S&P Global Platts Opens Consultation on Inclusion of WTI Midland Crude in Dated Brent

- WTI Midland is a Core Part of the North Sea Oil Market and a Baseload Grade for European Refiners
- As a Light Sweet Crude, WTI Midland Has Similar Characteristics to Rest of the Dated Brent Basket

LONDON, Dec. 3, 2020 /PRNewswire/ -- S&P Global Platts ("Platts"), the leading independent provider of information and benchmark prices for the commodities and energy markets, announced today that it has opened a formal consultation on the possible inclusion of WTI Midland crude in Dated Brent, the global light sweet crude oil benchmark, and all related price assessments. Platts invites feedback on the proposal by February 5, 2021.

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Vera Blei, Head of Oil Markets Price Reporting, S&P Global Platts said:"As part of our active stewardship of the world's most important oil benchmark, we have launched a formal consultation to gather feedback from market participants on the potential addition of WTI Midland to the basket of crudes reflected in the Dated Brent complex. Since the restart of US crude exports in 2015, WTI Midland has become a baseload grade for European refiners and a core part of the North Sea oil market. WTI Midland is a light sweet crude with similar characteristics to the rest of the Dated Brent basket. With robust daily export volumes of over 1 million barrels per day (b/d), its inclusion within the Dated Brent basket would provide additional volume and ensure the continued robustness of Dated Brent for the next decade and beyond."

Platts is inviting market feedback on the potential addition of US WTI Midland to the basket of crudes reflected in its Dated Brent FOB North Sea, Dated Brent CIF Rotterdam, and Cash BFOE assessments. WTI Midland is a light sweet crude oil grade with a typical monthly export volume of 1.078 million B/D during 2020, of which around 443,000 b/d arrived in Europe.

Platts assesses WTI Midland in Europe both on a delivered basis, as DAP Rotterdam, and loading as FOB basis Scapa Flow in the North Sea. In assessing the value of WTI Midland on an FOB Scapa Flow basis, Platts considers bids and offers for the grade loading ship-to-ship (STS) basis Scapa Flow. Platts also considers bids and offers of WTI Midland on a Rotterdam delivered basis, which are converted back to Scapa Flow using the existing freight adjustment factor. Under this proposal, Platts would include WTI Midland FOB basis Scapa Flow in the Dated Brent basket, alongside Brent Ninian Blend, Forties, Oseberg, Ekofisk and Troll. On each date of the assessment period the most competitive of the six grades would be used to form Dated Brent.

"We welcome feedback from market participants on the proposal to include WTI Midland in the Brent basket, including any comments on a potential quality premium, timing of implementation and the associated logistics. The steps we took at the start of 2019 to reflect competitive CIF Rotterdam offers of Brent, Forties, Oseberg, Ekofisk, and Troll cargoes enabled the grades to continue to play the fullest possible role in establishing the value of Dated Brent and also paved the way for the potential inclusion of grades from outside the North Sea, such as WTI Midland," **added Joel Hanley, Head of Crude Oil Pricing, S&P Global Platts.**

Full Details of the subscriber note are here.

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