



Major Oil Marketers
Association of Nigeria

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INDUSTRY DATA SHEET

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EDITORIAL

Deregulation: The panacea to the myriad of problems plaguing the petroleum downstream sector in Nigeria

By *Olise' Wakwe*



The petroleum downstream sector has long been a source of contention in Nigeria, with the issue of subsidies at the forefront of the debate. On one hand, most citizens would prefer to pay less for fuel and other forms of energy, and on the other hand, the country's political leaders must make decisions that will serve the long-term benefit of the entire population.

One of the primary arguments against subsidies in the petroleum sector is their unproductive use of scarce resources. Subsidy spending in this sector amounts to a disproportionately high percentage of the country's budget, and funds that could be better invested in areas such as education, health services, and agriculture are instead being used to subsidize petroleum products. This leads to an opportunity cost, where the government is unable to achieve human development and empower citizens to reach their full potential. Additionally, the savings made from eliminating subsidies could be used to address the current labor demands for wage increases at all levels.

Another issue with subsidies in the petroleum sector is the underdevelopment of the downstream industry. Fuel subsidies in Nigeria have led to poor maintenance and inadequate investment in facilities, infrastructure, human resources, transportation, and existing refineries. This has also led to poorer implementation of health, safety, environment, and quality matters. The administration of fuel subsidies in Nigeria has also resulted in inefficiency in the downstream sector. The socialist and government-like approach to distribution, rather than a business-like approach based solely on numbers, has led to priorities, practices, and investments that do not improve refining capacity, logistics efficiency, or customer services.

Furthermore, the subsidy process is opaque and the selection to participate in the Direct Sale Direct Purchase (DSDP) program is not competitive.

EDITORIAL



The opacity of the process makes it difficult to achieve proper accountability.

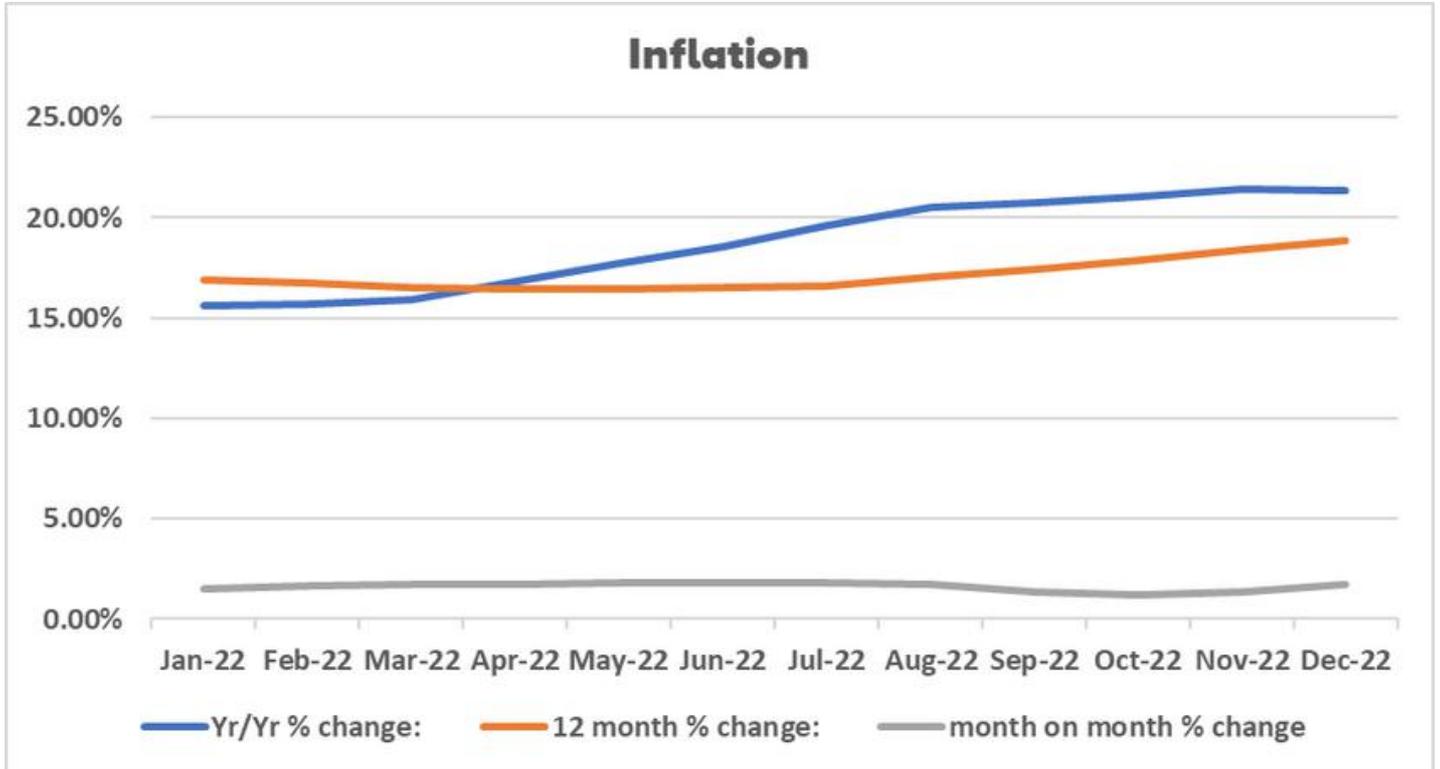
The lack of resources for social investment is another major concern. Experience has shown that subsidy removal must come with palliatives to be accepted by the public. The opportunity to address several outstanding issues such as paucity in the funding of education, failure of the health system, borrowing to build and fix roads, and low wages has presented itself. The funds from the removal of this subsidy can be applied to these key national issues in a transparent and accountable manner.

