Platts USGC UKC Aframax Dirty Tanker Daily Rationale & Exclusions

Platts assessed freight for the 70,000 mt US Gulf Coast-UK Continent route for loading Oct. 22-Nov. 6 at w170.75 for average lifting tonnage Oct. 17, up w2.5 from Oct. 16. The assessment excludes additional costs incurred for offsetting EU Emissions Trading System carbon emission charges, reflected at a steady w4.25 premium considering current EU emission allowance costs.

The assessment reflected a relevant trade wherein ST Shipping booked a replacement ship, the CSK Vanguard, for an Oct. 20-21 loading USGC-UKC/Mediterranean run at an EU ETS inclusive rate of w175.

Following the deal, market participants deemed the traded level repeatable for non-replacement tonnage as sentiment firmed, with owners heard pushing for higher freight levels.

Platts is part of S&P Global Commodity Insights.

This rationale relates to symbol TDUCG00, a daily assessed spot value which is applied to an annual constant to generate benchmark reference TDUCF00.

Exclusions: No market data was excluded from the Oct. 17 Americas Aframax freight assessment process.

Platts USGC UKC Aframax Dirty Tanker Bids, Offers, Trades

Bids: None

Offers: None

Trades: CSK Vanguard 70 CR Oct20-21 USGC-UKCM w175 ST Shipping

This assessment commentary relates to symbol <TDUCG00>, a daily assessed spot value which is applied to an annual constant to generate benchmark reference <TDUCF00>.

News

Libyan oil exports return to normal levels as Sharara crude flows restart

- Libya's weekly crude exports return to 1 million b/d
- Sharara loadings resume from Zawiya port, first since Aug 3
- Es Sider, Sarir crudes make up the bulk of Libyan exports

Libya's crude exports recovered to normal levels in the week to Oct. 16, according to tanker tracking data, as flows from a key western port finally restarted following the resolution of a feud between Libya's rival regional authorities.

Export loadings of Libya's light, sweet crudes averaged 1.03 million b/d in the seven days to Oct. 1, on par with average crude export levels during the first half of the year, according to data from S&P Global Commodities at Sea.

A 600,000-barrel cargo of Sharara crude was loaded at the country's western Zawiya port Oct. 15 on route to Turkey, the data shows, marking the first time that the terminal has loaded Sharara crude since Aug. 3.

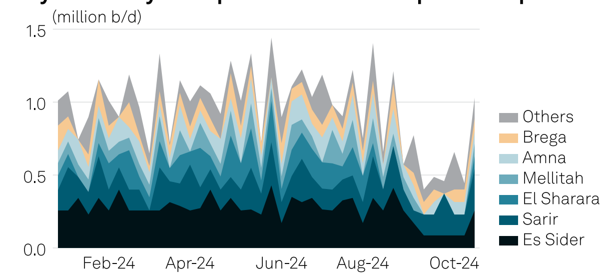
Libyan oil exports slumped to a trickle in early September after a deadlock between Libya's rival regional governments over control of the Central Bank. The impasse, which was resolved at the end of September, largely shuttered the country's oil production and elevated prices for alternative light, sweet crudes in the region. Crude loadings from Libya's other main oil ports have since restarted as production has ramped up during October.

Libya's mainstay Es Sider and Sarir crudes grade account for about 45% of the country's total oil exports while Sharara flows averaged about 110,000 b/d, or about 12% of exports, before the latest regional dispute, the shipping data shows. Platts, part of S&P Global Commodity Insights, assessed the light, sweet Es Sider crude grade at $72.205/b on an FOB basis Oct. 16, a $1.73/b discount to Dated Brent.

Libya's Zawiya refinery also came back online in recent days after an electrical fault, sources told Commodity Insights Oct. 15. The plant, one of Libya's largest, has two distillation units capable of processing 60,000 b/d each and runs on light sweet crude, primarily from the country's huge Sharara field.

Refined product imports to Libya rose to multi-year highs in September of 267,800 b/d, according to CAS data, as the Zawiya outage exacerbated a fuel crisis.

Libya's weekly oil exports recover from political spat



Source: S&P Global Commodities at Sea

Market awaits finalization of crude term allocations prior to Angola's December trading cycle

- Nov program largely sold out following Dec schedule release
- Term allocations to be finalized before spot trading commences

West African crude oil traders are awaiting term allocations to be finalized ahead of a fresh trading cycle in Angola with cargoes loading in November mostly placed into end-user homes.

A copy of the provisional December-loading schedule seen by S&P Global Commodity Insights on

Oct. 16 showed that some 36 cargoes are set to be exported in December, though spot trading is currently on hold as state oil company Sonangol finalizes term allocations.

A term allocation list for the November trading cycle seen by Commodity Insights in late September showed that companies including Unipec, Sinochem and Indian Oil Co. were among the recipients of termed Angolan crude cargoes.

Estimates from traders for November-loading cargoes without buyers were between some 3 to 5 cargoes earlier in the week beginning Oct. 14, though one WAF trader recently noted that "November Angolan barrels have now cleared."

