

OPIS Jet Fuel Full Day Price – 16:00 London Time Quote (\$/mt)

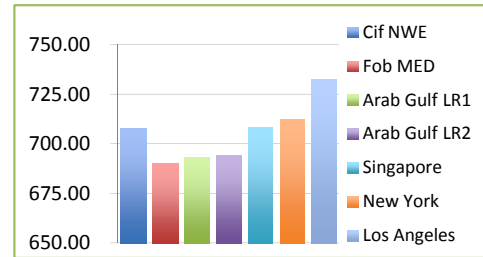
Location	Low Diff	High Diff	Mean Diff	Change	5-day	30 day	Outright price	Change
Rotterdam Barge fob	44.75	45.25	45.00	-1.50	46.60	48.60	703.50	-25.50
NWE Cargo fob	40.00	41.00	40.50	-1.00	41.20	43.50	699.00	-25.00
NWE Cargo cif	48.50	49.50	49.00	-1.00	49.70	52.00	707.50	-25.00
MED Cargo fob	31.60	32.60	32.10	-1.00	33.60	34.68	690.60	-25.00

OPIS Jet Fuel Full Day Price – 16:30 London Time Quote (\$/mt)

Location	Low Diff	High Diff	Mean Diff	Change	5-day	30 day	Outright price	Change
Rotterdam Barge fob	44.75	45.25	45.00	-1.50	46.50	48.47	703.50	-25.50
NWE Cargo fob	40.00	41.00	40.50	-1.00	41.20	43.50	699.00	-25.00
NWE Cargo cif	48.50	49.50	49.00	-1.00	49.70	52.00	707.50	-25.00
MED Cargo fob	31.60	32.60	32.10	-1.00	33.60	34.68	690.60	-25.00

International Outright Jet Fuel Prices (\$/mt)

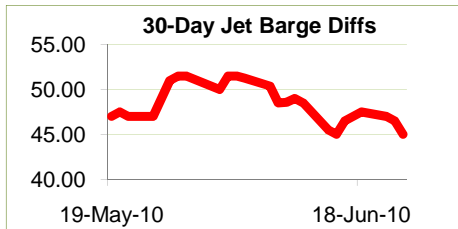
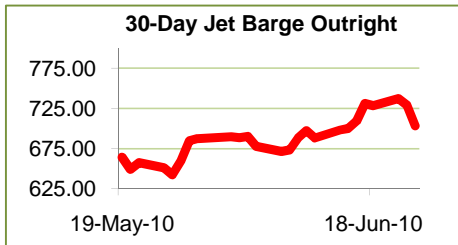
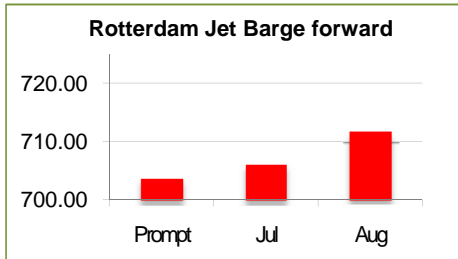
Location	Low	High	Mean	Change	30 day	date
Cif NWE	707.00	708.00	707.50	-25.00	695.57	23-Jun
Fob MED	690.10	691.10	690.60	-25.00	678.25	23-Jun
Arab Gulf LR1	692.44	693.23	692.83	-5.45	82.19	23-Jun
Arab Gulf LR2	693.78	694.57	694.17	-5.29	84.21	23-Jun
Singapore	707.60	708.39	708.00	-5.53	699.19	23-Jun
New York	710.95	714.26	712.61	-10.92	688.58	22-Jun
Los Angeles	730.81	734.12	732.47	-9.27	697.95	22-Jun



Jet Fuel Barge and Cargo Forward Assessments (\$/mt)

Rotterdam Barge Forward			Rotterdam Jet Barge Swap		
Month	Price	Change	Month	Price	Change
Jul	706.03	-24.00	Jul	46.00	0.00
Aug	711.57	-23.54	Aug	48.50	0.00

NWE Cargo Forward			NWE Cargo Swap		
Month	Price	Change	Month	Price	Change
Jul	710.53	-24.00	Jul	50.50	0.00
Aug	716.07	-23.54	Aug	53.00	0.00



Middle distillate prices tumble with hefty futures losses

After reaching a nearly seven--week high on Monday, Northwest Europe jet fuel prices have unwound over the past two days. ICE oil futures crumbled today, following minor losses yesterday, and weaker jet fuel differentials also helped pull prices lower.

ICE 0.1% gasoil futures fell \$24/mt today, leaving the July contract at \$658.50/mt and August futures at \$660.75/mt, the lowest settles in over a week. ICE Brent futures also saw big declines, with August Brent falling more than \$2.75 to \$76.19/bbl.

Jet barge trading differentials fell to \$45/mt over July ICE gasoil futures, off \$1.50/mt from yesterday's mean differential. The deals indicated jet barge differentials remain flat through early July. Both confirmed deals went for a \$45/mt premium to July gasoil futures, with one deal for delivery from 28 June to 2 July and the other for 3-7 July delivery. The earlier timing deal was done outside of the MOC.

