



Major Oil Marketers  
Association of Nigeria

# NEWSLETTER

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*Not for sale*

# THE WEEKLY POST

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MOMAN Update  
MOMAN & the Industry  
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# MOMAN

*Update*



LEGAL ADVISORY NOTICE!!

## **SUPPLIER OF LAST RESORT UNDER THE PETROLEUM INDUSTRY ACT**

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### **INTRODUCTION**

In establishing the Nigerian Midstream & Downstream Petroleum Regulatory Authority (NMDPRA), the Petroleum Industry Act (PIA) charged the Authority with the responsibility of promoting a competitive market as well as ensuring the supply, distribution and security of natural gas and petroleum products in the domestic midstream and downstream market. Where there is a shortfall in the supply of energy to consumers, a supplier of last resort may be designated to bridge the deficit ensuring a continuity of supply and providing a buffer in line with the nation's energy supply policy.

### **SUPPLIER OF LAST RESORT UNDER THE PIA**

The PIA<sup>1</sup> empowers the NMDPRA to designate distributors and suppliers of last resort to provide services to customers where an existing gas/petroleum product distributor/supplier becomes insolvent, is unable to provide licenced services or has had its licence suspended or revoked; or where the distributor/supplier refuses or fails to fulfil the terms of its licence to distribute or supply natural gas or petroleum product to customers. Beyond the circumstances described above, the Authority is vested with discretionary powers to appoint a supplier of last resort in such other cases as it deems appropriate. In each case, any reasonable additional costs associated with the obligation to act as distributor or supplier of last resort will be recoverable through appropriate charging arrangements agreed with the Authority. Where the designation of a supplier of last resort requires the transfer of customers from one licensee to another, either the Authority or the applicable supplier or distributor of last resort will prepare procedures to secure the effective transfer of customers as well as a statement of any costs reasonably incurred in undertaking the transfer. These costs, if approved by the Authority will be recoverable through regulated charges.<sup>2</sup>

### **IMPLICATIONS OF A SUPPLIER OF LAST RESORT**

Prior to the PIA, NNPC played a role similar to that of a supplier of last resort, ensuring the supply of refined petroleum products to the market by leveraging on the crude oil for swap deals dubbed Direct Sale Direct Purchase ("DSDP") to barter as much as 350, 000 barrels per day of crude oil for equivalent value of refined products. In this way, it was able to sidestep the foreign exchange issues and other cash flow challenges that usually bedeviled private sector marketers largely because it had government funding to rely on. Under the PIA, NNPC has been replaced by NNPC Limited and the new body is mandated to operate as a commercial entity without recourse to government funds.<sup>3</sup> It is therefore difficult to see how the DSDP scheme can be maintained under the new regime. Even though, by section 64 (m) of the PIA, NNPC Limited is to be a supplier of last resort for security reasons, that role is not exclusive to it as section 165 of the PIA allows any number of operators to be designated as such by the Authority. In any case, the tenor of the PIA is that the supplier of last resort will operate on the same level playing field as other players in the market. This is in keeping with the Act's underlying objective of promoting competition and private sector participation in midstream and

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<sup>1</sup> Section 165 PIA

<sup>22</sup> Section 166 PIA

<sup>3</sup> Section 53(7) PIA





# MOMAN

Update



downstream petroleum operations as well as prevention of abuse of dominant positions and restrictive business practices. With the Government of Nigeria appearing non-committal as to removal of petroleum subsidies, it is not implausible that crude oil for products swap deals and the attendant adoption of NNPC Limited as sole importer of PMS are again being considered as key strategies for energy security at least in the short to medium term. If this were to be the case, oil marketers will be on sound footing to seek redress for their constructive exclusion from importation of the product.

## CONCLUSION

While the introduction of the provisions relating to the supplier or distributor of last resort makes for sustainability of the oil and gas market, the concept plays into the hands of the more established operators who have the existing infrastructure to service additional customers without necessarily compromising supply to their existing customer base. This could achieve the unintended result of reducing competition by consolidating the position of the large suppliers in the marketplace.