One lingering cargo of Clov was deferred from the November program to December, according to the schedule seen by Commodity Insights, with only a couple of cargoes yet to be placed from November.

"End-November Nemba is still there with some deferrals into December," the trader added. "[Other than those, the rest of the program] has either moved or been committed back to [equity holders'] own systems."

Spot trading of December-loading cargoes is not expected to begin until term allocations are finalized, often initiated by the circulation of Sonangol's initial spot offerings of cargoes that were not sold on a term basis.

Values for November-loading Angolan crude oil had remained largely steady on sustained appetite from Chinese buyers, though higher value grades such as Cabinda and Girassol have shown some weakness month to month owing to light-medium sweet bearishness seen in adjacent WAF markets.

Platts, part of Commodity Insights, assessed China-favored Angolan grade Plutonio at a $1.10/b discount to Dated Brent on Oct. 16, down 15 cents/b from a month prior.

Girassol was assessed by Platts at a $1.50/b premium to the benchmark on Oct. 16, down 90 cents/b over the same time period.

In the Platts Market on Close assessment process on Oct. 8, Unipec bought a Nov. 18-19 loading cargo of Girassol from BP at a $1.45/b premium to Dated Brent.

OIL FUTURES: Crude inches higher amid expected US stock draw and Middle East supply concerns

- Markets await US EIA stocks data amid anticipated draw
- Uncertainty over Middle Eastern supply outlook grows

Crude oil futures edged higher during mid-morning European trade Oct. 17 amid bullish expectations of a drawdown in US crude inventories and lingering supply uncertainty in the Middle East.

At 1031 GMT, the December ICE Brent crude oil futures contract was up 11 cents/b at $74.33/b, while the November WTI contract was 7 cents/b higher at $70.46/b.

"The Brent crude oil price remains under pressure but seems to have found interim support at $73.20/b on the front-month futures contract amid lower US stockpiles," said Axel Rudolph, IG's senior technical analyst.

US crude inventories fell by 1.6 million barrels for the week ended Oct. 11, latest data from the American Petroleum Institution showed.

The reported decline comes in contrast to analysts' expectations of a 1.7 million barrel build over the same period, according to analysts surveyed by S&P Global Commodity Insights.

Nationwide gasoline stocks were also reported lower, falling by 5.9 million barrels over the week, while distillate inventories declined by 2.7 million barrels, the API data showed.

"API numbers released overnight were somewhat constructive for the oil market," ING commodity strategists said Oct. 17.

Investors await official data from the US Energy Information Administration, due later in the global day.

Prices were also supported by lingering concerns over supply from the Middle East while technical indicators keep price moves broadly rangebound.

"It is the fourth day in a row that the front-month Brent crude oil futures contract oscillates around its breached July-to-October downtrend line at $74.08/b," IG's Rudolph observed.

Multiple leaks in Iranian crude oil pipelines leading to Iran's Kharg Island – the country's main export terminal — injected fresh uncertainty over the region's export reliability.

The cause of leaks remain unknown, compounding ongoing geopolitical tensions that are fueling supply disruption concerns in the region.

However, "the prospect of increased OPEC+ supply offsets a potential threat to Middle East supplies," Saxo's strategy team said in a note Oct. 17.

Investors continue to weigh the threat of escalating tensions in the Middle East against a supply surplus forecast by OPEC and the International Energy Agency.

"Market outlooks released by OPEC and IEA this week suggested sluggish demand and a sizable supply surplus for the next year, which is keeping pressure on oil prices," added ING strategists.

Subscriber Notes

Platts proposes to discontinue four CNY-related FX assessments

Platts, part of S&P Global Commodity Insights, proposes to discontinue four Chinese Yuan-related foreign exchange rate assessments, effective Jan. 9, 2025, following analysis of assessment data.

The following four FX assessments, derived from the daily USD.CNY exchange rate (symbol: AAWFW00), published by the People's Bank of China, and the respective USD foreign currency exchange rates assessed by Platts at 4:30 PM Singapore time, are no longer used for currency conversions of any Platts price assessments.

Central Bank	Currency	Symbol	Frequency
People's Bank of China	AUD.CNY	AAWGF00	Daily
People's Bank of China	EUR.CNY	AAWGB00	Daily
People's Bank of China	CNY.HKD	AAWGE00	Daily
People's Bank of China	SGD.CNY	AAWGD00	Daily

The below table provides alternate symbols and calculations to use to get the same FX rates.

Currency	Alternate symbols and calculation	Timestamp	Frequency
AUD.CNY	AAWFT00 X AAWFW00	Singapore 16:30	Daily
EUR.CNY	AAWFU00 X AAWFW00	Singapore 16:30	Daily
CNY.HKD	AAWFY00 / AAWFW00	Singapore 16:30	Daily
SGD.CNY	AAWFW00 / AAWFZ00	Singapore 16:30	Daily

Please send all questions and comments to pricegroup@spglobal.com by Oct. 24, 2024.

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing.

Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts to include EU ETS carbon costs in tanker freight assessments; launching parallel carbon-exclusive rates for two benchmark routes effective Jan 2, 2025

Platts, part of S&P Global Commodity Insights, will include European Union Emissions Trading System (EU ETS) carbon costs in all global clean and dirty tanker freight assessments involving an EU port to reflect prevailing tanker spot trade. The change will go into effect Jan. 2, 2025.

Following the Worldscale Association's Sept. 6, 2024 notice and its earlier notice from July 8, 2024, Platts will also launch parallel carbon-exclusive rates for two of its benchmark routes in light of market feedback regarding open interest in respective Platts benchmark-settled derivative contracts.

As the freight market has demonstrated a broad adoption of carbon-inclusive trading, Platts will proceed with the following:

Platts will amend the methodology of all its existing global clean and dirty tanker freight assessments from carbon-exclusive to carbon-inclusive, reflecting spot fixtures, bids, and offers inclusive of EU ETS costs.

In addition, Platts will launch carbon-exclusive assessments under new symbol codes for the below-stated benchmark assessments, enabling prevailing open interest on the routes to be settled at a carbon-exclusive price:

- Aframax 70,000 mt USGC-UKC Worldscale (TDUCG00) and $/mt (TDUCF00)
- Aframax 80,000 mt UKC-UKC Worldscale (PFAKD10) and $/mt (TDACD00)

The following routes will be assessed on a carbon-inclusive basis in both Worldscale points and $/mt under the prevailing codes, in addition to a carbon-exclusive assessment in $/mt published under a new symbol code for each.

The two carbon-exclusive assessments will be arrived by deducting Platts Carbon Emission Charges, as per the phase-in schedule described in the Directive 2023/959 of the European Parliament and of the Council, from the spot carbon-inclusive freight on the said routes.

This decision follows a consultation published Aug. 1 after the Worldscale Association's initial July 8, 2024, notice that it will include EU ETS carbon costs in its flat rates for 2025.

Discontinuation of existing carbon-accounted assessments

As a result of the transition to carbon-inclusive freight, carbon-accounted tanker freight assessments launched July 1, 2024, for all routes involving EU ports will become redundant. Platts will discontinue these assessments effective Jan. 2, 2025, to avoid duplication.

Impact on Platts Dated Brent

The 10-day rolling average of the Aframax 80,000 mt UKC-UKC assessment (TDUUW00) is used in the calculation of the six Freight Adjustment Factors that are used in Platts Dated Brent to netback CIF Rotterdam indications to FOB North Sea equivalent values. The spot assessment PFAKD10 is also referenced in section 6.3 of the Stasco BFOETM 2022v1.2 General Terms and Conditions. As described above, these assessments will be carbon-inclusive from Jan. 2, 2025, based on this decision.

Please send all feedback and comments to tankers@spglobal.com, pricegroup@spglobal.com, Europe_products@spglobal.com, and Europe_crude@spglobal.com.

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts launches Aframax 80,000 mt Vancouver-US West Coast assessment Oct 1

Platts, part of S&P Global Commodity Insights, has launched a daily freight assessment for the Aframax 80,000 mt Vancouver-US West Coast route effective Oct. 1, 2024.

Platts recognized the need for greater transparency into the cost of freight for waterborne crude exports out of Westridge terminal in Vancouver to the USWC following the 590,000 b/d expansion of Canada's Trans Mountain Pipeline.

Spot freight market activity has ramped up significantly since the expansion began commercial operations May 1, 2024. According to S&P Global Commodities at Sea data, just over 92% of all Aframaxes loading Trans Mountain Pipeline barrels at Westridge terminal since the start-up either discharged onshore USWC or offshore at the Pacific Area Lightering terminal.

The assessment reflects the cost of voyages on Aframaxes delivering barrels directly to USWC refineries unloading at Long Beach, as well as for Aframaxes shuttling crude to PAL, where VLCCs undergo ship-to-ship-transfer operations for final delivery into Asia.

The basket includes the following routes:

Port loading	Port discharging
Vancouver	Long Beach
Vancouver	PAL

The assessment reflects freight for ships loading five to 20 days from the day of fixing, in line with existing Platts specifications for Aframaxes loading in the Americas.

The new assessments are as follows:

Assessment	Code
Dirty Vancouver-US West Coast Aframax 80kt $/mt	TVACA00
Dirty Vancouver-US West Coast Aframax 80kt $/mt MAvg	TVACA03
Dirty Vancouver-US West Coast Aframax 80kt Wsc	TVACB00
Dirty Vancouver-US West Coast Aframax 80kt Wsc MAvg	TVACB03
Dirty Vancouver-US West Coast Aframax 80kt cargo size	TVACASZ
Dirty Vancouver-US West Coast Aframax 80kt $/mt WscFlat Yr	TVACC00

The assessment follows the 1330 Houston timestamp and the Houston publishing schedule. The assessments will be published in the Platts Dirty Tankerwire, Platts Dirty Tankerwire Monthly and on Platts Shipping Alert and Platts Tanker Alert pages SHP2430, SHP2431, PGT1962 and PGT1963.

Please send all comments or questions to tankers@spglobal.com and pricegroup@spglobal.com.

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