Outright jet barge prices in Northwest Europe declined more than \$25/mt to \$703.50/mt, the lowest price since 15 June.

Cif cargo jet fuel was offered as low as \$50/mt under futures, leaving the assessment at a \$49/mt premium to futures. Outright prices for Cif cargo jet fuel fell \$25/mt to \$707.50/mt.

While jet differentials declined, gasoil markets saw the opposite. Gasoil barge trading moved to \$4/mt under ICE gasoil futures, a dollar higher than yesterday's mean. Still, outright prices fell nearly \$23/mt to \$654.50/mt.

Cif cargo gasoil differentials exhibited even more strength as Glencore bid as high as \$7/mt over July ICE gasoil futures for German gasoil delivery Hamburg.

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OPIS Gasoil .1% Full Day Price – 16:00 London Time Quote (\$/mt)

Location	Low Diff	High Diff	Mean Diff	Change	5-day	30 day	Outright price	Change
Rotterdam Barge fob	-4.50	-3.50	-4.00	1.00	-4.25	-3.60	654.50	-23.00
NWE Cargo fob	-4.00	-3.00	-3.50	3.50	-6.01	-4.84	655.42	-20.44
NWE Cargo cif	6.50	7.50	7.00	3.50	4.49	5.66	665.92	-20.44

OPIS Gasoil .1% Full Day Price – 16:30 London Time Quote (\$/mt)

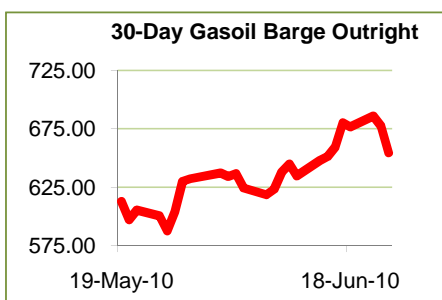
Location	Low Diff	High Diff	Mean Diff	Change	5-day	30 day	Outright price	Change
Rotterdam Barge fob	-4.25	-3.75	-4.00	1.04	-4.96	-3.87	654.50	-22.96
NWE Cargo fob	-4.00	-3.00	-3.50	3.50	-3.50	-3.50	655.42	-20.44
NWE Cargo cif	6.50	7.50	7.00	3.50	4.49	5.66	665.92	-20.44

OPIS Gasoil Forward Assessments (\$/mt)

Rotterdam Barge Forward			Rotterdam Barge Swaps		
Month	Price	Change	Month	Price	Change
Jul	655.28	-24.00	Jul	-4.75	0.00
Aug	658.20	-23.66	Aug	-4.88	-0.13

East West EFS (\$/mt)

ICE Month 2 Gasoil less Opis Singapore Swap			
Period	Spread	Change	Stamp
Aug/July	5.13	-1.13	23-Jun 8.30gmt



With a \$3.50/mt gain in trading diffs, gasoil cargo cash prices were cut to about \$20.50/mt. Cif cargo outright prices ended the day just under \$666/mt.

In airline news, Qatar Airways says it is investing heavily in new aircraft, introducing new routes and making significant improvements to its airport infrastructure ahead of next year's opening of the New Doha International Airport.

The airline has doubled its fleet size in five years and launched four new routes this year from its Doha hub -- Bangalore, Copenhagen, Ankara and Tokyo -- with three more set to begin in June.

Qatar will increase its global destinations from 89 to 120 and its fleet size from 82 to 120 aircraft by 2013.

ICE Futures at 1630

Gasoil (\$/mt)			
Month	Price	Spread	Change
Jul	658.50	-2.25	-24.00
Aug	660.75		-24.00

Brent (\$/bbl)			
Month	Price	Spread	Change
Aug	76.19	-0.43	-2.79
Sep	76.62		-2.79

Crack to frontmonth Brent (bbl)		
Products (1600)	Crack	Change
Gasoil barge	11.08	-0.28
Jet barge	12.86	-0.44

IEA's cautious outlook gives oil market bulls pause

The International Energy Agency's (IEA) latest medium-term outlook for petroleum is upbeat but doubtful enough about the sustainability of economic recovery as to douse recent bullish enthusiasm in oil markets.

Global oil prices felt the bearish pull, backtracking from recent gains in both Europe and North America.

In presenting the lengthy report on Wednesday, the head of the Paris-based global energy watchdog spoke encouragingly of the stability that has returned to the world economic and energy scenes, but his presentation was rife with caveats. Stability is relative, said Nobuo Tanaka, executive director of the IEA and "the impact of the recession differs across regions, and the outlook remains very uncertain," he added.

Strong growth is seen for China, India and the Middle East, but demand in OECD countries (especially in the "fragile European economy") is weaker or flat. The dichotomy clouds efforts to forecast the course of oil and gas markets through 2015, Tanaka said.

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OPIS Europe Methodology

Market coverage: OPIS tracks spot market activity for Jet A1 and gasoil containing 0.1% sulphur from 0900 to 1630 London time to derive a volume-weighted average of price levels during the full day.

