



Major Oil Marketers
Association of Nigeria

NEWSLETTER

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Not for sale

THE WEEKLY POST

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**MOMAN Update
Industry Watch**





MOMAN

Update

METROLOGY AND STOCK MANAGEMENT IN DEPOTS



Stock management has far reaching effects into a firm's bottom-line due to its impact in inventory management. The importance of accurate stock management cannot be over emphasized due to high cost of the product in a market regime where margins are low and fixed by government. To be competitive in today's downstream petroleum marketing business, every litre discharged into the storage facility must be accounted for through accurate and effective stock management system to prevent unnecessary loss of income to the business.

Nowhere in the entire value chain can the effects of stock management be more clearly seen than in the depots (tank farms). These storage facilities, receive, store, and load out petroleum product to different retail outlets and consumer locations and a good stock management at these key facilities can improve efficiency and positively impact company bottom line.

Stock control is a critical objective in the management of depots. Losses can result from measurement errors, unknown leakages, metering issues in tank gauging, or in temperature measurement, unrepresentative sampling leading to incorrect density measurement. Losses may also come from operator incompetence/negligence or equipment errors due to defect or inadequate calibration.

Effective Stock management consists of the following activities and these activities should be carried out by competent and well-trained depot functionaries because of the importance these activities play in the overall management of stock in the depots.



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Update

Improper gauging or temperature reading could give huge variances from actual quantities in tanks.

- Computation of stock is done every day by the depot to ascertain the gain and loss position. These losses and gains are expressed as a percentage and it is necessary and important that losses and gains be investigated on a daily basis to track and close them out. To effectively measure stock, working measuring equipment must function correctly. These instruments are categorized as working and standard equipment and every depot must have these two types of instrument. Standard equipment is identified and kept separately under appropriate conditions, this equipment is calibrated by the authorized agency and the metrological certificate kept properly in a secured place.
- Tank calibration are carried out every five years as per regulation or after out of service/internal inspection. Without accurate tank calibration table, even the best gauging system and the most accurate manual measurement are of little value.
- A daily stock balance report is prepared for each product line stored in the depot. The basic equation for the material balance of product is $\text{Book Stock} = \text{Opening Stock} + \text{Receipt} - \text{Deliveries}$. Gain and loss is the difference between the book value and physical stock. Gain and loss are expressed as percentage of gain/loss in volume over deliveries at standard temperature.
- Daily stock report is prepared on daily basis. The report should be available as soon as possible after physical gauging. All product movement for the previous day is included in the report. Calculation of gain and loss must be done at reference temperature of 15°C. Density and temperature of samples must be used to calculate the reference density.
The daily stock report contains:
 - (i) Load out
 - (ii) Meter reading reconciliation and
 - (iii) Report from stock management tool.
- An accurate measurement of the quantity of free water in the tank is important in the determination of net product content.
Water determination has two objectives:
 - (i) calculate precisely the stock of product less the volume of water
 - (ii) Identify the presence of water to initiate tank draining. Checking for water is done either by the use of electronic sensor or by the use of tape through the dip hatch for water.



Measuring instrument thermometers



MOMAN

Update



DM 68 Desometer



UTI Meter

Losses and gains have different origins and in order to calculate losses and gain, density and volume recorded at ambient/observed temperatures are converted to density/volume at standard temperature using ASTM tables. It is important that tank calibration chart be valid and stock measuring equipment are in good working condition. Tank dip and product temperature are taken and recorded at the opening and closing of depot operations.

It is important that all physical drips and leaks from pipeline joints and loading arms be addressed immediately when noticed as this increases losses of product which affect the bottom line of depot operations.



Trucks loading at depot loading gantry



Industry WATCH

MACROECONOMIC INDICES

☒ INFLATION

	APR 2021	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021
Year on Year % Change	18.12%	17.93%	17.75%	17.38%	17.01%	16.63%
12 Month % Change	15.04%	15.50%	15.93%	16.30%	16.60%	16.81%
Month on Month % Change	0.97%	0.01%	1.06%	0.93%	0.93%	1.15%

	OCT 2021	NOV 2021	DEC 2021	JAN 2022	FEB 2022	MAR 2022
Year on Year % Change	15.99%	15.40%	15.63%	15.60%	15.70%	15.92%
12 Month % Change	16.96%	16.98%	16.95%	16.87%	16.73%	16.54%
Month on Month % Change	0.98%	1.08%	1.82%	1.47%	1.63%	1.74%