*This opinion is prepared by **Akabogu & Associates**, a specialist law firm for petroleum, maritime and international trade law in Nigeria. For further information contact **Dr. Emeka Akabogu** ([emeka@akabogulaw.com](mailto:emeka@akabogulaw.com)).*

# MOMAN & THE INDUSTRY

#THROWBACK  
#MOMANANDTHEINDUSTRY  
27TH APRIL 2022



**US Grains Council Team visited the MOMAN team in Victoria Island, Lagos**



*Photo Dump*



# Industry WATCH

## MACROECONOMIC INDICES

### ☒ INFLATION

	JUL 2021	AUG 2021	SEP 2021	OCT 2021	NOV 2021	DEC 2021
YEAR ON YEAR % CHANGE	17.38%	17.01%	16.63%	15.99%	15.40%	15.63%
12 MONTH % CHANGE	16.30%	16.60%	16.81%	16.96%	16.98%	16.95%
MONTH ON MONTH % CHANGE	0.93%	0.93%	1.15%	0.98%	1.08%	1.82%

  

	JAN 2022	FEB 2022	MAR 2022	APR 2022	MAY 2022	JUN 2022
YEAR ON YEAR % CHANGE	15.60%	15.70%	15.92%	16.82%	17.71%	18.60%
12 MONTH % CHANGE	16.87%	16.73%	16.54%	16.45%	16.45%	16.54%
MONTH ON MONTH % CHANGE	1.47%	1.63%	1.74%	1.76%	1.78%	1.82%

### ☒ CRUDE OIL PRICES

	1 AUG	2 AUG	3 AUG	4 AUG	5 AUG
BRENT CRUDE (USD/BBL)	100.03	100.54	96.78	94.12	94.92
WTI CRUDE (USD/BBL)	93.89	94.42	90.66	88.54	89.01

### ☒ EQUITIES MARKET UPDATE

SECTOR	29 JUL	5 AUG	WEEKLY CHANGE	WTD	MTD	QTD	YTD
NSE 30	1,820.25	1,828.66	8.41	0.46	0.46%	-3.12%	6.18%
CONSUMER GOODS	573.27	590.49	17.22	3.00	3.00%	-5.37%	0.21%
OIL & GAS	556.28	559.60	3.32	0.60	0.60%	2.61%	62.20%
BANKING	378.21	388.17	9.96	2.63	2.63%	-2.42%	-4.41%
INDUSTRIAL	2,062.30	1,943.55	-118.75	-5.76	-5.76%	-9.70%	-3.22%
INSURANCE	167.04	166.43	-0.61	0.37	-0.37%	-6.67%	-15.99%

SOURCES: NBS, NSE,  
REUTERS & BLOOMBERG  
\*YEAR - 2022



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## Argus European Products

Daily European product market prices, news and analysis

### PRICES

Northwest Europe light products			\$/t
	Low	High	±
fob			
91R gasoline	882.75	883.25	-20.50
cif			
Gasoline non-oxy 10ppm	1,006.25	1,006.75	+11.75
Gasoline non-oxy 10ppm^	+84.75		
91R gasoline	901.00	901.50	-22.00
Naphtha 65 para	659.75	660.75	-7.75
barge			
98R gasoline	1,122.00	1,122.50	-22.00
95R gasoline 10ppm*	+22.25		
95R gasoline 10ppm	923.25	923.75	-45.50
Eurobob oxy	901.00	901.50	-22.00
VWA diff to Eurobob swap	+15.25		
Eurobob non-oxy	921.50	922.00	-38.25
VWA diff to Eurobob swap	+32.00		
91R gasoline	901.00	901.50	-22.00
MTBE	1,207.25	1,208.00	-29.50
MTBE factor	1.34		
ETBE	1,394.25	1,395.00	-83.50
ETBE diff to MTBE	+187.00		
Naphtha 65 para	655.75	656.75	-7.75

\*differential to Eurobob oxy midpoint

^differential to Eurobob non-oxy midpoint







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## Argus European Products

Daily European product market prices, news and analysis

### Barge freights

	\$/t		€/t	
	Midpoint	±	Midpoint	±
Rotterdam-Amsterdam or Antwerp	6.86	+0.08	6.70	+0.05
Antwerp-Amsterdam	7.77	+0.08	7.60	+0.05
ARA cross-harbour	5.88	+0.13	5.75	+0.10
Ant-Ams diff to Rott-Ams/Ant	+0.92	no	+0.90	no

