

Platts Introduces FOB Straits Process for Refined Oil Products Price Assessments

Methodology evolved as market looks beyond Singapore storage

PR Newswire
SINGAPORE

SINGAPORE, June 30, 2015 /PRNewswire/ -- Platts, a leading global energy, petrochemicals and metals information provider and a premier source of benchmark price references, today introduced the [Free-On-Board Straits \(FOB Straits\)](#) process in its price assessments for refined oil products.

The FOB Straits process is an update to price discovery methodology that forms the basis of the Platts FOB Singapore benchmarks for fuel oil, gasoil, jet fuel and gasoline. As part of its price assessment process, Platts publishes bids, offers and transactions, as determined by buyers and sellers in the open market, for loadpoints in Singapore and four ports in Johor, Malaysia.

This introduction of the FOB Straits process is the result of continued Platts consultations with the market and industry. A formal proposal was announced July 17, 2014, and the decision to change the methodology was announced on December 22, 2014. The evolution of the FOB Singapore assessments reflects the significant growth in the Singapore refined oil products markets over the last several years.

"Platts believes that benchmark price assessments must evolve with the marketplace, and for this reason, Platts regularly reviews with the marketplace and industry its offering of price assessments and the methodology and specifications underpinning those assessments," said Jonty Rushforth, Platts editorial director of Asia and Middle East oil markets.

The limited possibility of further expansion of Singapore's on-land oil storage, coupled with growth in nearby Johor and the Riau Islands, means trading of products - and the benchmarks that reflect that activity - have spilled beyond Singapore's traditional boundaries and into new frontiers. The associated spot markets now regularly include trades for commodities loading close to, but beyond the geographic borders of, Singapore. These ports include southern Malaysia oil terminals: Pasir Gudang, Tanjung Langsat and Pengerang Terminal to the north east of Singapore, and Tanjung Bin, to the west of the city-state.

Under the revised approach, Platts will only publish bids and offers and transactions as FOB Straits, and no longer publish FOB Singapore or FOB Malaysia bids, offers or transactions in its [Market-on-Close \(MOC\) assessment process](#). However, Platts will continue to reference these assessments in all publications under the current "FOB Singapore" nomenclature.

More details about FOB Straits and MOC:

FOB Straits Explained: <http://plts.co/OYi7>

FAQ on FOB Straits (pdf): <http://plts.co/OYj00>

Whitepaper on FOB Straits (pdf): <http://plts.co/OYj3h>

Asia refined oil products assessment methodology (pdf): <http://plts.co/OYj5F>

MOC assessment process: <http://plts.co/OYj7d>

About Platts: Founded in 1909, Platts is a leading global provider of energy, petrochemicals, metals and agriculture information and a premier source of benchmark prices for the physical and futures markets. Platts' news, pricing, analytics, commentary and conferences help customers make better-informed trading and business decisions and help the markets operate with greater transparency and efficiency. Customers in more than 150 countries benefit from Platts' coverage of the biofuels, carbon emissions, coal, electricity, oil, natural gas, metals, nuclear power, petrochemical, shipping and sugar markets. A division of McGraw Hill Financial, Platts is based in London with more than 1000 employees in more than 15 offices worldwide. Additional information is available at www.platts.com.

About McGraw Hill Financial: McGraw Hill Financial (NYSE: MHFI), a financial intelligence company, is a leader in credit ratings, benchmarks and analytics for the global capital and commodity markets. Iconic brands include: Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, Platts, CRISIL, and J.D. Power. The Company has approximately 18,000 employees in 30 countries. Additional information is available at www.mhfi.com.

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More details about FOB Straits and MOC:

FOB Straits Explained: <http://plts.co/OYiT7>

FAQ on FOB Straits (pdf): <http://plts.co/OYj00>

Whitepaper on FOB Straits (pdf): <http://plts.co/OYj3h>

Asia refined oil products assessment methodology (pdf): <http://plts.co/OYj5F>

MOC assessment process: <http://plts.co/OYj7d>

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CONTACT: Corporate Global, EMEA: Alex Brog, +44 207 176 7645, alex.brog@platts.com; Global, Americas: Kathleen Tanzy, +1 212-904-2860, kathleen.tanzy@platts.com; Asia: Kimitsu Yogachi, +65 6530 6596, kimi.yogachi@platts.com

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