

## MARKET REPORT

Gladius Energy Desk

research@gladiuscommodities.com

Tel: +234-1-2931855

\$/bbl BRENT CRUDE OIL



\$/gal PLATTS GASOLINE



\$/mt ICE GAS OIL



LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	886,039	112,253	-
P.H.	9,829	15,000	-
DELTA	21,381	5,000	-
CALABAR	-	10,000	-

### NIGERIA

Nigeria is set to close a \$2.5 billion financing agreement with Chinese lenders by the start of the second quarter of 2020 to fund the Ajaokuta-Kaduna-Kano (AKK) natural gas pipeline project. On completion of the 614km AKK natural gas pipeline, new gas-to-power plants will push power generation capacity to more than 10,000MW, with the country currently generating less than 7,000MW. The three new captive gas-fired plants will be located in Abuja, Kaduna, and Kano and are expected to deliver 3,600MW of power. Alhaji Mele Kyari, Group Managing Director of the Nigerian National Petroleum Corporation (NNPC) said the pipeline will also supply 2 billion cubic feet per day of gas, in the short term to domestic customers. Nigeria has 202 trillion cubic feet (tn ft<sup>3</sup>) of proven gas reserves and an additional 600 tn ft<sup>3</sup> of unproven potential resources. Despite having the largest gas reserves in Africa, only circa 25% of these reserves are currently productive. Alhaji Kyari said pipeline construction will commence February, or the latest March, after financing for AKK is secured. Developed by NNPC, AKK forms phase one of the Trans-Nigeria Gas Pipeline (TNGP) project, which is scheduled for commissioning in 2020. The TNGP project itself is part of the Trans-Sahara Gas Pipeline System that will ultimately link Southern Nigeria with customers in Europe.

Eni and Nigeria Liquefied Natural Gas Ltd (NLNG) have signed a new long-term contract for the purchase of 1.5 million tonnes of LNG. Eni has a participating interest of 10.4% in NLNG Ltd. The liquefied natural gas will be produced from existing Trains 1, 2 and 3 in Bonny Island, Nigeria, through Eni's local affiliate NAOC.

### WAF

### SENEGAL

Senegal National Oil Company, Société Nationale des Pétroles du Sénégal (PETROSEN) has launched its first offshore licensing, inching closer to achieving its national medium and long-term hydrocarbon sector investment plan and drive to transform the upstream resource into a source of clean electricity generation. The licensing round comprises of 12 offshore blocks, including ultra-deep ones in the Mauritania-Senegal-Gambia-Guinea Bissau-Conakry (MSGBC) basin, which has recently recorded several high-profile oil and gas discoveries. This licensing round has provided seismic data providers the opportunity to trade with PETROSEN and potential upstream investors in making available detailed data on the existing shallow, deep and ultra-deep assets ready for acquisition. Senegal needs more oil and gas production to meet the demand expected from the ongoing expansion of Société Africaine de Raffinage (SAR), which is the country's largest crude processing plant. The refinery's intake is expected to increase from 1.2 million tons to 1.5 million tons annually once the ongoing modernization program is complete.

### LIBERIA

On Monday 26<sup>th</sup> January, Liberian President George Weah announced that a call for bids in April 2020 will be called to resume offshore oil and gas exploration after years of stagnation. President Weah said, "Nine offshore blocks will be put up, allowing competent and reputable international oil and gas companies to bid with the hope of recommencing exploration programs, following years of inactivity." The basin where the nine new blocs are located is part of the last region off the coast of western Africa which has yet to be explored for potential reserves.

### GLOBAL

On Thursday 30<sup>th</sup> January, oil prices slumped falling near to three-month lows after a surprise increase in U.S. crude inventories compounded fears of falling demand from a virus-hit China. The U.S. West Texas Intermediate (WTI) crude futures were down 2.1% at \$52.20 a barrel at 9:30 AM ET (14:30 GMT), while Brent was down 2.3% at \$57.55 at 9:30 AM ET (14:30 GMT) a barrel. The U.S. Energy Information Administration in its weekly report showed a rise in crude oil inventories by 3.5 million barrels for the week ending January 24, against analysts' prediction of a build of 482,000 barrels. This was the largest weekly climb since the 7.9 million barrel rise in early November 2019. This spooked the market after the trade body the American Petroleum Institute reported a decline of 4.3 million barrels on Tuesday.

The sharp drop in oil prices has caused concern in several countries dependent on oil revenues for their funding. The news surrounding the spread of China's deadly coronavirus continues to be worrisome. With rising death tolls and a lot of infected people, many companies have suspended their China operations for the time being as part of the effort to contain the disease. Analysts are cutting their forecasts for Chinese crude consumption due to the virus, with jet fuel demand most affected. Earlier Thursday, Morgan Stanley said consumption growth could take a 75,000 barrel a day hit if the outbreak continues to escalate for three to four months.

### GLOBAL

### PRICE

BRENT	59.81 \$/bbl
ICE GAS OIL	523.25 \$/mt
PLATTS GASOLINE	1.5308 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	267.386 \$/mt

### PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	132.5-133.5	133.8	133.1-133.28	134
AGO	189-194	200-201	195-197	198

### FX RATES

30/01/2020	USD	GBP	EUR
NGN (PARALLEL MARKET)	358/361	472/477	394/397
NGN (INTER BANK)	307.00	-	-
NAFEX	364.60	-	-

Website: [www.gladiuscommodities.com](http://www.gladiuscommodities.com)

192, Old Bakery Street, Valletta VLT 1455, MALTA

GLADIUS COMMODITIES LIMITED

Address: Elephant House, 214 Broad Street, Lagos – Marina, NIGERIA

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