to reductions in supply, the severing of diplomatic ties between Iran and other nations may lead to even more oil production within the region [AAA fuel gauge].



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

The Asian gasoline price decreased as a result ample supplies as cargoes from Europe and the US flooded the market despite stable demand.

3. ASIAN JET FUEL/KEROSENE

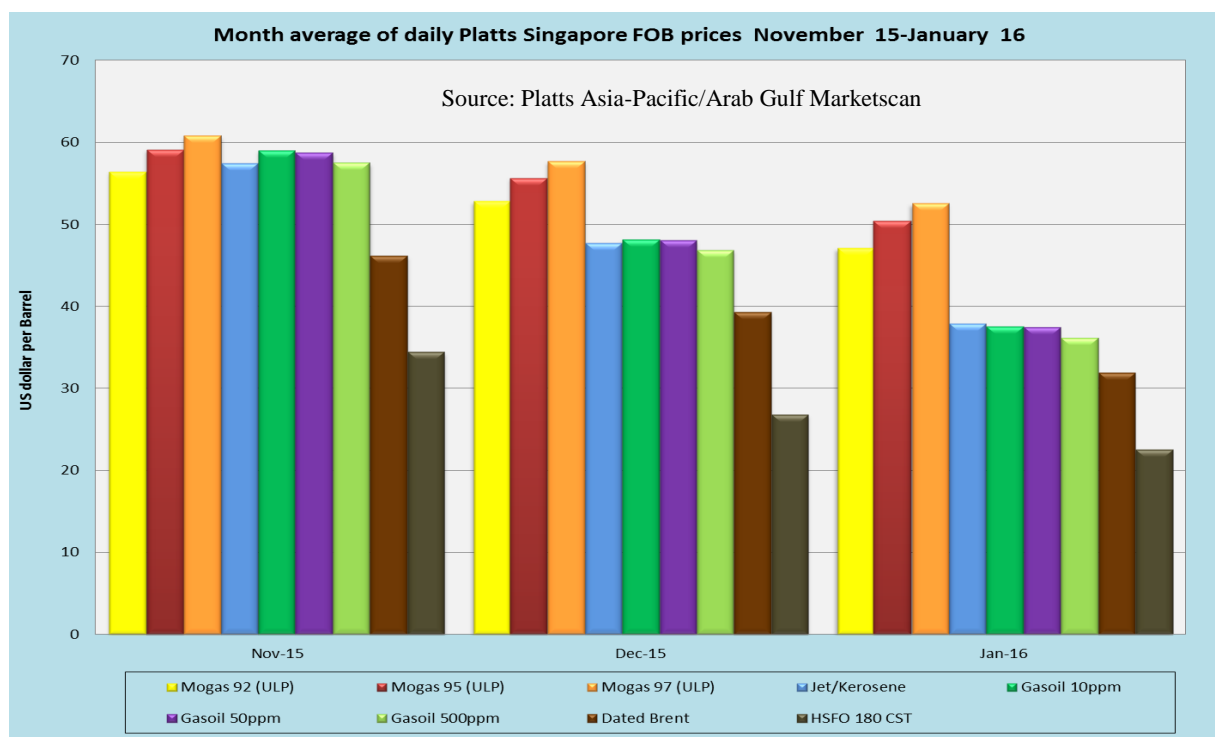
The Asian jet fuel/kerosene market remained weak due to lengthening of supply in the market due to increasing availability in Northwest Europe.

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

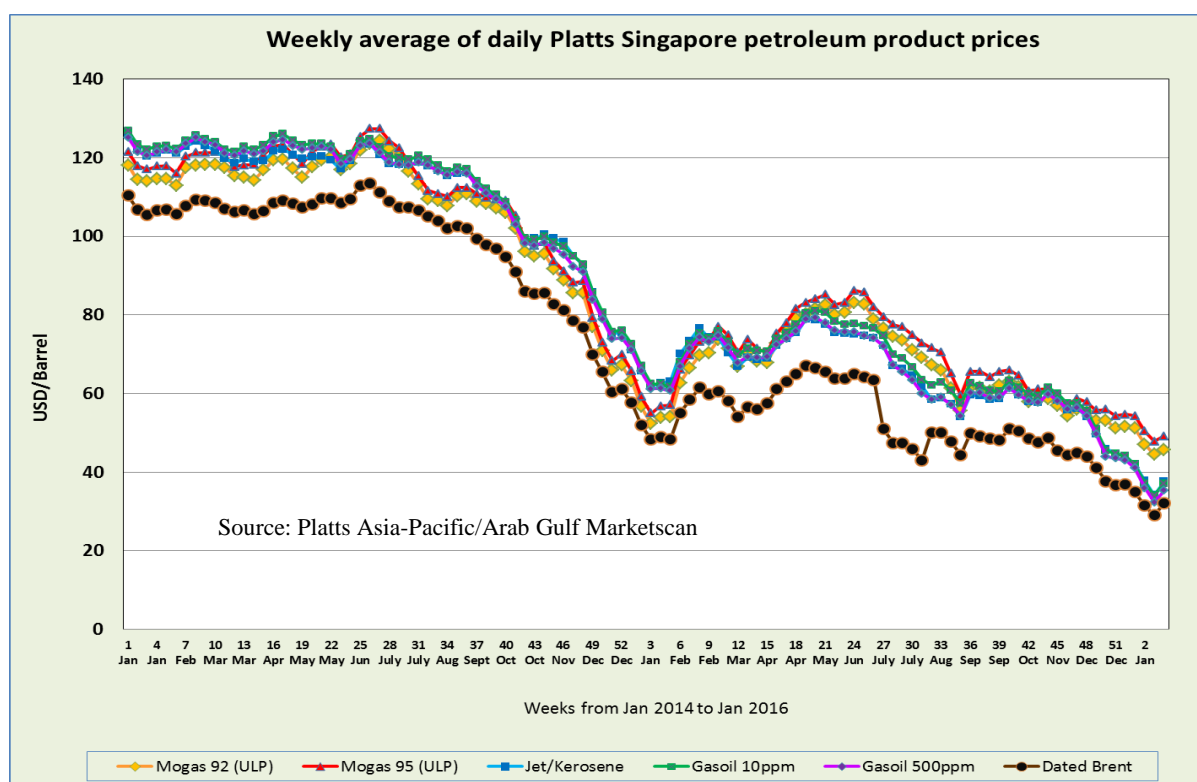
Gasoil supply remained ample in Asia with end-user demand struggling to keep pace causing gasoil prices to weaken.

