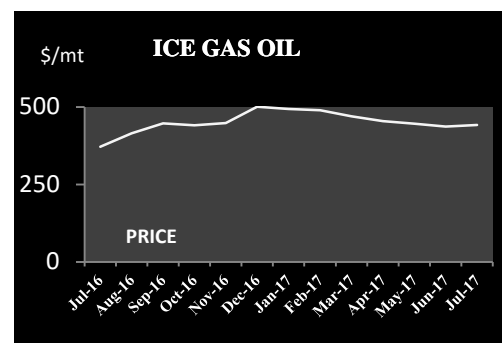
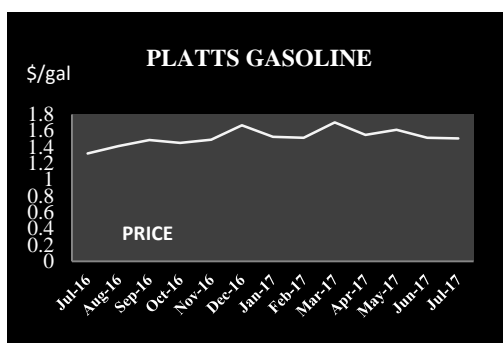
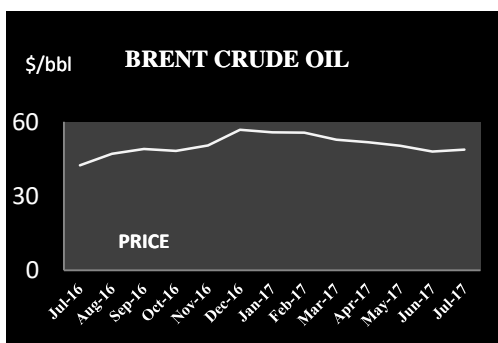


## MARKET REPORT

Gladius Energy Desk

research@gladiuscommodities.com

Tel: +234-1-2931855



LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 453,407	[MT] 83,626	[MT] 4,500
P.H.	-	-	-
DELTA	53,449	-	-
CALABAR	37,584	-	-

GLOBAL	PRICE
BRENT	47.74\$ /bbl
ICE GAS OIL	437.25\$/mt
PLATTS GASOLINE	1.5208\$/gal

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	134-135	134-135	134-135	135-136
AGO	135-136	135-137	135-137	135-137

FX RATES			
	USD	GBP	EUR
13/07/17	B/O	B/O	B/O
NGN (PARALLEL MARKET)	364 / 368	468 / 473	415 / 420
NGN (INTER BANK)	305.95	-	-

### NIGERIA

The Nigerian National Petroleum Corporation (NNPC) has promised continuous availability and supply of petroleum products despite the challenges in the downstream petroleum sector. This statement was made by the NNPC Group Managing Director, Dr Maikanti Baru at the 24th, 25th and 26th Annual General Meetings of its downstream subsidiaries the Nigerian Products Marketing Company (NPMC) and the Nigerian Pipelines and Storage Company (NPSC) in Abuja. NPMC and NPSC were formed by splitting the Pipelines and Products Marketing Company Limited (PPMC) due to inconsistent financial performance and also to better commercialize the operations. Baru said the subsidiaries performed well and external auditors (Messrs PricewaterhouseCoopers) have given both companies a clean bill of health adding that their financial statements and operations complied with international best practices. He also said the Federal government and the NNPC had implemented strategies to engage various host communities to stop pipeline infractions, which is yielding a positive outcome.

On Wednesday 12<sup>th</sup> of July, the Minister of State for Petroleum Resources, Dr Ibe Kachikwu stated the implementation of some capital projects in the 2017 budget will be affected by the global oil market price uncertainties. However, the Ministry of Finance and the Federal Executive Council are setting up measures to cushion the impacts of the oil production shortfall on the budget. The oil production benchmark in the budget was 2.2 million barrels per day (bpd) at price index of \$42.50 per barrel, but the current oil production level is at 1.7 million bpd, which is also under the 1.8 million production threshold set by the Organisation of Petroleum Exporting Countries (OPEC). Kachikwu said Nigeria will voluntarily join the ongoing OPEC production cut to rebalance the market in due time, although a set timeframe has not been disclosed. Kachikwu also said production will be monitored in the next few months as Nigeria is gradually recovering its reserves from previously vandalised assets.

### WAF

### SENEGAL

The Scottish energy company, Cairn Energy announced it has successfully uncovered oil in the deep portion of the Fan South-1 well in the South Fan prospect offshore Senegal. Cairn Energy Chief Executive Simon Thomson said "FAN South is our tenth well in Senegal in the last three years and our second well to encounter oil in the deep portion of the basin, adjacent to the FAN discovery". According to Cairn Energy drilling partner FAR Ltd, the best estimate of reserves at FAN South-1 is 294 million barrels of oil and the reservoirs offshore Senegal are among the largest in the world and could hold more than 1.5 billion barrels of oil.

### GLOBAL

On Thursday 13<sup>th</sup> of July, oil prices were lower in North American trade after the International Energy Agency (IEA) reported a longer period of oil glut due to rising production and limited output cuts by some OPEC exporters. The U.S. West Texas Intermediate crude for August delivery was down 8 cents at \$45.42 a barrel by 8:35 AM ET (12:35 GMT), while the ICE Futures Exchange in London Brent oil for September delivery fell by 14 cents to \$47.60 a barrel. The U.S. Energy Information Administration (EIA) weekly report for Wednesday 12<sup>th</sup> July showed a fall in crude oil production by 7.6 million barrels in the week ending July.

Oil prices have been under pressure in recent weeks due to the steady increase in U.S. shale output despite production cuts by OPEC and non-OPEC members. OPEC/non-OPEC producers extended a deal to cut 1.8 million barrels per day in supply until March 2018. Thus far, the production cut agreement has had little impact on global inventory levels as U.S. shale output and supply from producers that are exempt from the OPEC deal (Libya and Nigeria) continues to increase. A joint ministerial monitoring committee meeting in Russia has been scheduled for July 24 in St. Petersburg for OPEC/non-OPEC members to discuss Nigerian and Libyan output only at a technical level.