### West Mediterranean light products

	\$/t	
	Low	High
fob		
95R gasoline 10ppm	901.00	901.50
Naphtha 65 para	626.75	627.75
cif		
95R gasoline 10ppm	919.00	919.50
Naphtha 65 para	644.75	645.75

### Ice settlements

Contract	Gasoil	Brent 1-minute
	\$/t	\$/bl
Aug	990.00	na
Sep	977.25	na
Oct	966.25	95.74

### Ice crude futures - 16:30 London time

	Month	Value	±
Brent 1-minute marker	Oct	95.74	+1.79





## Argus European Products

Daily European product market prices, news and analysis

Northwest Europe middle distillates						\$/t
	Ice	Differential				
	mth	Low	High	Low	High	±
fob						
Jet	-	-	-	1,029.50	1,030.50	-23.25
Diesel French 10ppm	-	-	-	916.50	917.50	-16.50
Diesel German 10ppm	-	-	-	906.50	907.50	-16.50
Heating oil 0.1%S	-	-	-	973.50	974.50	-18.00
cif						
Jet	Aug	+53.00	+54.00	1,043.00	1,044.00	-24.25
Diesel UK ULS	Aug	-55.00	-54.00	935.00	936.00	-17.50
Diesel French 10ppm	Aug	-60.00	-59.00	930.00	931.00	-17.50
Diesel ARA 10ppm	Aug	-66.50	-65.50	923.50	924.50	-17.50
Diesel ARA 10ppm (re- stricted origin)	Aug	+18.50	+19.50	1,008.50	1,009.50	-17.50
Diesel Hamburg 10ppm	Aug	-70.00	-69.00	920.00	921.00	-17.50
Heating oil 0.1%S	Aug	-3.00	-2.00	987.00	988.00	-19.00
barge						
Jet	Aug	+49.75	+50.25	1,039.75	1,040.25	-26.75
Diesel German 10ppm	Aug	+0.50	+1.00	990.50	991.00	-20.50
Heating oil 0.1%S	Aug	-21.00	-20.50	969.00	969.50	-19.00
Heating oil German 50ppm	Aug	-3.00	-2.00	987.00	988.00	-19.00







## Argus *European Products*

Daily European product market prices, news and analysis

West Mediterranean middle distillates						\$/t
	Ice	Differential				
	mth	Low	High	Low	High	±
fob						
Jet	-	-	-	1,012.50	1,013.50	-24.25
Diesel French 10ppm	-	-	-	898.00	899.00	-19.00
Heating oil 0.1%S	-	-	-	966.00	967.00	-19.00
cif						
Jet	Aug	+55.00	+56.00	1,045.00	1,046.00	-24.25
Jet diff to fob Med	-	+32.00	+33.00	-	-	nc
Diesel French 10ppm	Aug	-74.00	-73.00	916.00	917.00	-19.00
Diesel French 10ppm (restricted origin)	Aug	+11.00	+12.00	1,001.00	1,002.00	-19.00
Diesel 10ppm diff to spot	-	+5.25	+6.25	-	-	nc
Heating oil 0.1%S	Aug	-6.00	-5.00	984.00	985.00	-19.00