5. HIGH SULFUR FUEL OIL (HSFO) 180 CST

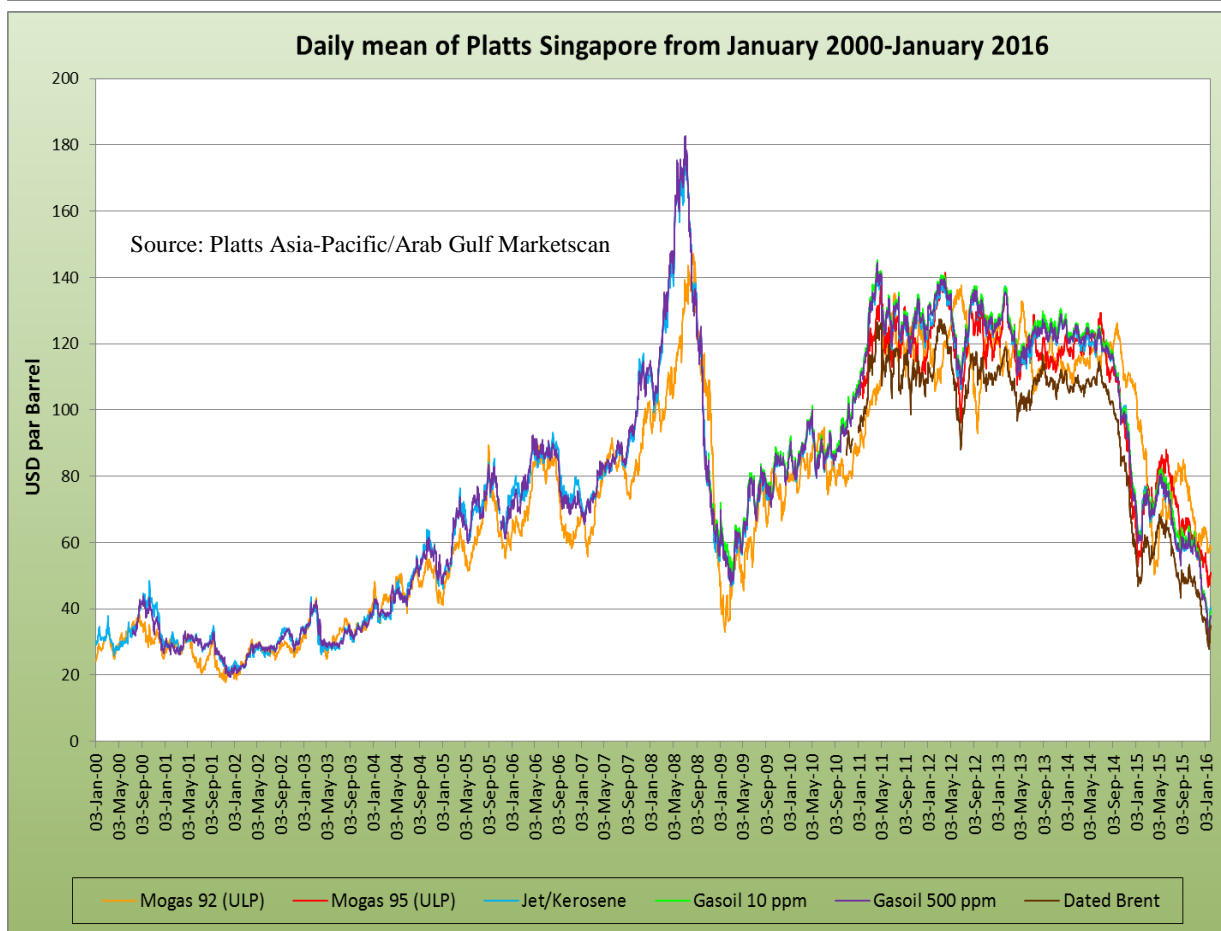
