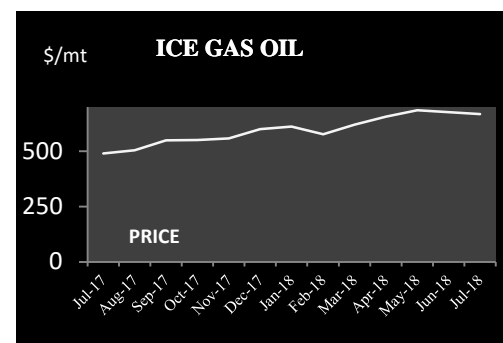
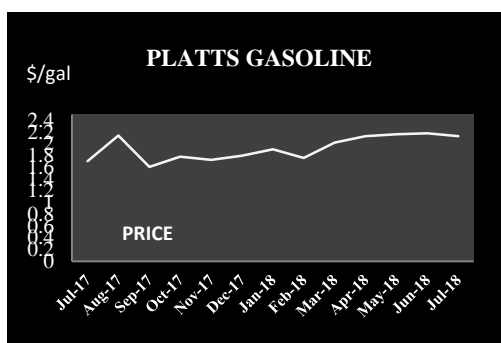
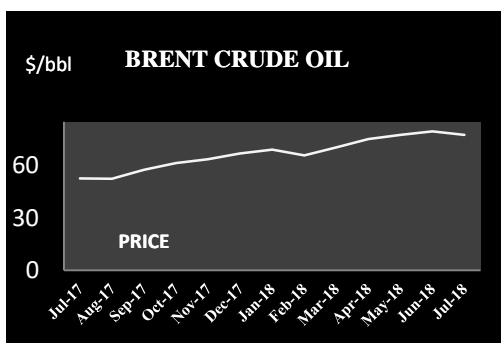


## MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 586,232	[MT] 227,142	[MT] 63,859
P.H.	52,551	-	-
DELTA	56,601	-	-
CALABAR	23,125	-	-

GLOBAL	PRICE
BRENT	77.76 \$/bbl
ICE GAS OIL	666.50 \$/mt
PLATTS GASOLINE	2.1176 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	430.433 \$/mt

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	133.4	-	-	134 - 134.5
AGO	206.5-207	218	-	220-225

FX RATES				
05/07/18	USD	GBP	EUR	
NGN (PARALLEL MARKET)	358/361	474/480	410/ 417	
NGN (INTER BANK)	305.70	-	-	
NAFEX	362.25	-	-	

### NIGERIA

Dr. Maikanti Baru, the Group Managing Director of Nigerian National Petroleum Corporation (NNPC) disclosed at the ongoing Nigeria Oil and Gas Strategic Conference and Exhibition (2018 NOG) in Abuja that the corporation is set to hit the capital market to fund new projects. Baru said the corporation has signed about \$2.5 billion alternative funding arrangements to undertake joint venture (JV) projects which include the \$1 billion for the Project Santolina with Shell Petroleum Development Company (SPDC); \$780 million JV with Chevron Nigeria Limited (CNL) Project Falcon; and NNPC/First E&P JV and Schlumberger worth \$700 million. He also explained that funds from the capital market would also be used to develop the NNPC/NAOC JV Idu-Redevelopment, South Gas Project, North Gas Project and Central Gas Project, NNPC/TEPNG JV's Ikike Project, NNPC/SPDC JV Southern Swamp and Associated Gas Solution Step 2 Project, among others. Baru said: "We intend to sanction the *Multibillion US Dollars Bonga South West/Aparo (BSWA) project as soon as we conclude an agreement on the Heads of Terms with SNEPCO on the various pending PSC arbitration disputes. This will jump-start the resolution of all the other PSC Arbitration Disputes*".

The NNPC has said that it will increase crude oil reserves by one billion barrels yearly to meet 40 billion barrels target by 2020 and also increase National oil daily production to 3 million barrels per day (bpd). He assured that the Federal Government would continue to place policies that would grow production volumes and reduce contract approval time to guarantee efficiency in the petroleum sector. Baru also explained that the corporation intended to take advantage of the growing demand for gas by increasing its gas production. Currently, in terms of gas production, the daily domestic demand for gas is about 4,000 million standard cubic feet of gas per day (mmscf/d) which is still expected to grow exponentially in the next 5 years to about 7,500 mmscf/d. He stated that within the next three years, NNPC, in collaboration with its JV partners, is committed to increasing natural gas availability from the current 1.5 billion standard cubic feet per day to 5 bscf/d in 2020 to generate up to 15GW of electricity as well as stimulate gas-based industrialization. Baru said the corporation would continue to progress with its Seven (7) Critical Gas Development Projects (7CGDP) which has also been established to deliver about 3.5bscf/d of gas to the domestic market by 2020. He reiterated that the NNPC had sanctioned the \$2.8billion 614Km Ajaokuta-Kaduna-Kano (AKK) pipeline project as a demonstration of its commitment to developing structured gas architecture across the length and breadth of Nigeria as part of NNPC's priority in the medium to long-term.

### WAF

### GHANA

On Wednesday 4<sup>th</sup> July, Italian multinational oil and gas company, Eni announced that it has started gas production from the Sankofa field in Ghana, which is part of the Offshore Cape Three Points (OCTP) integrated oil and gas project. Eni said the field will provide 180 mmscf/d of gas for at least 15 years and production has commenced from two of the four deep-water subsea wells connected to the John Agyekum Kufuor floating production, storage, and offloading vessel. OCTP is the only deep offshore non-associated gas development in Sub-Saharan Africa entirely destined for domestic consumption and it will guarantee stable, reliable, affordable gas supplies to Ghana. The OCTP project comprises the development of the Sankofa Main, Gye-Nyame and Sankofa East fields. It is located around 60km off the Western Region coast. The project was developed with the support of the World Bank, and it has a strategic relevance: gas from OCTP can help Ghana shift from oil-fueled power generation to a cleaner power source, with financial as well as environmental benefits, and contribute to the Country's sustainable economic development. Eni has been present in Ghana since 2009 through its subsidiary Eni Ghana. Eni is an operator of the OCTP integrated oil and gas development project with a 44.44% interest. Fellow stakeholders include Vitol (35.56%) and GNPC (20%).

### GLOBAL

On Thursday 5<sup>th</sup> July, oil prices settled lower as a ramp-up in imports led to an unexpected build in U.S. crude supplies, despite ongoing supply outages. The New York Mercantile Exchange crude oil for August delivery fell by 86 cents to \$73.28 a barrel at 11:02 AM ET (16:02 GMT), while on the ICE Futures Exchange in London, Brent oil for September delivery was down 85 cents to \$78.39 a barrel. The U.S Energy Information Administration (EIA) weekly report for Thursday 5<sup>th</sup> July showed a rise in crude oil inventories by 1.245 million barrels in the week ending June 29, confounding expectations for a draw of 5.20 million barrels.

The unforeseen build in crude supplies came as the production shutdown at Canada's Syncrude - which has the capacity to produce 350,000 bpd and continues to drain North American crude supplies which were offset slightly by rising crude imports. According to the EIA, Net U.S. crude imports rose by 1.4 million bpd, while refinery operations slipped to 97.1% of capacity from 97.5% a week earlier. Meanwhile, U.S. oil output remained steady at 10.9 million bpd. The cut in supply could offset production increases from the Organization of the Petroleum Exporting Countries (OPEC). OPEC agreed to raise output at a minimal increase of 1 million bpd amid pressure from the U.S. to decrease prices.

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