☒ CRUDE OIL PRICES

	12 APR	13 APR	14 APR	18 APR	19 APR
Brent Crude (USD/bbl)	104.64	108.78	111.76	113.16	107.25
WTI Crude (USD/bbl)	100.60	104.25	106.95	108.21	102.56

☒ EQUITIES MARKET UPDATE

SECTOR	8 APR	14 APR	WEEKLY CHANGE	WTD	MTD	QTD	YTD
NSE 30	1,776.45	1,819.84	43.39	2.44	1.61%	1.61%	5.66%
Consumer Goods	552.18	562.60	10.42	1.89	1.52%	1.52%	-4.53%
Oil & Gas	440.35	447.37	7.02	1.59	1.57%	1.57%	29.67%
Banking	415.56	438.78	23.22	5.59	7.21%	7.21%	8.06%
Industrial	2,106.19	2,138.84	32.65	1.55	1.06%	1.06%	6.50%
Insurance	184.65	186.76	2.11	1.14	0.32%	0.32%	-5.73%



Industry WATCH



FOREX RATES - INTERBANK I & E MARKET

=N=	11 APR	12 APR	13 APR	14 APR	19 APR
USD	414.00 - 417.00	414.00 - 417.00	414.00-417.00	415.00-417.00	415.00-417.00
INTERBANK OFFICIAL CLOSING FX RATE (\$/=N=)	416.00	416.00	415.00	417.00	417.00



CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	BID	OFFER	MARKET CLOSING FX RATE (\$/NGN)
11 APR	415.00	417.00	417.00
12 APR	415.00	417.00	417.00
13 APR	415.00	417.00	417.00
14 APR	414.00	417.00	415.00
19 APR	414.00	417.00	416.00