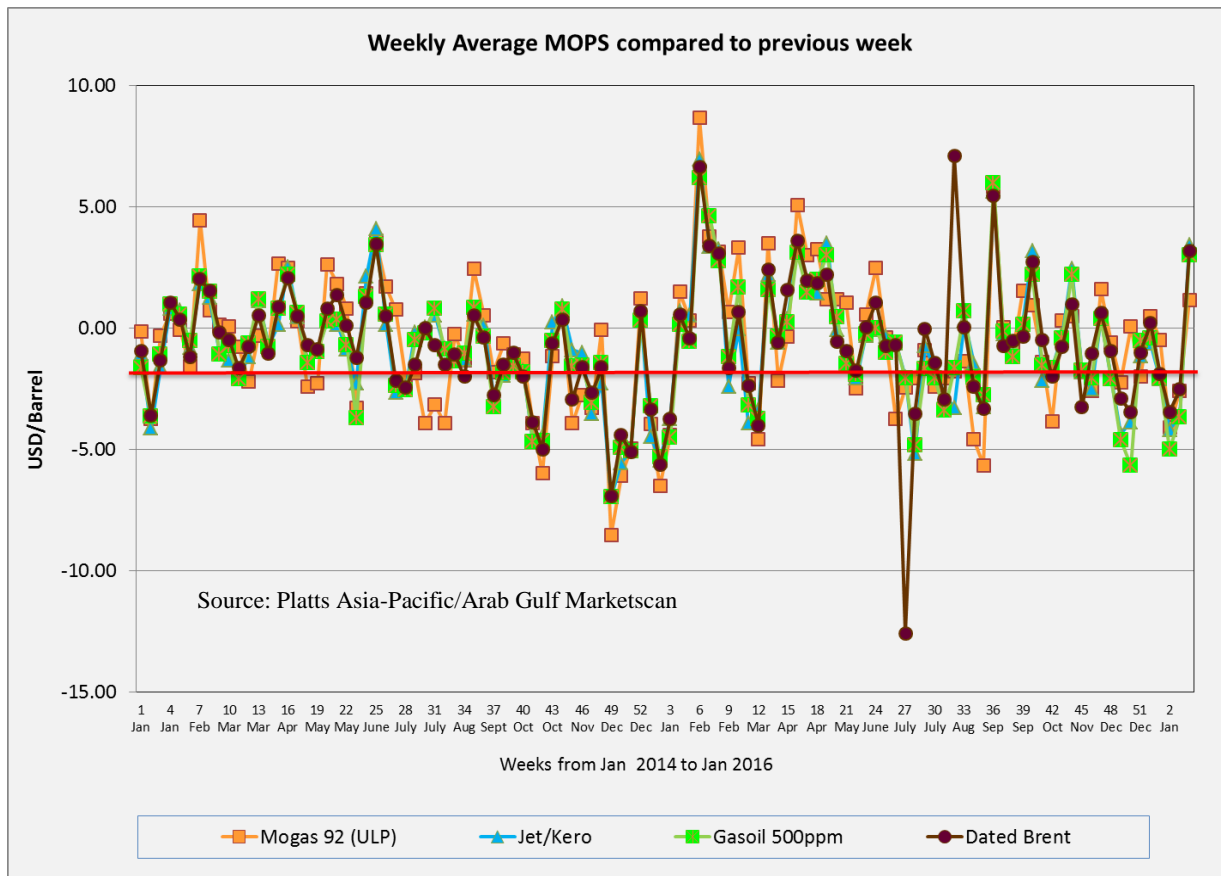
The Singapore high sulfur fuel oil market weakened with ample availability.



