

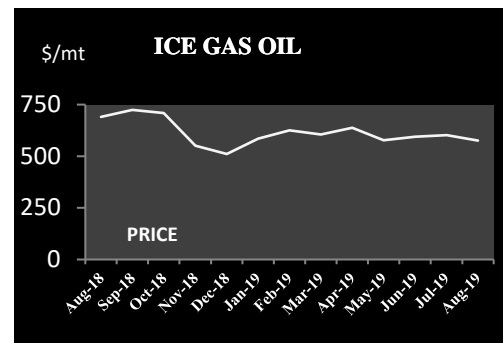
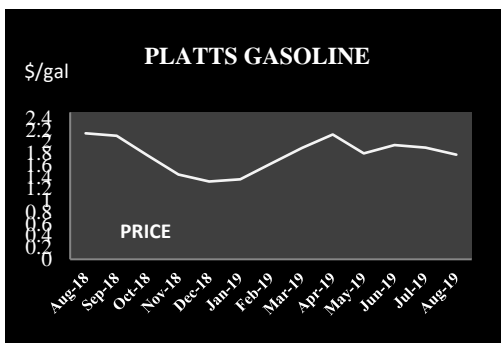
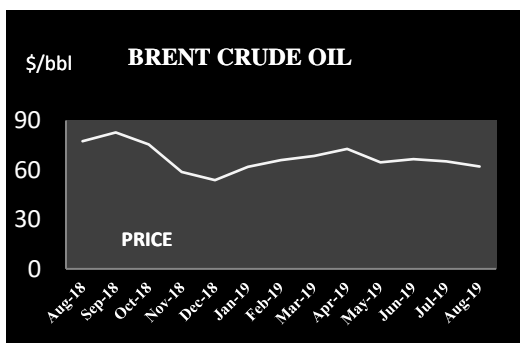
# GLADIUS

## MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	926,115	185,025	-
P.H.	65,900	10,000	-
DELTA	22,423	7,000	-
CALABAR	-	-	-

### NIGERIA

The Nigerian National Petroleum Corporation (NNPC) announced that 15 oil firms have won the bid for its 2019/2020 Direct Sale of Crude Oil and Direct Purchase (DSDP). The contract is for one-year effective 1st October 2019 to 30 September 2020. Under the DSDP contract, NNPC sells crude oil directly to offshore refiners and receives refined products in return. NNPC is targeting about 14 billion liters of products supplies from the 2019/2020 DSDP. The winning firms include BP Oil International Ltd/AYM Shafa Ltd, Vitol SA/Calson-Hyson, Totsa Total Oil Trading SA/Total Nig. Plc, Gunvor International B.V./AY Maikifi Oil & Gas Co. Ltd, and Trafigura Pte Ltd./A. A. Rano Nig. Ltd, CEPESA S.A.U./Oando Plc, MocoH SA/MocoH Nig. Ltd, Litasco Sa/Brittania-U Nig. Ltd./Freepoint Commodities, MRS Oil & Gas Company Ltd and Sahara Energy Resource Ltd.

The NNPC and the Nigeria Security and Civil Defense Corps (NSCDC) have pledged to work together to checkmate the activities of pipeline vandals and oil thieves in the country. The Group Managing Director of NNPC, Alhaji Mele Kyari gave the assurance when he received the Commandant-General of NSCDC, Abdullahi Muhammadu, at the NNPC Towers. He said that as part of efforts to rid the nation of the menace of pipeline vandals, the new NNPC management was putting in place a performance-based pipeline protection system to enable relevant security. Alhaji Kyari noted that the collaboration between NNPC and NSCDC had gone a long way in ensuring uninterrupted supply and distribution of petroleum products through the pipelines and various depots.

The Nigerian Content Development and Monitoring Board (NCDMB) is providing equity investment for the establishment of two modular refineries in Imo and Bayelsa states that will produce a total of 17,000 barrels of crude oil per day (bpd). The equity investment will be used for the establishment of a 5,000-bpd modular refinery by Waltersmith Refining and Petrochemical Company Limited in Ibigwe, Imo State, and in the 12,000 bpd Hydroskimming modular refinery by Azikel Petroleum Limited at Obunagha, Gbarain, Bayelsa State. The Waltersmith refinery is on track for completion in May 2020, while the Azikel refinery would be completed in 2021. About 300,000 liters of diesel daily in addition to various volumes of naphtha, kerosene, and fuel oil is expected from Waltersmith, while Azikel will produce about 1.5 million liters or 50 trucks of petrol daily, including 170,000 liters of diesel and other products. The Executive Secretary of the board, Simbi Wabote said both modular refinery projects have huge prospects for jobs creation, value retention, petroleum products availability and the development of in-country capability.

### WAF

### EQUATORIAL GUINEA

Equatorial Guinea has inaugurated the first LNG storage and regasification plant to be built on the West African coast. The import infrastructure will be installed to encourage the import and use of African gas within Africa itself. The new plant is being built at the Port of Akonikien, on Equatorial Guinea's mainland, by local contractor Elite Construcciones. With a storage capacity of 14,000 cubic meters in 12 bullet tanks, it is the first of its kind and allows LNG to be distributed on the mainland. Along with the storage and regasification infrastructure, Elite is also installing a truck loading station and 12km of gas and diesel pipelines. The Minister of Mines and Hydrocarbons, H.E. Gabriel Mbaga Obiang Lima said the terminal is the first of many upcoming projects under the LNG2AFRICA initiative. Minister Lima said: "LNG2AFRICA has a clear objective of developing small-scale LNG projects to supply gas to countries and regions with limited infrastructure." The Akonikien project is an example of a cost-efficient and clean energy solution to the energy needs of mainland Equatorial Guinea. Once stored and regasified, gas will be transported by trucks and pipelines to various industries such as power and cement.

### GLOBAL

On Thursday 22nd August, oil prices rose as an unexpected increase in business activity in the eurozone gave traders some respite from economic worries, while hopes that OPEC has room for further supply cuts supported sentiment. The U.S. West Texas Intermediate crude futures gained 52 cents at \$56.20 a barrel at 7:48 AM ET (11:48 GMT), while Brent crude futures advanced 50 cents at \$60.80. The U.S. Energy Information Administration (EIA) weekly report showed a fall in crude oil inventories by 2.7 million barrels for the week ending August 16, compared with analysts' expectations for a drop of 1.9 million barrels. However, gasoline stocks rose by 312,000 barrels and distillate supplies grew by 2.6 million barrels.

Traders were worried about the prospects of global oil demand amid lingering trade tensions between U.S and China. Meanwhile, Reuters' report cited OPEC data showing that its share of global oil supply had fallen to 30% its lowest in a decade, but the agency concluded that OPEC won't be stampeded into changing output policy as a result. SEB strategist stated that the actual loss of market share has been suffered by Iran and Venezuela, rather than players such as Saudi Arabia, Russia and Iraq. Iraq is currently pumping above its agreed output ceiling, while Russia increased its output by an average of 180,000 bpd this month from July levels.

GLOBAL	PRICE
BRENT	60.30 \$/bbl
ICE GAS OIL	572.00 \$/mt
PLATTS GASOLINE	1.6938 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	296.560 \$/mt

### PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	132.7-133.2	133.8-134	133-133.2	133.28-133.8
AGO	185.5-188	191.5-200	191-194	194.5-195.5

### FX RATES

22/08/19	USD	GBP	EUR
NGN (PARALLEL MARKET)	358/360	440/444	392/397
NGN (INTER BANK)	306.95	-	-
NAFEX	363.01	-	-

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