Source: CBN
*Year - 2022



FOREX RATES - PARALLEL MARKET

=N=	11 APR	12 APR	13 APR	14 APR	19 APR
USD	-	-	-	-	-
GBP	-	-	-	-	-
EURO	-	-	-	-	-

Source: ABOKIFX.COM
*Year - 2022



Industry WATCH

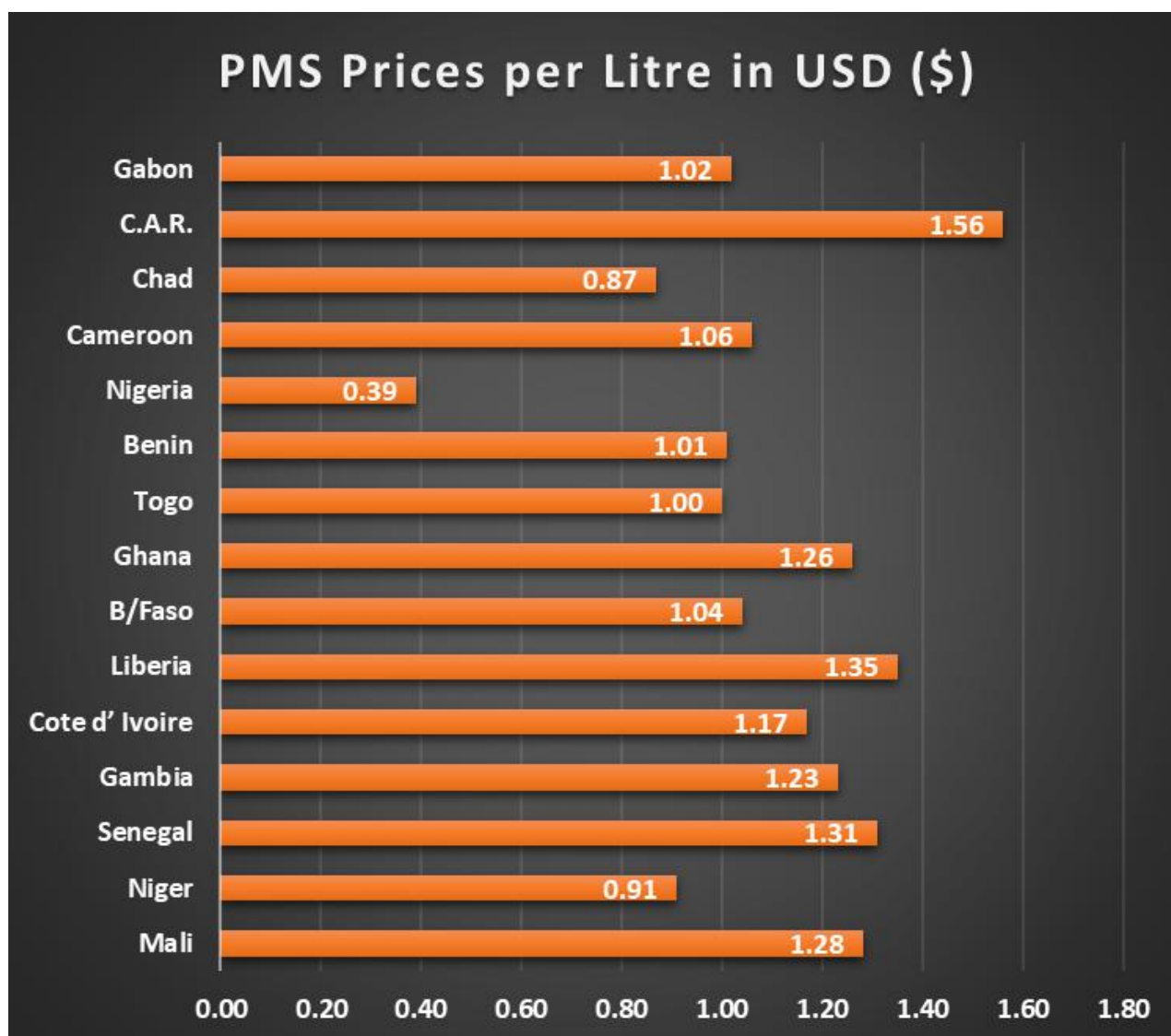
WEST AFRICA PRICE FOCUS



GASOLINE PRICES

Gasoline prices across West Africa; April 2022

WEST AFRICA (PMS) IN USD (\$)





