Brazil Bases Diesel Price Formula on S&P Global Platts Price Assessments

NEW YORK, Aug. 8, 2018 /PRNewswire/ -- Brazil's national oil and gas regulator Agência Nacional de Petróleo, Gás Natural e Biocombustíveis (ANP) is using benchmark diesel and Renewable Volume Obligation (RVO) price assessments from S&P Global Platts for the Diesel Subsidy Program for diesel sales in the country.

The ANP published a formula inJune 2018 based on Platts US Gulf Coast (USGC) Ultra Low Sulfur Diesel (ULSD) and US RVO assessments to support decree 9.403/2018 from Brazilian President Michel Temer detailing subsidies for diesel sales in Brazil.

The ANP formula will be calculated daily, and used as a reference price to determine subsidy payments to all market participants that sell diesel to fuel distributors, including importers, as long as they meet certain specific requirements.

The methodology is designed to update the reference price for the different regions covered by Decree number 9.403/2018. The reference prices have been defined in the Decree, and the methodology aims to update these figures on a daily basis.

Vera Blei, Global Director of Oil Markets, S&P Global Platts said:"The decision by the ANP to use S&P Global Platts benchmark assessments in the Diesel Subsidy Program shows the confidence Brazil's energy regulator has in our price reporting. The integrity of the methodology underpinning our price assessment processes allows Platts price benchmarks to be used and respected by the world's most important energy markets."

Brazil is among a host of the world's top oil and gas producing and consuming countries to utilize S&P Global Platts as the benchmark in its domestic oil sector.

The specific S&P Global Platts price assessments being used in the ANP formula are ULSD USGC Prompt Pipeline and Renewable Volume Obligation 2018. For more information about these prices, other S&P Global Platts oil and gas price assessments and price assessment methodology, visit the website www.platts.com.

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