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## DOMESTIC NWE SPOT PRICES

Click for Price History			Price Range		One year ago
<b>GROUP I - 500 tonnes +</b>					
<a href="#">SN 150 FOB NWE</a>	USD/TONNE	n/c	<b>1060-1090</b>	n/c	1035-1055
<a href="#">SN 500 FOB NWE</a>	USD/TONNE	n/c	<b>1080-1110</b>	n/c	1055-1075
<a href="#">B/STOCK FOB NWE</a>	USD/TONNE	n/c	<b>1185-1225</b>	n/c	1160-1180
<b>GROUP I - trucks</b>					
<a href="#">SN 150 FCA NWE</a>	EUR/TONNE	n/c	<b>815-845</b>	n/c	n/a-n/a
<a href="#">SN 500 FCA NWE</a>	EUR/TONNE	n/c	<b>825-855</b>	n/c	n/a-n/a
<a href="#">B/STOCK FCA NWE</a>	EUR/TONNE	n/c	<b>920-955</b>	n/c	n/a-n/a
<b>GROUP III - trucks</b>					
<a href="#">4 cSt FCA ARA</a>	EUR/TONNE	n/c	<b>910-950</b>	n/c	970.00-1020.00
<a href="#">6 cSt FCA ARA</a>	EUR/TONNE	n/c	<b>920-960</b>	n/c	975.00-1025.00

## EUROPEAN EXPORT PRICES

Click for Price History			Price Range		One year ago
<a href="#">SN 150 FOB EUR</a>	USD/TONNE	n/c	<b>915-940</b>	n/c	875-905
<a href="#">SN 500 FOB EUR</a>	USD/TONNE	n/c	<b>940-970</b>	n/c	930-950
<a href="#">B/STOCK FOB EUR</a>	USD/TONNE	n/c	<b>1060-1100</b>	n/c	980-1015

## RUSSIA AND NIS EXPORT PRICES

Click for Price History			Price Range		One year ago
<a href="#">SN150 FOB BALTIC SEA</a>	USD/TONNE	n/c	<b>850-870</b>	n/c	840-870
<a href="#">SN500 FOB BALTIC SEA</a>	USD/TONNE	n/c	<b>880-900</b>	n/c	850-880
<a href="#">SN900 FOB BALTIC SEA</a>	USD/TONNE	n/c	<b>985-1015</b>	n/c	n/a-n/a
<a href="#">SN150 FOB BLACK SEA</a>	USD/TONNE	n/c	<b>885-900</b>	n/c	850-880
<a href="#">SN500 FOB BLACK SEA</a>	USD/TONNE	n/c	<b>885-900</b>	n/c	850-880

## FEEDSTOCK PRICES (SPOT)

Click for Price History			Price Range	
<a href="#">LOW SULPHUR VACUUM GASOIL FOB RDAM</a>	USD/TONNE	-20	<b>780-780</b>	-20
<a href="#">HIGH SULPHUR VACUUM GASOIL FOB RDAM</a>	USD/TONNE	-14	<b>766-766</b>	-14
<a href="#">3.5% FUEL OIL FOB RDAM</a>	USD/TONNE	-17	561-563	-20

**NOTE: for full details on the criteria ICIS pricing uses in making these price assessments visit [www.icispricing.com](http://www.icispricing.com) and click on "methodology".**

### Market unchanged from late-December

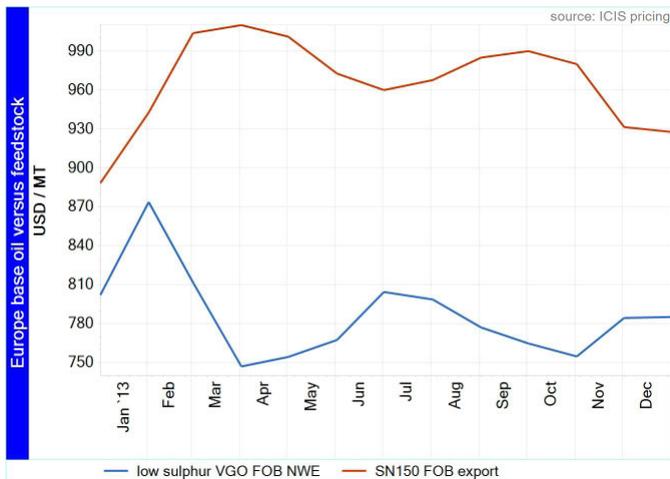
The European domestic and export markets are little changed from the closing weeks of 2013.

