



ARGUS RUSSIAN PRODUCTS EXPORTS

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The most up-to-date Argus Russian Products Exports methodology is available on www.argusmedia.com

Introduction

Argus has a range of petroleum products market reports. *Argus Russian Products Exports* report is available every Monday (except for Russian public holidays) in Russian language. The report covers products exports from the Former Soviet Union countries, domestic and international market fundamentals, logistics and product quality. *Argus Russian Products Exports* also provides extensive market commentary, exclusive news, detailed analysis and statistical data.

Price assessments and indices

International price assessments

Argus Russian Products Exports publishes the following international product price assessments for Friday preceding the report's date:

- Mogas Euro-bob Oxy barges, fob Amsterdam/Rotterdam/Antwerp
- Naphtha 65% para cif northwest Europe
- Jet cif northwest Europe
- Gasoil Russian cif Rotterdam
- Diesel French 10 ppm cif Le Havre
- VGO 1.6% cif northwest Europe
- Fuel oil 3.5% cif northwest Europe
- Straight-run fuel oil M-100 cif northwest Europe
- Argus HSFO VWA
- Naphtha 65% para cif Lavera/Genoa
- Gasoil Russian cif Lavera/Genoa
- Diesel French 10 ppm cif Lavera/Genoa
- Fuel oil 3.5% cif cif Lavera/Genoa
- Gasoil 0.5% fob Singapore
- Naphtha 65% para c+f Japan
- Fuel oil 3.5% 180cst fob Singapore
- Fuel oil 3.5% c+f east China
- Mogas Rbob 83.7 cif New York
- Fuel oil 3.0% cif New York

The international prices are taken from *Argus European Products*, *Argus Asia-Pacific Products* and *Argus US Products* daily reports. Argus publishes prices that report and reflect prevailing levels for open-market arm's length transactions (please see the Argus Global Compliance Policy for a detailed definition of arm's length). For a detailed explanation of methodologies behind the international products assessments in relevant reports see the [Methodology](#) section of Argus website.

The cracked fuel oil 3.0% cif New York assessment originally published in US dollars per barrel is re-calculated into US dollars per metric tonne assuming there are 6.3 barrels in 1 tonne.

Calculated price indices

Argus Russian Products Exports publishes calculated indices for Russian M-100 fuel oil in east China and northwest Europe.

Fuel oil M-100 c+f east China

The price of M-100 fuel oil in east China is calculated by applying

the assessed market premium (or discount) for the Russian grade to Argus HSFO 180 cst fob Singapore assessment.

Fuel oil M-100 cif northwest Europe

The price for Russian straight run M-100 fuel oil in northwest Europe is calculated by applying the assessed market premium (or discount) for the grade to cracked fuel oil 3.5pc cif northwest Europe assessment. Daily price assessments for 3.5pc cracked fuel oil and differentials for straight run M-100 are published in *Argus European Products* report.

Netback price indices

Argus Russian Products Exports publishes export alternative (netback) price indices for Russian gasoil, diesel and fuel oil. The netbacks represent international market prices less freight rates, export duties, loading and inland transportation tariffs. Netback values are compared with domestic market prices on the relevant locations less the value-added tax and excise.

Benchmark prices

Argus uses the following prices as basis for calculating netbacks:

- Naphtha 65 para cif northwest Europe
- Gasoil Russian cif Rotterdam
- Diesel French 10 ppm cif Le Havre
- Fuel oil 3.5% cif northwest Europe
- Naphtha 65% para cif Lavera/Genoa
- Gasoil Russian cif Lavera/Genoa
- Fuel oil 3.5% cif cif Lavera/Genoa
- Naphtha 65% para c+f Japan
- Gasoil 0.5% fob Singapore
- Fuel oil 3.5% c+f east China

Freight

For liquid markets such as for Baltic – UK/Continent or Black Sea – Mediterranean Sea routes Argus uses proprietary freight assessments published daily by *Argus Freight* report. On less transparent routes such from Russian Far East to Asia Pacific ports the freight costs are calculated from other indicators such as time charter equivalent or lumpsum rate (see table on p3).

Export duties

Export duties for oil products are set monthly by the Russian ministry of finance. *Argus Russian Products Exports* monitors and publishes the product export duties for deliveries to CIS and other countries. The export duty in netback calculation rolls over on 24th of each month.

Loading costs

Argus monitors and publishes port terminal rates for storage and loading operations. The average terminal costs are published in *Argus Neftetransport*.

Inland tariffs

Russian railway tariffs are based on the tariff policy of the Russian Railways for own (leased) tonnage effective on the date of publication. The leasing rates are assessed and published monthly in *Ar-*

argus Nefettransport. Methodology for rail tariff calculation in Russia is available online at www.argusmedia.com. Argus also publishes product pipeline tariffs in Russia set by the Federal tariff service.

Russian Far East to Asia-Pacific freight assumptions			
	Nakhodka – Chiba (clean, 40kt)	Nakhodka – Singapore (clean, 40kt)	Nakhodka – Qingdao (dirty, 60kt)
Port costs			
Load port, \$	52000	52000	63000
Discharge port, \$	20000	16000	39000
Voyage			
Distance, nm	903	2981	1016
Contingency, pc	0.05	0.05	0.05
Speed, kts	13.00	13.00	13.00
Laden, days	3,04	10.03	3.42
Ballast, days	0.00	0.00	0.00
Loadport, days	1.75	1.75	1.75
Disport, days	1.75	1.75	1.75
Bunker			
Steaming, t/day	30	30	38
Loading port, t/day	6	6	6
Discharge port, t/day	12	12	20
Other			
Commissions, pc	2.5	2.5	2.5