6. WEEKLY AVERAGE PRICES

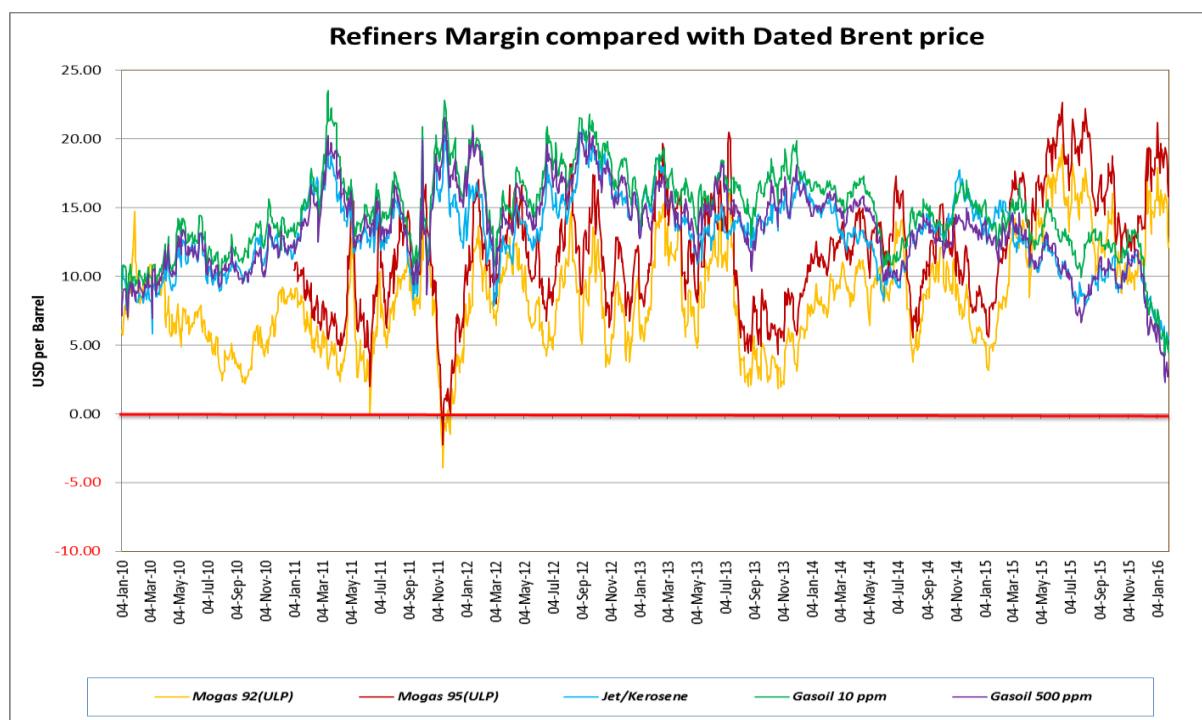


The weekly average pricing for both crude and petroleum fuels exhibited mixed performance in January. The amplitude of the weekly changes indicates fuel market instability.



7. REFINERS MARGIN

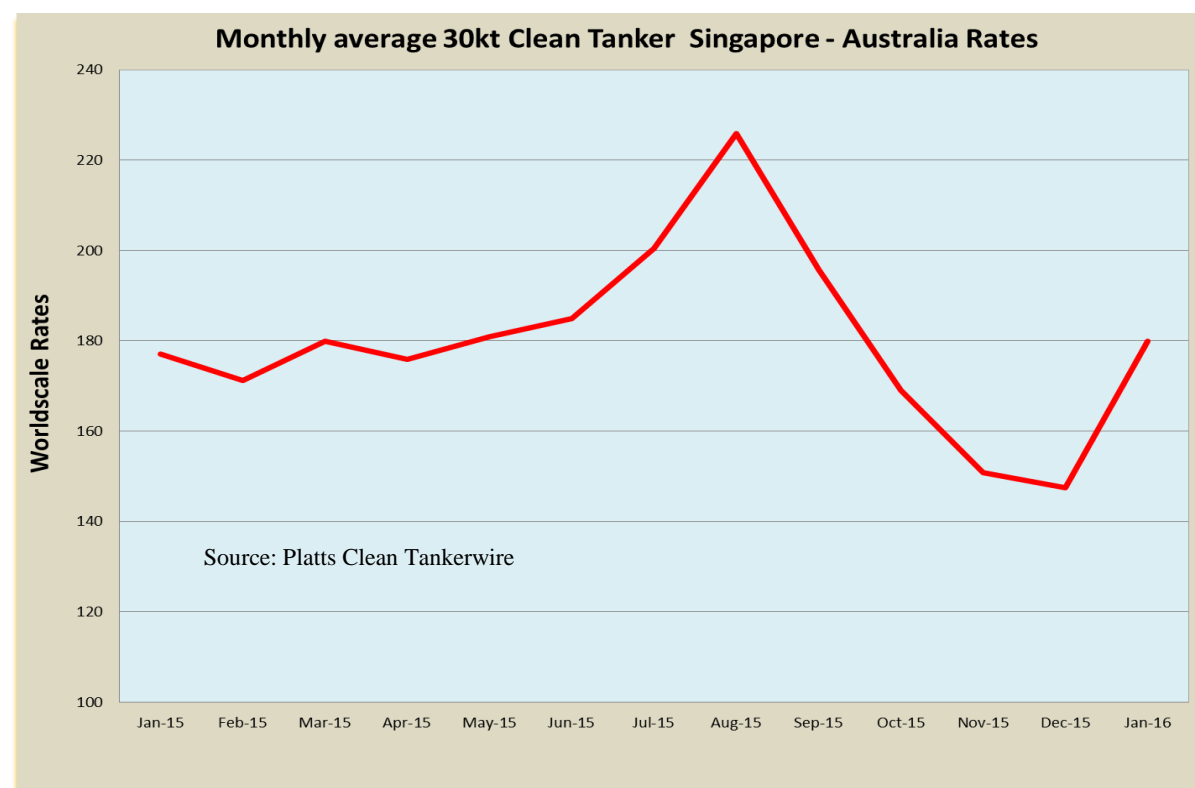
Stronger regional demand amid a tightening environment allowed for a recovery at the bottom of the barrel which, along with continued strength in the gasoline market, allowed refinery margins to rise.



Note: Dated Brent crude oil used for calculating refiners margin.

8. SINGAPORE-AUSTRALIA CLEAN TANKER FREIGHT RATES

The freight market strengthened in January, translating to an increase in the freight component for this month's fuel prices. East of Suez, spot freight rates on reported route Singapore to Australia rose by 22% from last month. The Singapore–Australia route was assessed at 179.95WS points, an increase of 32.45WS points from the previous month.