Eliminating oil subsidies would address these issues by promoting economic growth and diversification, creating jobs, and increasing revenue for the government. It would also reduce unemployment through the provision of more jobs and improved opportunities for self-employment. Additionally, it would address the infrastructure deficit and improve access to education, healthcare, and transport services.

It would also help remove illegal trade practices in the economy and decrease consumer prices, increasing consumer purchasing power.

In conclusion, the continued existence of subsidies in the petroleum industry is not in the interest of Nigeria. It is unsustainable and detrimental to the economy, and the benefits of eliminating them far outweigh the short-term discomfort that may be caused. The government must take bold and visionary steps to remove these subsidies and use the savings to address the key national issues that are of concern to citizens. It is in the interest of all Nigerians to eliminate the petroleum subsidy and move towards a more efficient and sustainable energy sector. ■

MARKETS WATCH



Annual inflation has been rising steadily since the beginning of 2022. The annual inflation rate in Nigeria accelerated to 20.52% in August 2022 from 19.64% in the previous month, and above market expectations of 20.25%. This remains the highest since September 2005.



EQUITIES MARKET UPDATE

SECTOR	Jan. 13	Jan. 20	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	1895.52	1898.91	3.39	0.18	3.06%	3.06%	3.06%
Consumer Goods	631.10	628.57	-2.53	-0.40	6.73%	6.73%	6.73%
Oil & Gas	477.51	479.20	1.69	0.35	3.62%	3.62%	3.62%
Banking	450.51	438.79	-11.72	-2.60	5.10%	5.10%	5.10%
Industrial	2,469.29	2,443.05	-26.24	-1.06	1.66%	1.66%	1.66%
Insurance	176.10	179.24	3.14	1.78	2.80%	2.80%	2.80%



MARKETS WATCH



FOREX RATES - INTERBANK I & E MARKET

NGN	Jan. 16	Jan. 17	Jan. 18	Jan. 19	Jan. 20
Minimum	460.00	460.00	460.00	460.00	460.00
Maximum	462.00	462.00	462.00	462.00	462.00
Interbank Official Closing (FX Rate (\$/N))	461.00	461.00	461.00	460.00	462.00

CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	Bid	Offer	Market Closing FX Rate (\$/NGN)
Jan. 16	460.00	462.00	460.00
Jan. 17	460.00	462.00	460.00
Jan. 18	460.00	462.00	460.00
Jan. 19	460.00	462.00	460.00
Jan. 20	460.00	462.00	460.00



FOREX RATES - PARALLEL MARKET

NGN	Jan. 16	Jan. 17	Jan. 18	Jan. 19	Jan. 20
USD					
GBP					
EURO					

abokiFX

INDUSTRY WATCH

AVERAGE EX-DEPOT PRICES (NAIRA/LITRE)