Industry WATCH

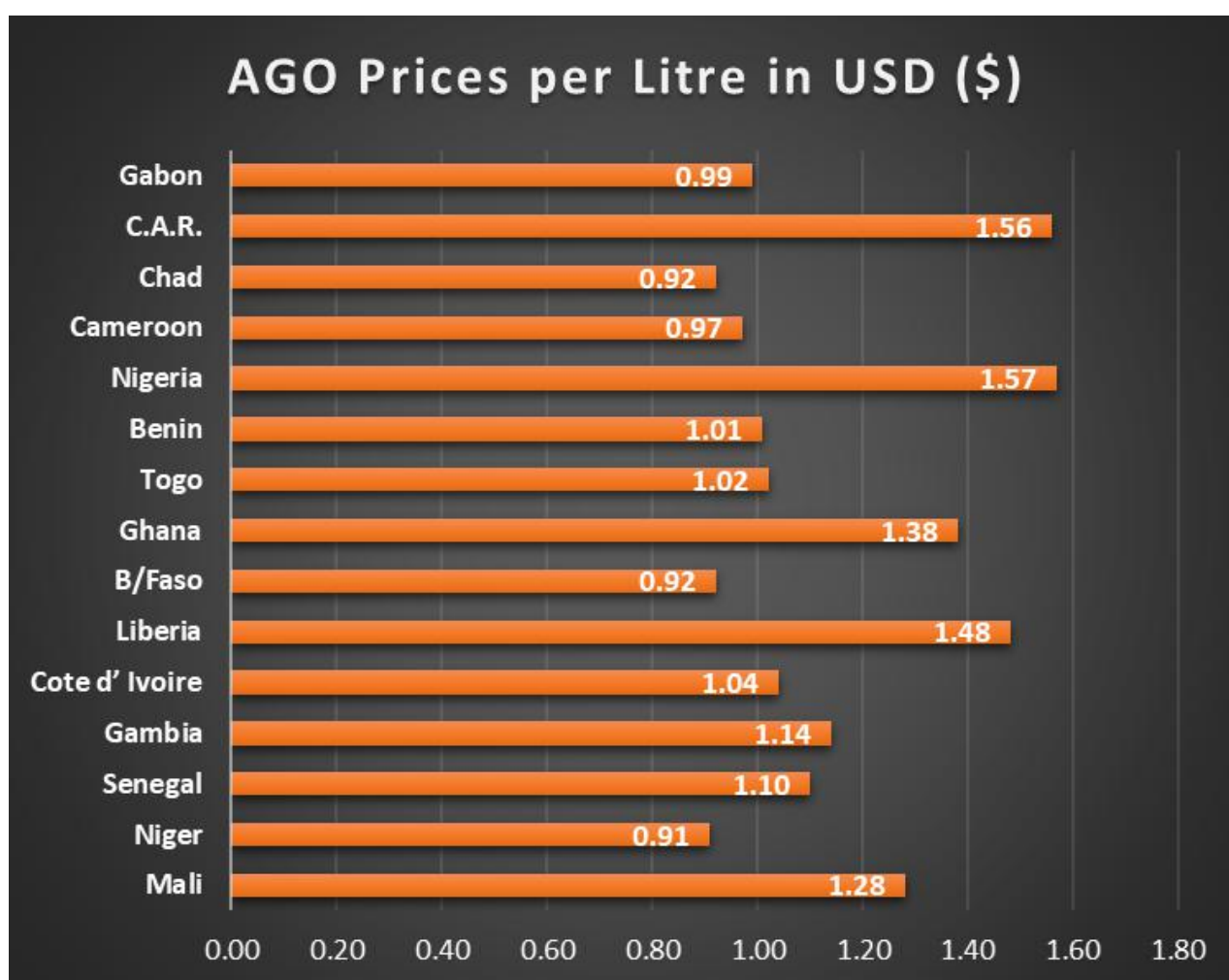
WEST AFRICA PRICE FOCUS



DIESEL PRICES

Diesel prices across West Africa; April 2022

WEST AFRICA (AGO) IN USD (\$)





Industry WATCH

PLATTS

PMS

\$ (USD)	8 APR	11 APR	12 APR	13 APR	14 APR	MAR. AVERAGE
FOB ROTTERDAM	1,009.500	994.750	1,039.750	1,066.500	1,063.500	1,084.554
FOB MED	1,007.750	994.500	1,037.750	1,053.000	1,054.750	1,065.543
CIFNWE	1,115.250	1,009.500	1,060.500	1,087.250	1,084.250	1,114.261