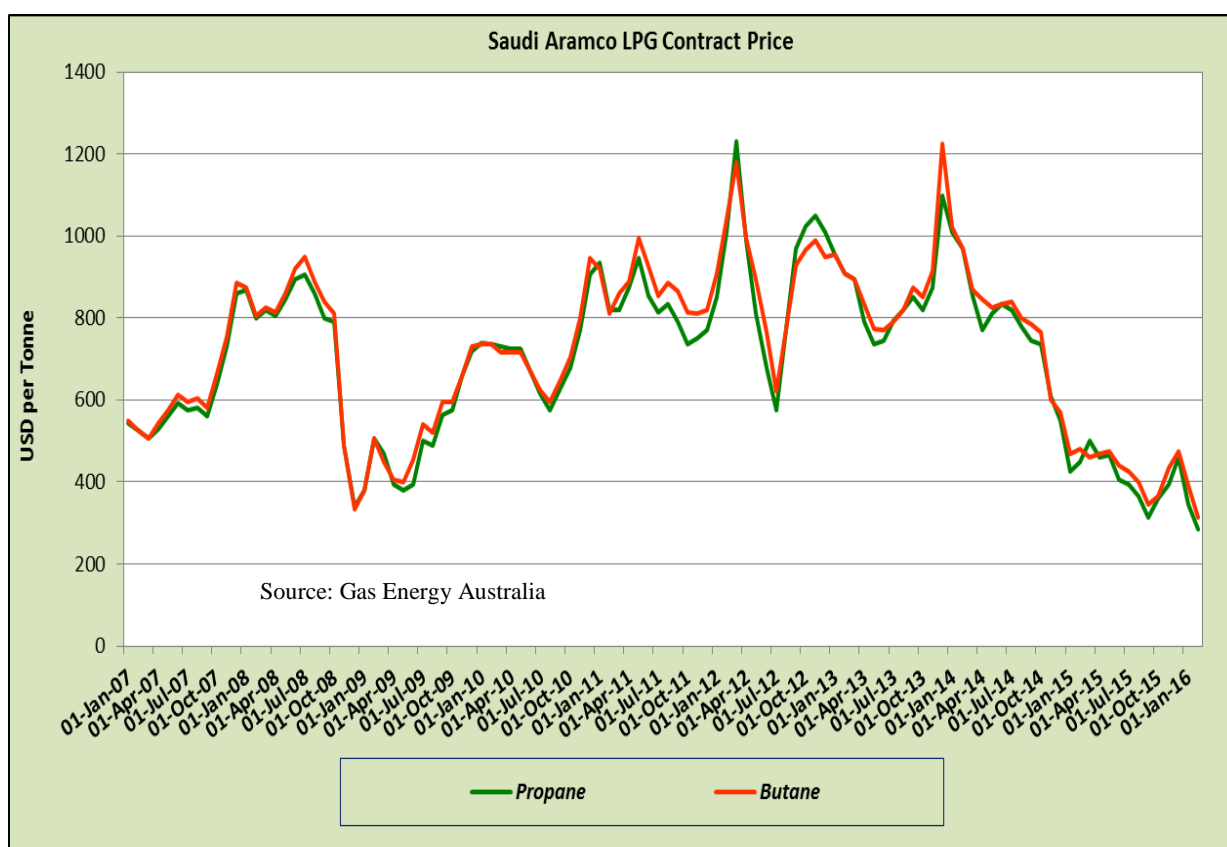
9. SAUDI ARAMCO LIQUEFIED PETROLEUM GAS (PROPANE & BUTANE) CONTRACT PRICE

State-run Saudi Aramco has set its February 2016 contract price for propane at \$285/mt, down \$60/mt from its January CP, and butane at \$315/mt, down \$75/mt. 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)
February-Average	285.00	315.00
January-Average	345.00	390.00
Difference (Feb avg. – Jan avg.)	-60.00	-75.00
% Change	-17.39	-19.23

(Source: Gas Energy Australia)



10. EXCHANGE RATES:

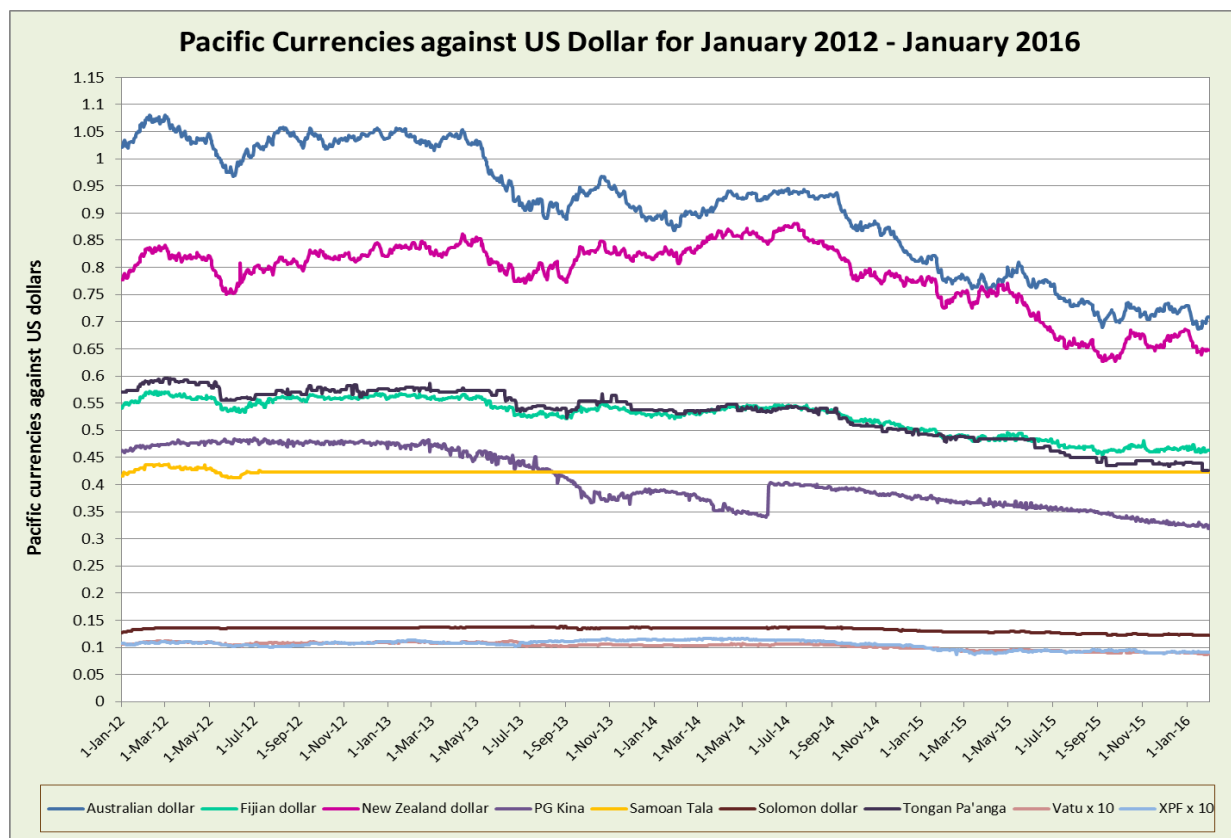
Most local currencies depreciated against the US dollar in January. The Samoan Tala and XPF remained virtually unchanged against the US dollar.

