

# Platts Launches New Price Assessment Capturing WTI Fundamentals at the U.S. Gulf

U.S. WTI Oil Market Matures Beyond Cushing, Oklahoma Fundamentals  
Platts WTI MEH Reflects West Texas Intermediate at Magellan East Houston Terminal

PR Newswire  
HOUSTON

HOUSTON, Feb. 27, 2015 /PRNewswire/ -- Platts, a leading global provider of energy and commodities information, this week launched a new price assessment that reflects the value of West Texas Intermediate Midland crude oil at the Magellan East Houston Terminal (MEH).

Known as *Platts WTI MEH*, the assessment is the latest in a suite of evolving physical market price references designed to reflect crude oil spot market developments in the Houston area.

U.S. crude oil markets are experiencing a surge in storage, terminal and crude oil pipelines, leading to the emergence of new trading centers and Platts is working with the industry to address the need for new and relevant price markers. The Platts WTI MEH assessment addresses industry requests for a new price marker for light, sweet crude oil in the U.S. Gulf Coast, stemming from the increase in spot trading at the Magellan East Houston terminal.

"The surge in light, tight oil production in recent years has prompted the emergence of new trading patterns and significant changes to existing crude oil flows within the United States," said *Dave Ernsberger*, Platts global editorial director of oil.

The Platts WTI MEH assessment is built on the Platts Market-on-Close (MOC) methodology, a structured, highly transparent price assessment process based on the principle that price is a function of time. The MOC process in oil identifies bid, offer and transaction data by company and results in a time-sensitive, end-of-trading-day daily price assessment. Details can be found on the [methodology and specifications](#) page on [Platts.com](#).

Platts WTI MEH complements the [Platts Light Houston Sweet \(LHS\)](#) assessment, launched in July 2013, which represents the value of oil delivered not only out of Magellan East Houston terminal but also out of the Enterprise Crude Houston (ECHO) and Oiltanking Houston (OTI) terminals.

"In recent months we have seen a rapid increase in the volume of WTI Midland crude trading in Houston," said *Richard Swann*, Platts editorial director of oil, Americas. "This market has matured to the point where it now clearly has its own fundamentals, well beyond those of traditional WTI, often more linked to supply, demand and storage developments in Cushing, Oklahoma. We believe Platts WTI MEH will serve as one of the most relevant price references for crude oil producers, refiners and traders."

Other recent additions to Platts' suite of oil price references include price assessments for crude oil from the

Bakken shale formation in North Dakota and Eagle Ford in southern Texas.

The Platts WTI MEH assessment reflects crude oil with an American Petroleum Institute (API) gravity ranging from 36-44 degrees and maximum 0.45% sulfur content. API gravity is a measure of how heavy or light a grade of crude oil is compared to water.

Platts WTI MEH assessments are published in real-time service [Platts Global Alert](#), as well as [Platts Crude Oil Marketwire](#), [Platts Oilgram Price Report](#) and [Platts North American Crude and Products Scan](#).

For more information on oil, visit the plats website at [www.platts.com](http://www.platts.com).

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