1600 and 1630 prices: OPIS provides a volume-weighted average of any deals heard during the full day up to 1600 and a second volume-weighted average at 1630, which includes afternoon electronic trade, as well as earlier trade.

Gasoil underlying: Prices are reported both as a differential to ICE gasoil futures, and as an outright price where differentials are added to the day's afternoon settled price for the front month contract published by ICE. Near contract rollover, when deals are done versus the second futures month, OPIS adjusts differentials by adding or subtracting the spread between month one and month two. OPIS outright prices add the differential to the day's settled front month ICE gasoil price. The gasoil portion may be adjusted to reflect deal timing and normalisation.

Timing and normalisation

Barges: Today plus 3-10 days (Mon/Tues)

Today plus 5-10 days (Wed-Fri)

Cargoes: Today plus 10-20 days.

Size and location: Jet cargoes in 25,000 to 45,000 mt range. Delivery to suitable port in ARA plus Northern France and UK. Jet barges in 2000-5000 mt range fob Rotterdam. 0.1% sulphur German gasoil barges from 1,000-5,000mt fob Rotterdam. Gasoil cargoes 10,000-20,000mt basis cif Le Havre. Fob NWE and Med cargo prices deduct an average freight rate from the cif price.



Europe Jet Fuel and Gasoil Report

Tim Lloyd Wright (Sweden) Ben Brockwell (NJ, USA)

twright@opisnet.com

+46 31 970771

Yahoo: timlloydwright

Jiwon Chung (Singapore)

jchung@opisnet.com

+65 6337 3519

Yahoo: jiwon_chung

Skype: g1neee

Ryan Siew (Singapore)

rsiew@opisnet.com,

+65 6337 3519

Yahoo: ryan_opis

Skype: ryan_opis

bbrockwell@opisnet.com

+1 732 730 2519

Yahoo: brock_opis11

Cara Offerdinger (MD, USA)

cofferdinger@opisnet.com

+1 301 287 2528

Yahoo: cara_opis

Jessica Nesterak (MD, USA)

jnesterak@opisnet.com

+1 301 287 2721

Yahoo: jessica_calendar

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Doubtful about the pace of economic recovery and changes in hydrocarbon markets, the IEA chose to retain a high-growth and a low-growth demand scenario.

Assuming growth in global gross domestic product (GDP) of 3%, oil demand growth is seen at 1% annually (840,000 b/d) and resulting in global demand of 90 million b/d by 2015. More robust GDP growth of 4.5% would mean oil consumption grows by some 1.4% annually (or 1.2 million b/d), resulting in global demand at 92 million b/d by the middle of this decade. The high-growth scenario could begin squeezing effective OPEC spare production capacity as soon as 2011, reaching 3.6 million b/d by 2015. The resulting oil market "jitteriness" about supply (absent during the recent demand contraction) could mean oil prices rise.

However, "the projected growth in demand is not set in stone," Tanaka said. Improvements in oil use efficiency and more diversification of transport fuel supplies could keep spare production capacity closer to the current 5-6 million b/d. The lower-growth scenario could also effectively prolong the recent period of "more comfortable" markets, according to the report.

Non-OECD countries will play a key role in the medium term as almost all growth in oil demand is seen emanating from them under either scenario, and their transport sectors will take a large hand in driving demand.

Hefty crude and distillate stocks make growth necessary

If US refiners intend to run units at nearly 90% of capacity like they did last week, they will need much busier offtake for diesel and other industrial oils than last year, or more export opportunities.

EIA data released today saw crude oil stocks climb by 2 million bbl to 365.1 million bbl, or modestly above year-ago figures. The comparison to 2008 levels is more compelling: crude stocks are up 64.3 million bbl versus the same week that year and about 16.1 million bbl of the extra material is in Cushing, Okla.

The rise in total refinery input to 15.711 million b/d puts production near where it stood at the end of April, just before a considerable slide in crack spreads and outright crude values.

At nearly 90%, US utilisation rates are at numbers that refining pessimists thought impossible just a few weeks ago.

However, it is the broader demand picture that is the venue for bullish or bearish polemicists. Total US petroleum demand grew by 155,000 b/d last week, and that is up a very compelling 1.564 million b/d from recession levels of a year ago.

But if you strip out the demand advances for propane and other oils, it's not a particularly rosy picture for transportation fuels. Propane demand, for example, grew 179,000 b/d last week and at 904,000 b/d stands some 46% higher than it was in June 2009. The "other oils" demand category was measured at 3.854 million b/d, up 121,000 b/d from last week, and more than 1 million b/d higher than the 2009 rate.

Product levels didn't see unusual changes this week, though distillate stocks deserve special attention. Demand eased to 3.784 million b/d last week, well above last year, but not necessarily enough to prevent summer builds. US inventories of distillate at 156.9 million bbl are at their highest mid-June level ever, according to the DOE database, and they are nearly 5 million bbl above the record-setting numbers of a year ago.