Table 2: Monthly averages of currencies against the US Dollar

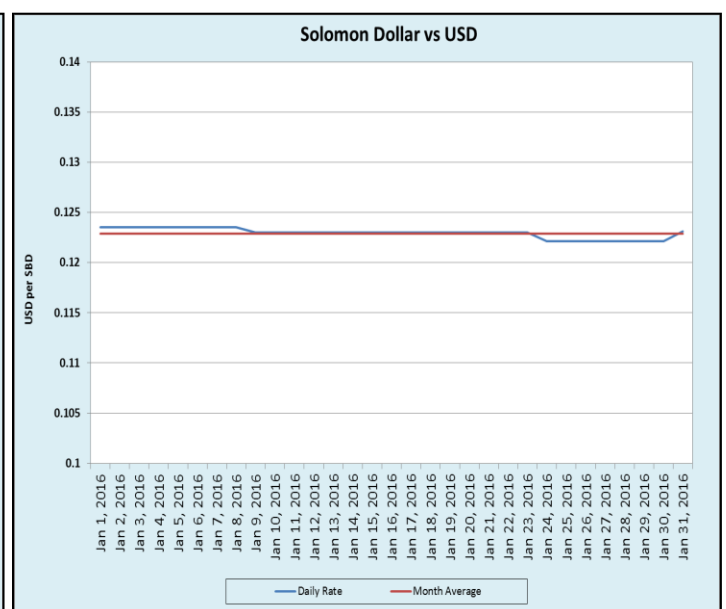
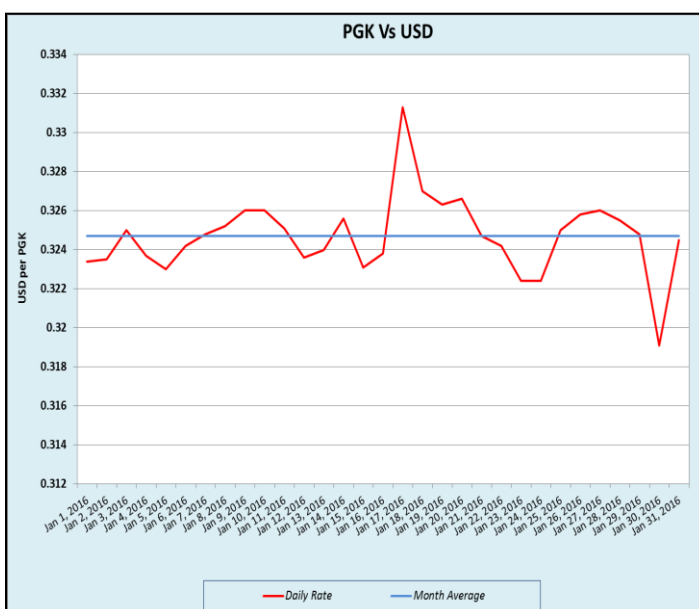
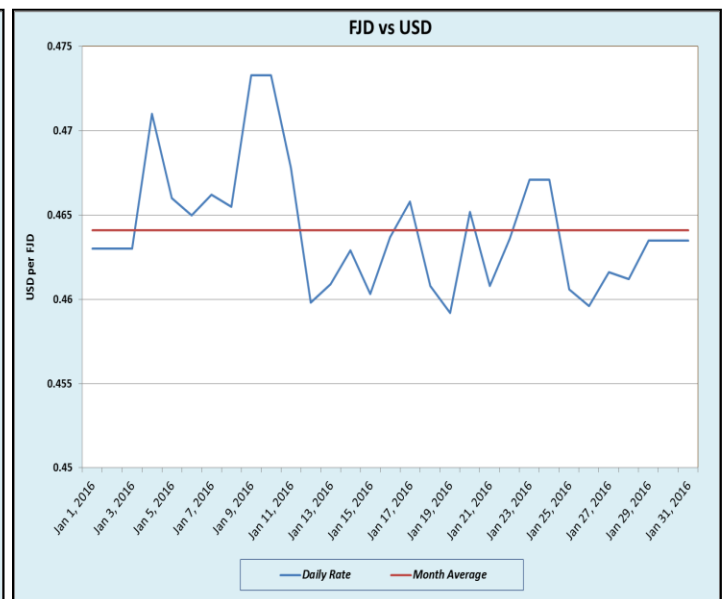
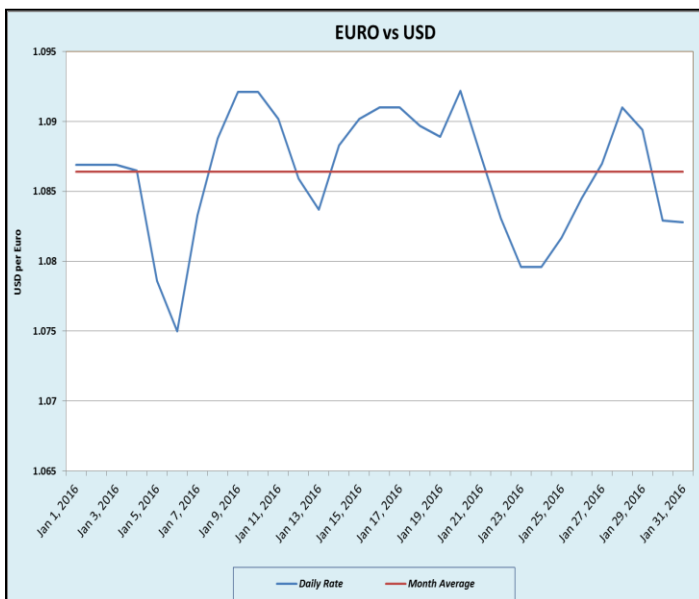
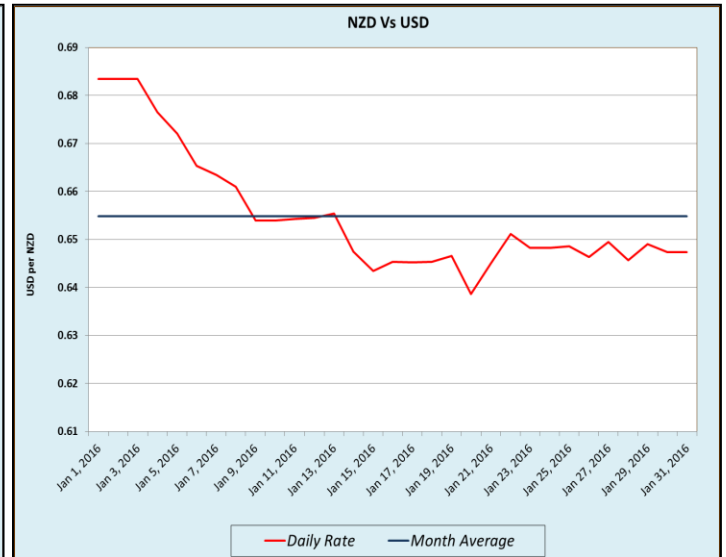
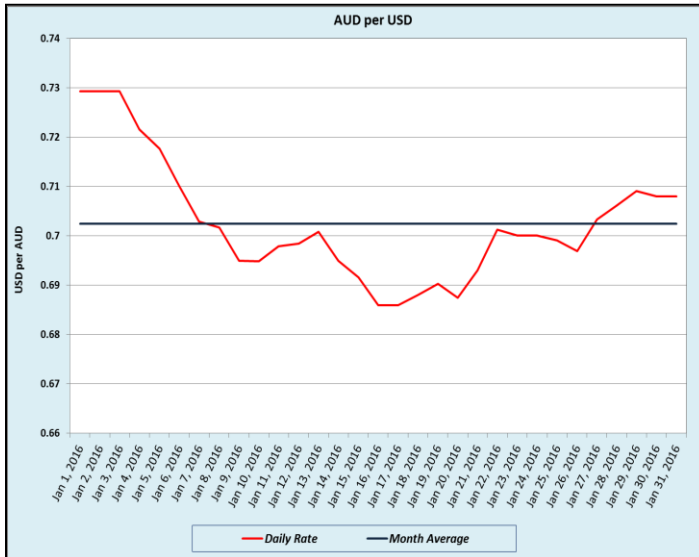
Monthly average of currencies against the US Dollar										
	AUS Dollar	Euro	Fiji Dollar	PNG Kina	NZ Dollar	Samoa Tala	Solomon Islands Dollar	Tongan Pa'anga	Vanuatu Vatu	French Polynesian Franc (XPF)
January Average	0.7025	1.0864	0.4641	0.3247	0.6548	0.4237	0.1229	0.4359	0.0089	0.0091
December Average	0.7246	1.0895	0.4665	0.3275	0.6747	0.4237	0.1239	0.4385	0.0090	0.0091
Difference (Oct avg. – Sept avg.)	-0.0221	-0.0031	-0.0024	-0.0028	-0.0199	-	-0.0010	-0.0026	-0.0001	-
% Change	-3.05	-0.28	-0.51	-0.85	-2.95	-	-0.81	-0.59	-1.11	-

