

November 2019  
**MARMORE**  
FIRST TAKE

# Abu Dhabi National Oil Company's Murban crude futures to be listed on Intercontinental Exchange

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# HIGHLIGHTS

Intercontinental Exchange (ICE), an operator of global exchanges & clearinghouses and provider of data and listings services, announced that it would launch a new exchange, ICE Futures Abu Dhabi (IFAD). The exchange will host the world's first futures contracts based on Abu Dhabi National Oil Company's (ADNOC's) Murban crude oil. IFAD and ICE Murban futures are slated for launch in early 2020, subject to regulatory approvals, and will seek to rival well-established light crude oil benchmarks WTI and Brent.

ADNOC is one of the world's leading diversified energy and petrochemicals groups with a daily output of about 3 million barrels of oil and 10.5 billion cubic feet of natural gas. ADNOC along with nine of the world's largest energy traders have collaborated with the ICE to set up the world's first Murban crude oil futures contracts. Oil majors namely, BP, Total, Inpex, Vitol, Shell, Petrochina, Korea's GS Caltex, Japan's JXTG and Thailand's PTT have agreed to become partners in this new exchange. However, the exact split of stakes in the new exchange has not been decided yet.

With almost 50 million barrels of production per month and accounting for over 50% of the UAE's total oil production, Murban is one of the largest crude grades originating from the Middle East. It is globally recognized and acknowledged as a special type of crude for its quality and its reliability of supply. It serves as a benchmark for most Asian refiners and its futures launch comes amid intense competition from US shale exports. ADNOC produces close to 1.7 million barrels of Murban crude daily.

The announcement came days after Abu Dhabi's Supreme Petroleum Council (SPC) launched a new pricing mechanism for Murban crude. As a result, Murban pricing will move from a retroactive official selling price to market-driven, forward pricing using a Murban futures contract as its price marker. The UAE has traditionally sold oil directly to end-users, mainly in Asia, based on retroactive pricing rather than forward pricing used by Saudi Arabia, Kuwait and Iraq.

The SPC also authorized ADNOC to remove destination restrictions on Murban crude sales. Established in 1988, the Abu Dhabi Supreme Petroleum Council is responsible for setting and regulating the petroleum related policies, objectives and activities in Abu Dhabi. The Council also functions as the ADNOC Board of Directors, and is responsible for the business' strategy and financial performance.

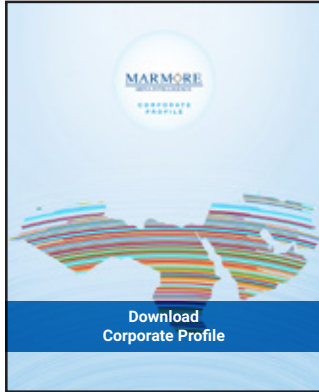
The new contract will create an alternative benchmark to the most commonly used Middle East standard, the Dubai/Oman benchmark operated by the Dubai Mercantile Exchange (DME) and traded on CME's electronic platform. The development of Murban futures could shake up the pricing of oil in the region.

"The futurization of Murban cargoes will act as a boon for buyers because it will allow them to know what they are paying in advance. This is in contrast to the current retroactive pricing mechanism. What is more, buyers should now benefit from more hedging opportunities in the future markets." Stephen Brennock, oil analyst at PVM Oil Associates, told CNBC

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