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## Argus European Products

Daily European product market prices, news and analysis

Northwest Europe fuel oil and VGO			\$/t
	Low	High	±
<b>fob</b>			
Fuel oil 1%S	566.25	570.25	-0.25
Fuel oil 3.5%S	461.00	465.00	+8.25
Fuel oil straight-run 0.5%S	765.50	768.75	-1.38
Fuel oil straight-run 0.5%S* \$/bl	+16.00	+16.50	-2.00
VGO 0.5%S	771.50	775.00	-1.38
VGO 0.5%S* \$/bl	+16.25	+16.75	-2.00
VGO 2.0%S	746.00	749.50	-1.50
VGO 2.0%S* \$/bl	+13.75	+14.25	-2.00
<b>oif</b>			
Fuel oil 1%S	580.75	584.75	-0.25
Fuel oil 3.5%S	500.00	504.00	+8.25
Fuel oil straight-run M-100	458.00	461.00	+8.25
Fuel oil straight-run M-100†	-1.00	+2.00	no
VGO 0.5%S	792.00	795.50	-1.50
VGO 0.5%S* \$/bl	+19.25	+19.75	-2.00
VGO 2.0%S	766.50	770.00	-1.38
VGO 2.0%S* \$/bl	+16.75	+17.25	-2.00
<b>barge</b>			
Fuel oil 1%S	564.25	568.25	+9.75
Fuel oil 3.5%S RMG	457.00	461.00	+8.25
Fuel oil VWA	459.00		+8.25
3.5%S RMK	456.00		+8.25
3.5%S RMK diff to RMG	-3.00		no
VGO 0.5%S	771.50	775.00	-1.38
VGO 0.5%S* \$/bl	+16.25	+16.75	-2.00
VGO 2.0%S	744.25	747.75	-1.50
VGO 2.0%S* \$/bl	+13.50	+14.00	-2.00

\* differential to Brent crude futures (\$/bl) †premium to barge VWA





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## Argus European Products

Daily European product market prices, news and analysis

IMO 2020 compliant fuels			\$/t
	Low	High	±
Fuel oil 0.5%S barge NWE fob	660.50	664.50	-1.50
Fuel oil 0.5%S barge NWE fob diff loc gasoil M1	-327.50		+17.50
Marine gasoil 0.1%S NWE barge	989.25	993.25	-17.75
Marine gasoil 0.1%S NWE barge diff loc gasoil M1		+1.25	+1.25
Marine gasoil 0.1%S NWE barge diff loc gasoil M2		+14.00	-5.00

Mediterranean fuel oil and VGO			\$/t
	Low	High	±
fob			
Fuel oil 1%S	605.75	609.75	-0.25
Fuel oil 3.5%S	441.25	445.25	+7.25
cif			
Fuel oil 1%S	626.00	630.00	-0.25
Fuel oil 3.5%S	461.50	465.50	+7.25
VGO 0.5%S	781.75	785.25	-1.50
VGO 0.5%S* \$/bl	+17.75	+18.25	-2.00
VGO 2.0%S	759.75	763.00	-1.50
VGO 2.0%S* \$/bl	+15.75	+16.25	-2.00

\* differential to Brent crude futures (\$/bl)

Black Sea VGO			\$/t
	Low	High	±
fob			
VGO 0.5%S	733.75	737.25	-1.50
VGO 0.5%S* \$/bl	+10.75	+11.25	-2.00
VGO 2.0%S	711.75	715.00	-1.50
VGO 2.0%S* \$/bl	+8.75	+9.25	-2.00

\* differential to Brent crude futures (\$/bl)





## Argus *European Products*

Daily European product market prices, news and analysis

### FREIGHT

#### Spot freight rates

\*Freight rates are taken from Argus Freight

Baltic - Med	Size t	\$/t
Dirty	30,000	65.15

Baltic - UKC	Size t	\$/t
Dirty	30,000	39.12

Cross - UKC	Size t	\$/t
Gasoil	22,000	18.36

Black Sea - Med	Size t	\$/t
Gasoil	30,000	82.00

Med - UKC	Size t	\$/t
Naphtha	30,000	32.89
Jet	30,000	30.59

Cross - Med	Size t	\$/t
Gasoil	30,000	18.36
Gasoline	30,000	18.07
Naphtha	30,000	18.07
Dirty	30,000	20.13







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## Products 5 Aug 2022

Delivered west Africa	Price (naira/l)	± 4 Aug	Price (\$/t)	± 4 Aug
<b>Gasoline</b>				
Argus Eurobob oxy	302.15	-6.00	962.86	-20.33
<b>Jet</b>				
Jet/kerosine			1,101.50	-25.25
<b>Gasoil</b>				
Gasoil 1000ppm	363.65	-5.71	1,030.75	-17.50