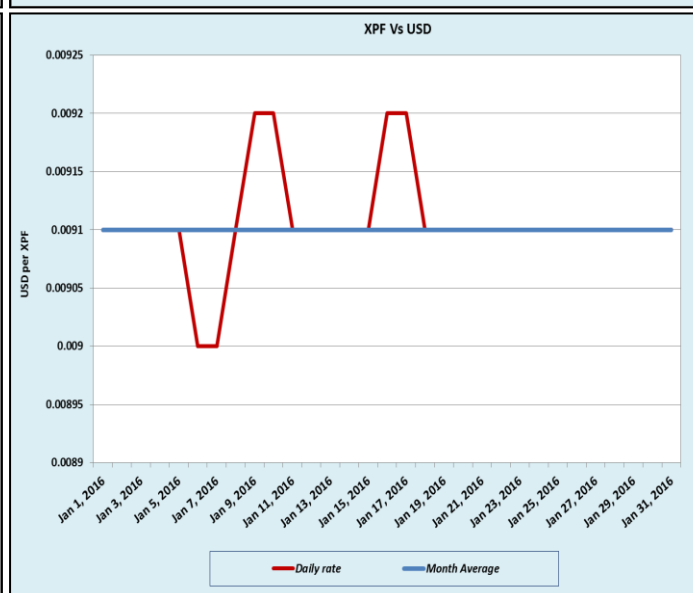
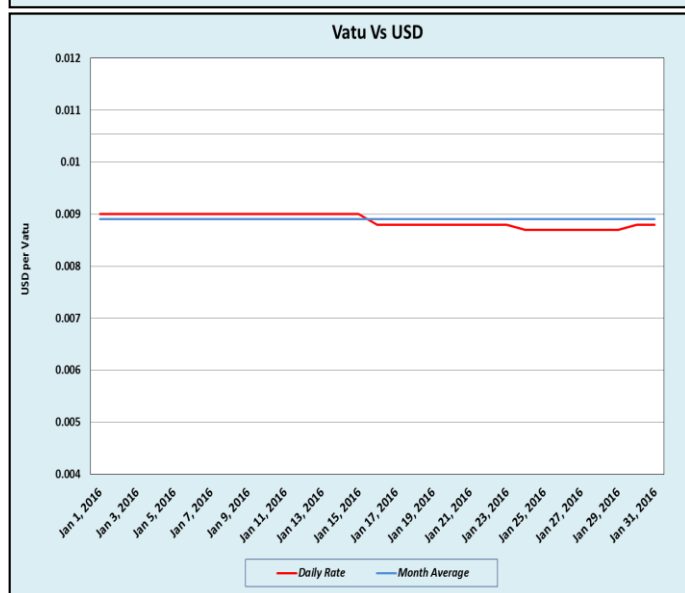
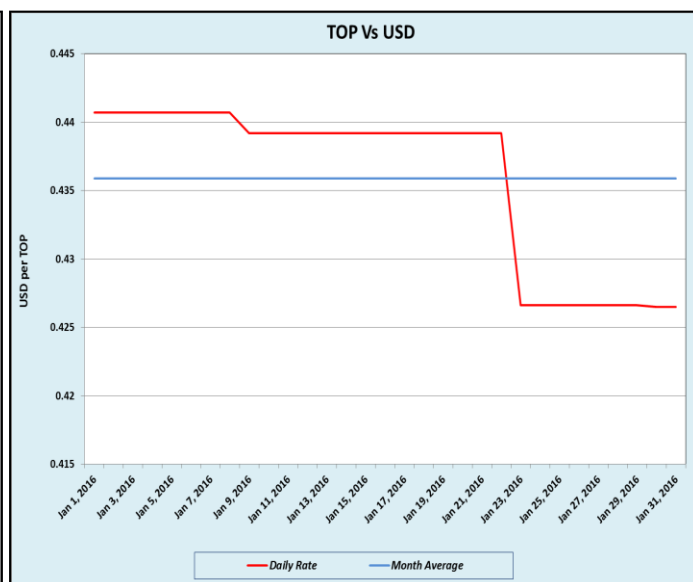
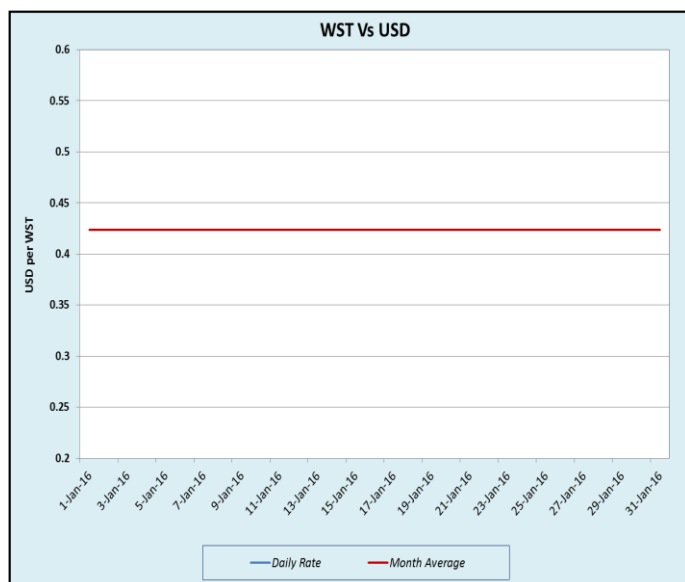
Exchange rates from www.oanda.com

11. CURRENCY CHARTS



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





NET RESULT:

Decrease in Singapore petroleum product prices should result in drop in regional pump prices however increase in freight rates and depreciation of all major currencies will offset any decrease in pump prices.

Regional LP gas prices are expected to decrease since Saudi Aramco contract prices for both propane and butane decreased for the month of February 2016.

The Samoan Tala and XPF 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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