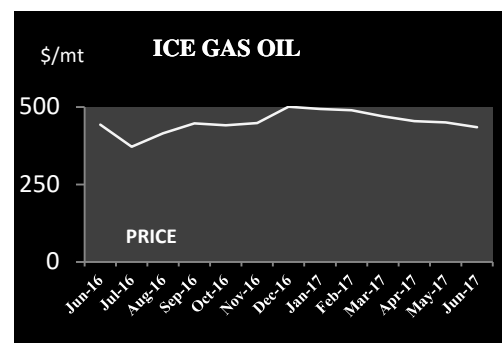
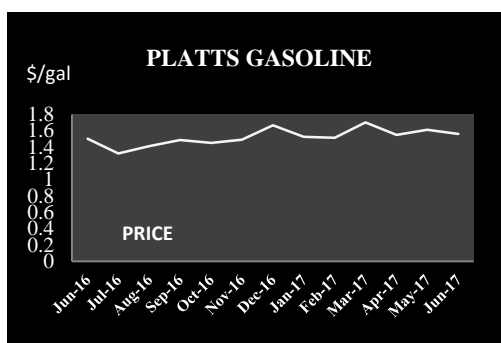
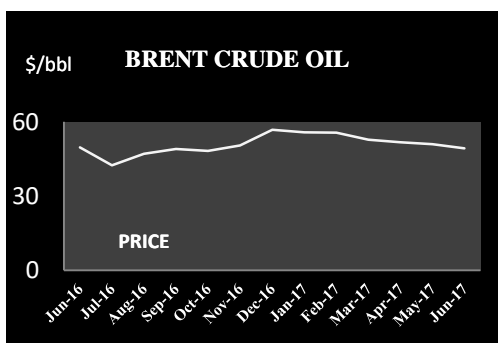


MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 361,836	[MT] 158,026	[MT] 5000
P.H.	19,834	-	-
DELTA	43,478	-	-
CALABAR	-	-	-

GLOBAL	PRICE
BRENT	47.00\$/bbl
ICE GAS OIL	418.75\$/mt
PLATTS GASOLINE	1.4327\$/gal

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	137-139	137-139	137-140	137-140
AGO	147-150	147-150	147-151	147-152

FX RATES			
	USD	GBP	EUR
15/06/17	B/O	B/O	B/O
NGN (PARALLEL MARKET)	364 / 370	455 / 465	400/ 407
NGN (INTER BANK)	305.25	-	-

NIGERIA

Nigeria may find additional revenue streams via Liquefied Natural Gas (LNG) supplies as a result of the diplomatic and economic disputes Qatar is facing with Saudi Arabia, the United Arab Emirates (UAE), Bahrain and Egypt. Qatar is the largest supplier of LNG in the world, with the country supplying about 30% of global LNG in 2016 according to the International Group of Liquefied Natural Gas Importers (GIINGL). The diplomatic crisis has placed a huge uncertainty on the global oil and gas markets, therefore commodity traders are seeking alternative gas supplies and could turn to Nigeria amongst others to meet their demands. Gas supply contracts are however usually long-term and Qatar is currently involved in long-term Sales and Purchase Agreements (SPAs) with her buyers and has no diplomatic issues with these countries. The Nigeria Liquefied Natural Gas (NLNG) company is one of Africa's largest industrial investments with supplies of about 7% of global LNG demand. Bonny Island Terminal in Rivers State is said to be the fourth largest LNG plant in the world. NLNG reached a major milestone recently with the export of its 4000th LNG cargo to Turkey. The company is however on the lookout for buyers on new contracts for gas supplies from its Trains 1, 2 and 3, which expires by 2022. Potential marginal benefits for Nigeria could also come from the export of spot LNG cargoes to the Middle East. The spot cargoes represent LNG produced in excess of the contractual volumes with long-term buyers. The excess volumes may be sold by the supplier to any customer via spot Free on Board Master Sales Agreements (MSAs). These are short-term sales and Nigeria could face competition from LNG exporting countries close to the region, such as Oman and Algeria for such opportunities to supply Spot Cargoes to UAE and/or Egypt.

Nigeria's oil economy might take a hit due to the volatility of global crude prices and increased shale oil production in the United States (therefore other countries especially the U.S. are less dependent on Africa's crude). The Minister of State for Petroleum Resources, Dr Ibe Kachikwu, issued warnings to the U.S. and other oil producing countries who are non-members of the Organisation of Petroleum Exporting Countries (OPEC) stating that sometime in the future, OPEC will no longer engage in the global stabilization of the crude oil market. Kachikwu stated it is the responsibility of both OPEC and all non-OPEC members including the United States to ensure that the global crude oil prices remain high and stable. He revealed that OPEC has commenced moves to engage with non-OPEC member groups led by the United States and some Latin American countries on the need to regulate shale oil production and stabilise crude oil supply globally.

WAFGHANA

Italian oil & gas giant, Eni S.p.A, announced that commercial oil and gas production at the Sankofa field off the coast of Ghana will commence in July, three months earlier than anticipated. The Sankofa field yields about 45,000 barrels per day (bpd) and is part of phase one of the \$7.9 billion Offshore Cape Three Points (OCTP) project. At the end of 2018, it is expected to produce about 180 million standard cubic feet of gas per day from the Gye Nyame reserve. Eni has the largest foreign direct investment in Ghana's history with a stake of 44.44% in OCTP. Other investors include upstream trader Vitol (35.56% interest), Ghana National Petroleum Corporation (GNPC) has a combined, carried and participating interest of 20%. The OCTP project is expected to boost Ghana's oil output from 145,000 bpd to about 200,000 bpd, produce a gas yield of over 300 million standard cubic feet, provide surplus supply in domestic gas and accelerate economic growth. An official from GNPC stated "We have started production but not officially... It marks the beginning of Ghana's journey towards petroleum-driven sustained economic growth". The government projects that gas from OCTP will augment power generation by 1,000 megawatts, adequate to ensure stable supply.

GLOBAL

On Thursday 15<sup>th</sup> of June, oil prices declined as a result of pressure from high global inventories and the ineffectiveness of the implemented OPEC production cuts. The U.S. West Texas Intermediate crude July contract was down 0.31% to \$44.59 at 5:55 AM ET (9:55 GMT), while Brent oil for August delivery dropped by 0.11% to \$46.95 a barrel. The U.S. Energy Information Administration weekly report for Wednesday 14<sup>th</sup> June showed a fall in crude oil inventories by 1.7 million barrels in the week ending June 9, whereas market analysts expected a decline of 2.8 million barrels.

Last month, OPEC/non-OPEC producers extended a deal to cut 1.8 million barrels per day in supply until March 2018, but the ongoing U.S. shale production recovery could disrupt efforts to rebalance global oil supply and demand. OPEC now expects U.S. production to increase by 800,000 bpd in 2017, thus the global oversupply will continue for a while.

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