## PRICES

## Crude 5 Aug 2022

	Model basis	Price basis	Differential	Price	± 4 Aug
<b>Basis crude</b>					
N Sea Dated		N Sea forward	+5.48	101.35	+3.60
Dalia		Dated	+1.35	102.70	+3.45
Doba		Dated	+3.00	104.35	+3.60
Dalia/Doba average		Dated	+2.18	103.53	+3.53
Girassol		Dated	+7.55	108.90	+3.45
Qua Iboe		Dated	+9.30	110.65	+3.60
<b>Nigeria</b>					
Abo Blend	Qua Iboe	Dated	+9.04	110.39	+3.59
Akpo	Qua Iboe	Dated	+7.19	108.54	+3.64
Antan Blend	Qua Iboe	Dated	+7.25	108.60	+3.65
Asaramatoru	Qua Iboe	Dated	+9.87	111.22	+3.47
Ebok	Dalia/Doba	Dated	+1.32	102.67	+3.59
Eremor	Dalia/Doba	Dated	-13.87	87.48	+4.21
Ima	Qua Iboe	Dated	+5.60	106.95	+3.88
Obe	Qua Iboe	Dated	+7.20	108.55	+3.76
Okono Blend	Qua Iboe	Dated	+10.31	111.66	+3.44
Okoro	Dalia/Doba	Dated	+10.31	111.66	+3.21
Okwori	Qua Iboe	Dated	+11.48	112.83	+3.24
Okwuibome	Qua Iboe	Dated	+10.94	112.29	+3.45
Oyo	Qua Iboe	Dated	+12.90	114.25	+3.18
Pennington	Qua Iboe	Dated	+10.69	112.04	+3.43
Ukpokiti	Qua Iboe	Dated	+10.15	111.50	+3.48
Yoho Light	Qua Iboe	Dated	+9.27	110.62	+3.58
<b>Angola</b>					
Mondo	Girassol	Dated	+2.18	103.53	+3.72
Palanca	Girassol	Dated	+7.32	108.67	+3.35
Pazflor	Dalia/Doba	Dated	+4.66	106.01	+3.37
Plutonio	Girassol	Dated	+5.04	106.39	+3.53
Saturno	Dalia/Doba	Dated	+0.48	101.83	+3.53
Saxi-Batuque	Girassol	Dated	+5.39	106.74	+3.47
<b>Cameroon</b>					
Kole Marine	Girassol	Dated	+5.27	106.62	+3.50
<b>Congo (Brazzaville)</b>					
N'Kossa	Girassol	Dated	+4.13	105.48	+3.48
<b>Gabon</b>					
Rabi Light	Girassol	Dated	-0.65	100.70	+3.88
<b>Ghana</b>					
Ten	Girassol	Dated	+5.62	106.97	+3.45





# Industry WATCH



## FOREX RATES - INTERBANK I & E MARKET

=N=	1 AUG	2 AUG	3 AUG	4 AUG	5 AUG
USD	415.00-430.00	415.00-430.00	415.00-430.00	415.00-430.00	415.00-430.00
INTERBANK OFFICIAL CLOSING FX RATE (\$/=N=)	426.00	426.00	420.50	426.00	425.10



## CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	BID	OFFER	MARKET CLOSING FX RATE (\$/NGN)
1 AUG	415.00	430.00	426.00
2 AUG	415.00	430.00	426.00
3 AUG	415.00	430.00	426.00
4 AUG	415.00	430.00	426.00
5 AUG	415.00	430.00	425.10

SOURCE: CBN

\*YEAR - 2022



## FOREX RATES - PARALLEL MARKET

=N=	1 AUG	2 AUG	3 AUG	4 AUG	5 AUG
USD	-	-	-	-	-
GBP	-	-	-	-	-
EURO	-	-	-	-	-

SOURCE: ABOKIFX.COM

\*YEAR - 2022



# Industry WATCH

## LAGOS, NIGERIA

=N=/LITRE	5 AUG
PMS	162.00 - 170.00
AGO	714.00 - 790.00

\*YEAR - 2022

## PORT-HARCOURT, NIGERIA

=N=/LITRE	5 AUG
PMS	165.00 - 166.00
AGO	719.00 - 724.00

\*YEAR - 2022



## EX-DEPOT PRICES

## DELTA, NIGERIA

=N=/LITRE	5 AUG
PMS	165.00 - 166.00
AGO	-

\*YEAR - 2022

## CALABAR, NIGERIA

=N=/LITRE	5 AUG
PMS	168.00
AGO	740.00

\*YEAR - 2022