AGO

\$ (USD)	8 APR	11 APR	12 APR	13 APR	14 APR	MAR. AVERAGE
CIFNWE	1,003.500	998.500	1,047.500	1,071.750	1,126.250	1,091.315

ATK

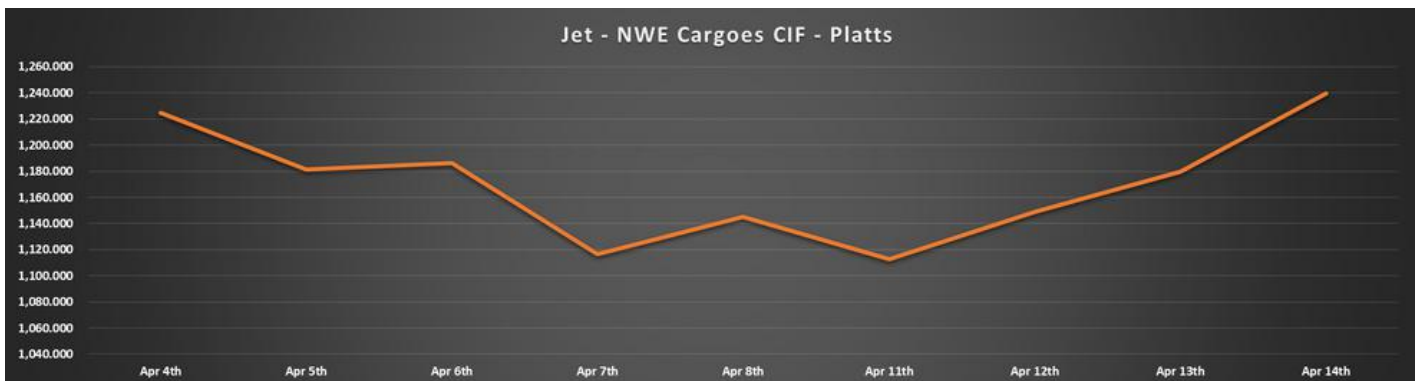
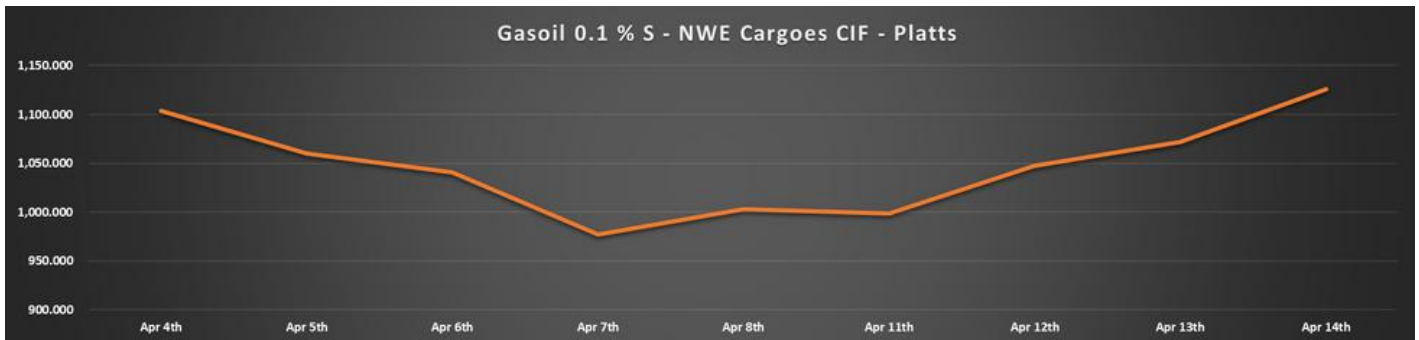
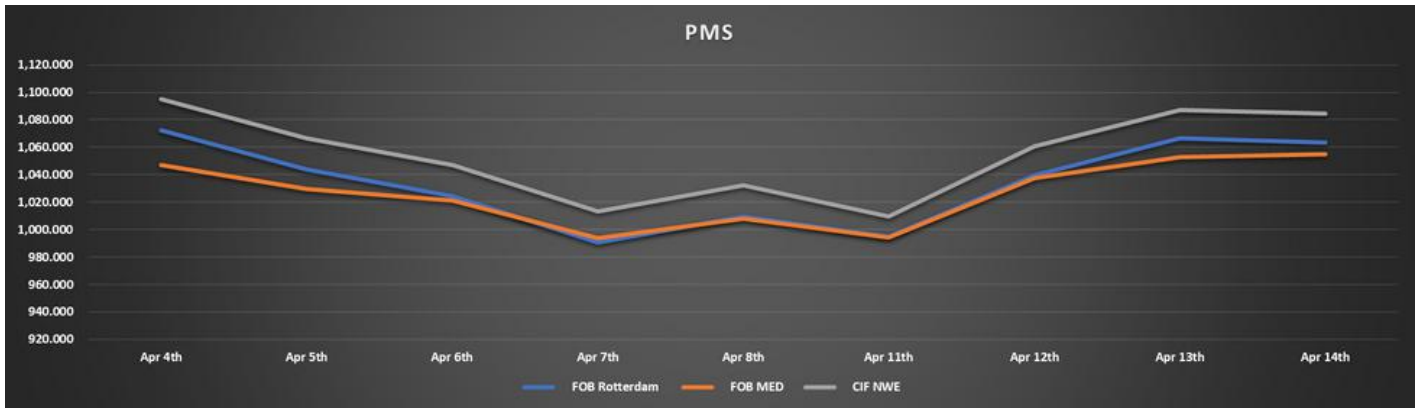
\$ (USD)	8 APR	11 APR	12 APR	13 APR	14 APR	MAR. AVERAGE
CIFNWE	1,145.250	1,113.000	1,148.750	1,179.500	1,239.500	1,153.000

\$/BBL	12 APR	13 APR	14 APR	18 APR	19 APR
ICE GASOIL (USD/MT)	1,088.000	1,108.000	1,152.000	1,162.000	1,128.000



Industry WATCH

PLATTS





Industry WATCH

LAGOS, NIGERIA

=N=/Litre	15 APR
PMS	154.50 - 155.00
AGO	607.00 - 615.00

*Year - 2022

PORT-HARCOURT, NIGERIA

=N=/Litre	15 APR
PMS	159.00 - 160.50
AGO	610.00

*Year - 2022



EX-DEPOT PRICES

DELTA, NIGERIA

=N=/Litre	15 APR
PMS	159.00 - 160.00
AGO	620.00

*Year - 2022

CALABAR, NIGERIA

=N=/Litre	15 APR
PMS	163.50
AGO	618.00

*Year - 2022