

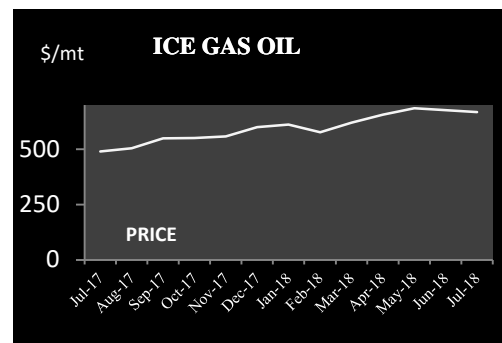
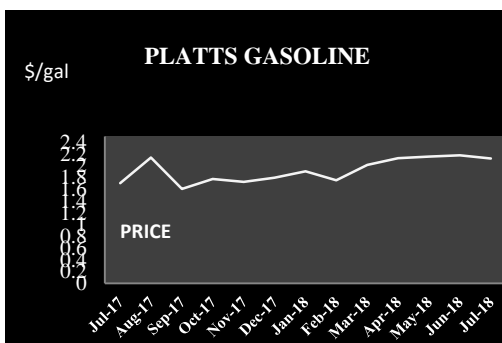
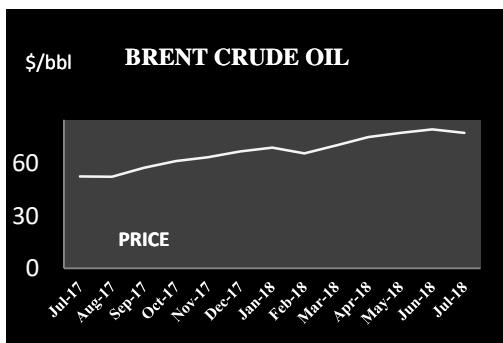
GLADIUS

MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 505,643	[MT] 83,153	[MT] 40,884
P.H.	-	4,986	-
DELTA	15,998	24,995	-
CALABAR	14,984	15,365	-

GLOBAL	PRICE
BRENT	73.93 \$/bbl
ICE GAS OIL	656.75 \$/mt
PLATTS GASOLINE	2.1231 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	425.878 \$/mt

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	133.5-134	133.5	134	134.5-137
AGO	200.5-215	215	208-210	216-225

FX RATES				
26/07/18	USD	GBP	EUR	
NGN (PARALLEL MARKET)	357/360	475/480	413/ 418	
NGN (INTER BANK)	305.90	-	-	
NAFEX	361.86	-	-	

NIGERIA

On Tuesday 24th July, the Federal Government of Nigeria and the Republic of Niger signed a Memorandum of Understanding (MoU) to build a hydrocarbon and pipeline refinery in Katsina State. Dr. Ibe Kachikwu, the Minister of State for Petroleum Resources and Faomakoye Gado, the Minister of Energy & Oil of Niger Republic signed the agreement on behalf of their respective countries in Abuja. The signing of the agreement was witnessed by President Muhammadu Buhari and President Muhamamdou Issoufou of Niger Republic. The refinery to be built is estimated to be worth \$2 billion (over N700 billion) and is projected to generate over 2,500 direct jobs and over 10,000 indirect jobs in the country. Both countries are expecting 50,000 barrels per day (bpd) at initial capacity before scaling up to 100,000 and 150,000 bpd. The duration for completion of the modular refinery project is estimated between 3 to 4 years and President Buhari has given December 2018 as the deadline for the submission of the technical details for the project. The project will see the construction of a pipeline network that will supply crude oil from the Republic of Niger to the refinery.

On Wednesday 25th July, Dr. Maikanti Baru, Group Managing Director of Nigeria National Petroleum Corporation (NNPC) said the corporation has reiterated its commitment to establish biofuel plants across the country as calls intensify for an alternative source of electricity. Baru, who was a guest lecturer at the 12th edition of the Mechanical Engineers, dwelt on "fast-tracking the paradigm shift from fossil fuel driven economy to renewable energy". He stated that: "As one of the key business areas, NNPC is currently diversifying its products portfolio for enhanced and sustainable energy mix by integrating biofuel production from selected energy crops with a robust agricultural development programme. Additionally, the corporation will cultivate *Jatropha* plants along the borders of over 5,000 kilometres of NNPC pipeline. This energy crop could be used to produce biofuel to complement diesel supply; its by-product could be used for several other uses including glycerine". Baru stated that the NNPC has conducted seven site-specific bankable feasibility studies aimed at fast-tracking the diversification from fossil fuel. He listed the ongoing biofuel project to include two sugarcane fuel-ethanol plants in Agasha-Guma and Buruku, Benue State and another in Okelusa, Gombe State. Others are the cassava fuel-ethanol plant in Ondo and Anambra States as well as the two oil palm biodiesel projects in Cross River State.

WAF

MAURITANIA

Royal Dutch Shell has secured Production Sharing Contracts from the Mauritanian government for the exploration and production of hydrocarbons from two blocks - C-10 and C-19 in the Mauritania offshore area, marking the company's entry into the West African Atlantic Margin. The two offshore Mauritanian blocks are contained in water depths ranging from 20 to 2,000m and are spread across an area of nearly 23,675km. Shell revealed that the new block C-10 is made up of three previous blocks, namely C-10, C-28, and C-29. Shell plans to establish an office in Nouakchott and begin exploration, starting with reprocessing and analysis of existing seismic data and acquisition of new data. Shell with a stake of 90% will operate the exploration program while the remaining 10% stake will be held by Société Mauritanienne des Hydrocarbures et de Patrimoine Minier, Mauritania's national oil company. Additionally, Shell has signed a MoU with the Mauritanian government to jointly evaluate additional offshore exploration opportunities, study new ways of addressing the country's domestic energy requirements, and create capability in the energy sector. Mauritania's Oil, Energy and Mining Minister, Mohamed Ould Abdel Vetah stated: "Shell's new entry in the Mauritania offshore area represents an important added value to the exploration activities and will contribute to maintaining the momentum for developing the energy sector in Mauritania". Shell also disclosed that Shell Exploration and Production Mauritania has made a deal with Chariot Oil & Gas Investments (Mauritania), a subsidiary of Chariot Oil & Gas, for a back in right for a working interest of 10-20% equity in the C-19 block in the future.

GLOBAL

On Thursday 26th July, U.S. crude oil prices inched down, while Brent rose after Saudi Arabia suspended oil shipping in the Red Sea. The U.S. West Texas Intermediate crude futures for September delivery fell 0.03% at \$69.28 a barrel at 10:27 AM ET (14:27 GMT), while Brent Oil Futures for September delivery also increased 0.051% at \$73.97 a barrel. The U.S. Energy Information Administration (EIA) weekly report for Wednesday 25th July showed a fall in crude oil inventories by 6.147 million barrels in the week ending July 30, compared to expectations for a draw of 2.6 million barrels. The report also showed that the massive draw in crude supplies emerged as imports fell by 2.518 million bpd and exports rose by 1.222 million bpd.

Saudi Arabia, the biggest oil exporter in the world, announced it was temporarily halting oil shipments through the Red Sea after an attack by Yemen's Houthis movement on two big oil tankers. According to the EIA, an estimated 4.8 million bpd of crude oil and refined petroleum products destined for Europe, the U.S and Asia flowed through this waterway in 2016. The disruptions in the Middle East come at a time of concern over the potential for further disruptions in Libya, Venezuela, and Iran. Goldman Sachs said in a note to clients "The potential for further disruptions remains high in Libya, Venezuela, and Nigeria with last week seeing new disruptions in Norway and Iraq, and Saudi has little incentive to let inventories rise".

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