The domestic market is quiet and stable, while the export market has yet to assume any direction and participants are waiting for more clarity as the new year develops.

### Feedstock and margin

Vacuum gasoil (VGO) values have fallen on the back of lower crude prices and lower premiums.

The spread between the SN150 FOB Europe export low and VGO is \$135-149/tonne, while VGO against the SN150 FOB NWE domestic low is \$280-294/tonne.



## Domestic Group I

The domestic European Group I market is largely unchanged from December.

Demand remains sluggish and distributors and buyers do not expect to see any significant pick-up before February.

Producers and suppliers are understood to have rolled over prices from December.

January demand is not typically strong compared with other months, but there is often support from the antifreeze sector, a blender said. However, much of Europe has seen relatively mild temperatures so far this winter, and it remains to be seen if antifreeze demand will be significant.

## Domestic Group III

Group III prices remain steady, unchanged since November. Volumes remain thin with limited trades talked of.

Looking ahead the market is anticipating upward pressure from the increase in import taxes for PETRONAS, who are traditionally among the cheaper suppliers in the market. However a company representative downplayed this, saying the company was looking for ways to limit the impact on the market.

Participants are awaiting news on Group II imports into Europe from the US, where a new Chevron plant is due to start in Pascagoula, Mississippi. Chevron earlier in the year stated that it was targeting mechanical completion by the end of 2013. The first commercial output is expected by the end of the first quarter of 2014.



## Export Group I

A refiner in the Mediterranean said it sold 2,000 tonnes of brightstock to a trader, loading in mid-January for delivery to the Middle East. The price is within the ICIS range, towards the low.

The market has yet to assume any direction and, with the new year still so young, the situation has not changed much from the closing weeks of December.

The primary difference since then is that the pressure on certain refiners to shift stock before the end of the year has gone, and so discounts may be less likely.

A number of sources feel the market has bottomed, with the aforementioned pressure to sell no longer a factor. Some refiners also said they had already seen signs of stronger demand.

However, a trader said it had received indications from two refiners that discounts would be possible. However, this was primarily with regard to the lighter grades, which are seeing less demand than brightstock.

Overall demand levels remain unclear, and as such traders have found it difficult to get a clear sense of where prices will go in the short term.

With most refiners still showing material for sale, one said it feels that further decreases are possible.

However, while acknowledging that supplies are on the long side and with outlets appearing limited, another trader said decreases are unlikely because of decreasing temperatures and the likely subsequent increase in demand for heating oil. This would increase vacuum gasoil prices, the feedstock for base oils, narrowing production margins.

## Baltic Sea export

Activity was subdued in the Baltic market with the Eastern Orthodox Christmas taking place on 7 January.

A trader said prices are being discussed within the ICIS ranges, with the exception of SN150, supplies of which was

said to be short. Prices for SN150 were close to those of SN500, the trader said.

The trader also said refiners are beginning to request higher prices. As a result, it expects deals in January to take place in the ranges, but for February to see higher numbers.

## Black Sea export

The Turkish base oil market has adjusted rapidly to new legislation introduced on 1 January, with licences given out more quickly and smoothly than expected.

However the market remains slow with no trades heard of.

The market remains strongly divided as to when a pick-up will occur. Some see shortages of product forcing buyers into the market. However others are foreseeing no improvement in January.

One issue is the increased deposit needed by the port authorities to import product. This needs to be paid before the vessel even arrives in port and so is limiting liquidity.

## Related prices

Late on Tuesday, front-month Brent crude oil was trading at \$107.03/bbl, compared with \$110.68/bbl a week ago.

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European gasoil was trading at \$908.50-910.50/tonne FOB ARA, compared with \$942.25-943.25/tonne FOB ARA a week ago.

## Shipping

### Fixtures

Tonnes	Cargo	Load port	Discharge port	Date	Rate
8,000	lube oil	Houston	Santos + Rio de Janeiro	15-25 December	Low-mid \$90s/tonne

### Enquiries

Tonnes	Cargo	Load port	Discharge port	Date
1,800	lube oil	Pernis + Le Havre	Serviburnu	30 December- 5 January
3,000	base oil	Algeciras	Mumbai	5-20 January

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