

## MARKET REPORT

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\$/bbl BRENT CRUDE OIL



\$/gal PLATTS GASOLINE



\$/mt ICE GAS OIL



LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	1,201,362	147,800	-
P.H.	47,081	9,990	-
DELTA	60,517	-	-
CALABAR	19,758	-	-

### NIGERIA

Nigerian National Petroleum Corporation (NNPC) announced plans of launching a new oil licensing round mid-2020 for both offshore and onshore blocks, in a bid to hit its 3 million barrels per day (bpd) output target by 2023. The Group Managing Director NNPC, Alhaji Mele Kyari said the bid round will begin after the government concludes talks with International Oil Companies (IOCs) about new fiscal terms for oil exploration. Recently, President Muhammadu Buhari signed into law an amendment of the fiscal terms for existing Production Sharing Contracts (PSC) between foreign oil producers and NNPC, hence, increased government revenue from oil produced from deep-water fields. Alhaji Kyari said: "despite the amendments, there is room for negotiations and we hope to conclude these negotiations by mid next year," and IOCs raised exploration activities will help reach the 3 million bpd target. Nigeria's crude and condensate production has risen in the past 12 months to around 2.1 million bpd, due to the startup of the 205,000-bpd deep-water Egina field. The field came on stream in late December 2018. The output from the deep-water fields of Bonga, Erha, Agbami, Akpo, Usan and Egina, has sustained Nigeria's oil production in the face of a decline from its onshore blocks in the Niger Delta.

In the downstream sector, Alhaji Kyari stated that the corporation wants to automate its downstream facilities such as depots, pump stations and measurement systems across the country. During a tour of MRS Oil Nigeria Plc products loading facility and lubricants manufacturing plant in Lagos, he said this move aligns with the corporation's commitment to accountability and transparency and efficiency in the sub-sector. It also serves as a follow-up to the recently launched Operation White initiative aimed at taking stock of every drop of white products in every NNPC's location nationwide, particularly Premium Motor Spirit (PMS). The Operation White control mechanism has so far produced significant results as the corporation now knows the areas of losses as well as reliability and integrity status of every facility under its control. Alhaji Kyari said NNPC would sustain its engagement drive of the downstream stakeholders and ensure energy security for the country.

### WAF

### GHANA

An independent Ghanaian energy company, Springfield Exploration and Production Limited (SEP), has discovered more than 1.2 billion barrels of oil in its deep-water drilling off the coast in Ghana. The company started its drilling activity in the West Cape Three Points Block 2 in October 2019 and reported it had found oil in November. In the past 40 days, Springfield had drilled one well, Afina-1X, and hit two different targets all resulting in significant finds. The company stated that out of the 1.2bn in proven reserves, 30-35 percent would be recoverable too to viable quantities of gas. The company engaged the Stena Forth drillship to carry out its drilling activities in the West Cape Three Points Block 2. The Stena Forth drillship earlier made successful discoveries for Tullow in the South American country of Guyana.

### GLOBAL

On Thursday 21<sup>st</sup> November, oil prices rose as Organization of the Petroleum Exporting Countries (OPEC) and its allies are likely to extend output cuts until mid-2020, while fresh reports emerged that China has invited the U.S. negotiators for a new round of talks. The U.S. Crude Oil WTI Futures dropped 0.2% to \$56.84 at 11:57 PM ET (03:17 GMT), while Brent Oil Futures fell 0.3%. The U.S. Energy Information Administration weekly report for Wednesday 20th November showed a rise in crude stockpiles by 1.38 million barrels for the week ending November 15, against analyst forecast of an expected build of about 1.54 million barrels.

The trade war has affected global growth prospects and dominated the outlook for future oil demand. Yet, oil prices were supported following a statement from Russian President Vladimir Putin, indicating that Moscow will support the OPEC Countries in whatever way necessary on production cuts when they meet in December. Russia is part of the OPEC+ alliance, formed with the 14-member countries, which have committed to keeping 1.2 million bpd of supply off the market for price support. OPEC is due to meet on Dec. 5-6, the same time Saudi Arabia is set to announce the final pricing for the Initial Public Offering (IPO) of the state-owned Saudi Aramco, expected to be the world's largest IPO. Reuters reported that "The Saudis don't want oil prices to fall, they want to put a floor under the prices because of the (Aramco) IPO," leaving OPEC with two options: extend the current cuts until June or defer the decision until March to see how the market performs.

### GLOBAL

### PRICE

BRENT	62.40 \$/bbl
ICE GAS OIL	573.75 \$/mt
PLATTS GASOLINE	1.6563 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	207.962 \$/mt

### PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	131-133.5	133.8	133-133.3	133.28-133.5
AGO	187-190	192-200	191-192	190-191

### FX RATES

21/11/19	USD	GBP	EUR
NGN (PARALLEL MARKET)	357/360	460/464	390/397
NGN (INTER BANK)	306.95	-	-
NAFEX	362.85	-	-

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