S&P Global Platts Proposes Inclusion of CIF Rotterdam Offers in Dated Brent Benchmark from November 2019 loadings

Proposal would boost price indications reflected in the Dated Brent assessment

LONDON, Jan. 14, 2019 /PRNewswire/ -- Following a period of industry consultation, S&P Global Platts, the leading independent provider of information and benchmark prices for the commodities and energy markets, announces a proposal to reflect competitive offers of the five BFOE grades on a freight-adjusted CIF Rotterdam basis in the FOB Dated Brent benchmark for cargoes loading from November 2019 onwards.

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Under the proposal set out in aSubscriber Note, if a firm CIF Rotterdam offer for one of the five North Sea grades reflected in the Dated Brent assessment (Brent Ninian Blend, Forties, Oseberg, Ekofisk or Troll), after adjusting for freight and sailing time, is more competitive than a comparable bid for those grades on an FOB basis, then the CIF Rotterdam offer would take precedence in the final assessment of Dated Brent on the loading dates in question.

S&P Global Platts is inviting feedback on this proposal specifically on the timing of the application, the freight adjustment factor, details on vessel acceptance and previously loaded crude oil by February 14, 2019.

Vera Blei, Global Director of Oil Market Reporting, S&P Global Platts, said:"A key part of our proactive stewardship of the benchmark is to continue to engage extensively to safeguard Dated Brent and ensure the benchmark evolves to remain robust, well supplied and relevant to all market participants. With FOB supply in the North Sea gradually falling, this proposal will ensure ample liquidity of grades in the Dated Brent basket for the foreseeable future."

This proposal would not affect Platts methodology for assessing Cash Brent (BFOE) crude markets.

The proposal follows a consultation on the evolution of the Dated Brent benchmark that opened in September 2018. A second component of the consultation referred to the possible inclusion of additional light, sweet crude oil grades into the assessment process. On this element of proposal, S&P Global Platts will continue to observe market developments in other grades within and outside the North Sea, and consult with stakeholders.

In March 2016, S&P Global began publishing the Dated Brent CIF Rotterdam price assessment of North Sea light sweet crude on a delivered basis into Rotterdam to complement the Dated Brent Free-On-Board (FOB) benchmark. InJanuary 2018, Platts successfully added Troll as the latest addition of crude grade in the Dated Brent basket.

The Dated Brent CIF Rotterdam assessment reflects the value of the five BFOE crudes delivered intoRotterdam on a Cost, Insurance and Freight basis. It is a crucial tool to provide pricing visibility on the value of North Sea crude in an important oil hub.

Details of the proposal can be found here. Market participants are invited to send feedback to oilgroup@spglobal.com and pricegroup@spglobal.com.

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