

Learn more about [LSEG](#)



My View Following Saved



Feedback

A view shows the FPMC B 104 bulk carrier in Nakhodka Bay near the crude oil terminal Kozmino outside the port city of Nakhodka, Russia June 13, 2022. Picture taken with a drone.... [Acquire Licensing Rights](#) Read more

Companies



China Petroleum & Chemical Corp

Follow



NK Rosneft' PAO

Follow



Gazprom Neft' PAO

[Follow](#)

Aug 5 (Reuters) - Spot prices for Russia's key export crude grade ESPO Blend to Asia have rebounded from all-time lows amid strong demand from top buyers India and China and easing concerns about possible sanctions, several traders said.

The crude exported from the Pacific port of Kozmino saw its spot differentials dive from premiums to a record discount of more than \$20 a barrel in March as western sanctions were slapped on Russian financial and energy companies following the country's invasion to Ukraine.



However, the European Union tweaked sanctions on Russia that came into force last month, easing payment restrictions for oil shipments from state-owned firms Rosneft and Gazpromneft - major suppliers of ESPO crude. [read more](#)

Prices have rebounded with at least two cargoes loading between end-September and early October sold at parity against Middle East benchmark Dubai, the sources said. Indian and Chinese independent refiners find the cargoes far more cheaply priced than Middle East oil of similar quality, they said.

Advertisement · Scroll to continue

Feedback

In contrast, Abu Dhabi's Murban crude for September loading sold at premiums of \$12-\$13 a barrel.

"Russian oil is very popular among Asian refiners and at these prices it's a great value," one of the sources told Reuters. The sources spoke on condition of anonymity due to sensitivity to the matter.

Though prices have recovered, the cheaper supplies have helped to boost Asian refinery margins and price pressures could persist ahead of Europe's oil embargo later this year and possibly more sanctions on Russia.

Advertisement · Scroll to continue

Similarly, spot prices for Russian Urals crude typically exported to Europe are gradually recovering.

India overtook China to become the biggest buyer of Russian oil in July based on seaborne volumes. The world's No. 3 crude importer lifted a record 29.5 million barrels, Refinitiv Eikon data showed. This included 3.4 million barrels of ESPO crude.

India will continue to buy ESPO Blend oil in October, according to two of the sources.

Advertisement · Scroll to continue

The world's top crude importer China loaded 18.1 million barrels of seaborne ESPO crude in July, 27% down from an all-time high in June, as major buyer Sinopec Corp cut purchases. Oil supplies loaded from the Russian ports dropped to 21.3 million barrels in July, the lowest since February.

INDIA, CHINA PRICES

The ESPO crude benchmark has traditionally been priced on FOB Kozmino basis. More trades, however, are now conducted via middlemen who resell the cargoes on delivered ex-ship (DES) basis that include other costs such as shipping, insurance and financing to end users in China and India.

Advertisement · Scroll to continue

Feedback

For example, the price of a cargo that arrived in India last month included \$2 million in freight costs even though it was already priced at a wide discount of more than \$7 a barrel to Dubai quotes, another source said.

Prices of ESPO crude delivered to China have also improved, traders said. Last week, cargoes for September delivery were sold at parity to ICE Brent DES basis, rebounding from a discount of \$5 a barrel in March.

The European Union sanctions banning seaborne imports of Russian crude and oil products will take effect on Dec. 5. [read more](#)

"Given European concerns about surging energy prices, we think there could be some reticence to go all in on these punitive measures that could potentially take several million Russian barrels off the market," RBC Capital's Helima Croft said in a note.

Reporting by Reuters, Muyu Xu and Chen Aizhu in Singapore, Nidhi Verma in New Delhi; Editing by Florence Tan and Jacqueline Wong

Our Standards: [The Thomson Reuters Trust Principles.](#)

Acquire Licensing Rights 



Nidhi Verma
Thomson Reuters

Nidhi Verma is an award-winning journalist working with Reuters. Presently, she is working as Team Leader-Energy in India. She has more than two decades of experience in covering India and global energy sector. Her stories show a new dimension of the energy sector, the nuances of the oil trade, the role of geopolitics and the diplomatic efforts that a country makes to mitigate the impact of external shocks.



Read Next

World

Yemen's Houthis threaten to hit US ships as more tankers steer clear

ago

Markets

Oil edges lower despite Middle East conflict

ago

Regulatory Oversight

Frigid temps cut US natural gas supply as demand soars, Texas faces possible shortfall

January 15, 2024

World

QatarEnergy halts Red Sea LNG shipping amid attacks, seeking security advice

3:28 PM UTC

Feedback



Taking action on sustainability

Produced by Reuters Plus for Honeywell

This content was created by Reuters Plus, the brand marketing studio of Reuters.

LSEG
Workspace

The next-generation human
interface for financial professionals.

More from Reuters

Business Lookahead: Dilemmas for Davos
(1:27) - January 12, 2024
[Watch more videos](#)




| | | | | | | |
|---|---|---|--|---|--|------------------------------|
| Business Lookahead: Dilemmas for Davos | Citigroup's 'big news'; bitcoin's 'exciting week' | Stocks end little changed after mixed bank earnings | US regulator grounds Boeing MAX 9 indefinitely | China exports pick up, but deflation lingers | The Week in Numbers: crypto cracks Wall Street | Burber plunge profit v |
| 01:27 | 05:27 | 02:30 | 01:57 | 01:22 | 02:00 | 01:10 |

Feedback

Sponsored Content

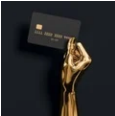
6 Odd Things Millionaires Do With Money, But Most of Us Haven't Tried

Sponsored by The Penny Hoarder



Rare Unlimited Cash Back Match Turns Heads

Sponsored by The Motley Fool




Why Mar Moment

Sponsored by


Wall Street Predicts Massive Financial Shift in 2024

Sponsored by Chaikin Analytics



Massachusetts: The List Of The Top Financial Advisor Firms Is Out

Sponsored by smartasset



9 Ways To

Sponsored by

Business >

Embraer sees record agriculture plane deliveries this year

Aerospace & Defense · January 15, 2024 · 5:08 AM EST

Brazilian planemaker Embraer expects its agricultural aircraft Ipanema to hit record deliveries this year after a positive 2023 driven by the strength of the country's farm sector, it told Reuters on Monday.

Mergers & Acquisitions
Trade union opposes possible split-up of Germany's Bayer
7:40 AM EST

Business
FedEx has not seen much impact from Red Sea disruptions, CEO says
January 14, 2024

Financial Results
Daimler Truck sales rise 1% in 2023
8:48 AM EST


Davos
AstraZeneca says no supply snags so far from Red Sea disruptions
12:37 PM EST

Sponsored Content




Is a Roth IRA Conversion Really Worth It?

Sponsored by smartasset




Follow ZOE Science & Nutrition on Apple Podcasts

Sponsored by mowPod




Why March 15 Could Be a Make-or-Break Moment for Tesla

Sponsored by Stansberry Research




Fed Rate Hikes Make it a Good Time to Compare Savings Accounts

Sponsored by NerdWallet




7 Ways to Retire Comfortably With \$500k

Sponsored by Fisher Investments



5 Things That are Ripping Us Off Every Month

Sponsored by The Penny Hoarder



Sponsored Content



10 Lucrative Dividend Stocks With Double Digit Dividend Yields

Sponsored by Liberty Through Wealth

50-Year Wall Street Legend: “You Have Just Weeks To Move Your Money”

Sponsored by Chaikin Analytics

Do you have the skills to manage dynamic change? Explore our programs.

Sponsored by HBS Executive Education

Follow ZOE Science & Nutrition on Apple Podcasts

Sponsored by mowPod

Your business. Your way. Merchant Services solutions

Sponsored by Bank of America






5 Beaten-Down Tech Stocks That Could Explode Soon

Sponsored by The Motley Fool





Latest

- Home
- Authors
- Topic sitemap


Media

-  Videos 
-  Pictures
-  Graphics 

About Reuters

- About Reuters 
- Careers 
- Reuters News Agency 
- Brand Attribution Guidelines 

Browse

- World
- Business
- Markets
- Sustainability
- Legal
- Breakingviews
- Technology
- Investigations 
- Sports
- Science
- Lifestyle

Feedback

- Reuters Leadership
- Reuters Fact Check
- Reuters Diversity Report

Stay Informed

- Download the App (iOS)
- Download the App (Android)
- Newsletters

Information you can trust

Reuters, the news and media division of Thomson Reuters, is the world’s largest multimedia news provider, reaching billions of people worldwide every day. Reuters provides business, financial, national and international news to professionals via desktop terminals, the world’s media organizations, industry events and directly to consumers.

Follow Us



Thomson Reuters Products

Westlaw

Build the strongest argument relying on authoritative content, attorney-editor expertise, and industry defining technology.

Onesource

The most comprehensive solution to manage all your complex and ever-expanding tax and compliance needs.

Checkpoint

The industry leader for online information for tax, accounting and finance professionals.

LSEG Products

Workspace

Access unmatched financial data, news and content in a highly-customised workflow experience on desktop, web and mobile.

Data Catalogue

Browse an unrivalled portfolio of real-time and historical market data and insights from worldwide sources and experts.

World-Check

Screen for heightened risk individual and entities globally to help uncover hidden risks in business relationships and human networks.

- Advertise With Us
- Advertising Guidelines
- Coupons
- Acquire Licensing Rights

All quotes delayed a minimum of 15 minutes. See here for a complete list of exchanges and delays.

- Cookies
- Terms of Use
- Privacy
- Digital Accessibility
- Corrections
- Site Feedback