17 JANUARY - 20 JANUARY 2023

17-JAN-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	240.00	N/A	233.50	228.80	232.50	232.75
AGO	770.00	N/A	795.00	743.00	739.40	744.60
DPK	730.00	N/A	N/A	757.33	752.00	760.00

18-JAN-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	N/A	N/A	N/A	240.00	241.25	241.67
AGO	770.00	N/A	782.00	740.50	731.30	746.20
DPK	N/A	N/A	N/A	758.00	756.00	758.00

20-JAN-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	N/A	N/A	N/A	252.00	252.75	254.00
AGO	770.00	N/A	782.00	642.40	721.00	737.60
DPK	N/A	N/A	N/A	757.00	755.00	757.00

INDUSTRY WATCH



AVERAGE WEEKLY PRICES

 Available on the [Argus Publications App](#)

Combined Description	Gasoil Diesel 1000ppm Delivered West Africa \$/t Prompt, No Time Stamp, Midpoint, USD/t, Delivered	Gasoline Eurobob Delivered West Africa \$/t Prompt, No Time Stamp, Midpoint, USD/t, Delivered	Jet/Kerosine Delivered West Africa \$/t Prompt, No Time Stamp, Midpoint, USD/t, Delivered
Week 52 2022	948.50	806.04	1,024.83
Week 01 2023	895.38	792.58	985.69
Week 02 2023	928.35	817.31	1,016.40
Week 03 2023	974.55	880.23	1,088.50

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INDUSTRY WATCH

PLATTS

	16-Jan-23	17-Jan-23	18-Jan-23	19-Jan-23	20-Jan-23
PMS					
FOB Rotterdam	854.75	865.75	877.50	882.50	908.25
FOB MED	841.75	857.25	872.50	873.25	897.00
CIF NWE	922.00	934.25	946.00	951.00	976.75
GASOIL					
CIF NWE	915.00	908.00	932.00	920.75	957.25
ATK					
CIF NWE	1,027.50	1,028.75	1,056.25	1,052.25	1,105.00
ICE Gasoil					
USD / MT	932.00	937.00	929.00	965.00	980.00

S&P Global
Platts

PLATTS MONTHLY AVERAGE

	DEC. 2022 AVERAGE	NOV. 2022 AVERAGE	OCT. 2022 AVERAGE	SEP. 2022 AVERAGE	AUG. 2022 AVERAGE	JUL. 2022 AVERAGE	JUN. 2022 AVERAGE	MAY. 2022 AVERAGE	APR. 2022 AVERAGE	MAR. 2022 AVERAGE	FEB. 2022 AVERAGE	JAN. 2022 AVERAGE
PMS												
FOB Rotterdam	743.55	885.94	977.10	844.14	955.93	1,156.94	1,379.51	1,249.64	1,053.95	1,084.55	907.51	816.13
FOB MED	739.45	921.09	889.68	820.60	919.41	1,124.98	1,360.78	1,227.46	1,047.29	1,065.54	900.16	802.00
CIF NWE	814.35	937.74	1,021.45	917.73	1,031.66	1,212.44	1,473.09	1,328.50	1,078.78	1,114.26	925.08	826.73
GASOIL												
CIF NWE	833.86	935.84	1,059.76	995.92	1,064.01	1,092.98	1,324.20	1,109.49	1,088.20	1,091.32	822.71	746.79
ATK												
CIF NWE	954.96	1,064.65	1,082.92	1,054.96	1,126.09	1,161.10	1,398.05	1,265.46	1,211.62	1,153.00	872.03	808.83

WEST AFRICAN PUMP PRICES

GlobalPetrolPrices.com



PMS			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460 NGN)	Naira/Litre (Blended rate of 1USD = 709.50 NGN)
Nigeria	0.45	205.16	316.24 (610.56 [^])
Cameroon	1.04	477.94	736.70
Benin	1.07	493.58	760.81
Sierra Leone	1.02	468.28	721.81
Togo	1.16	531.76	819.66
Burkina Faso	1.24	569.94	878.51
Ivory Coast	1.28	588.80	907.58
Ghana	1.08	496.80	765.77
Guinea	1.37	629.28	969.98
Mali	1.46	669.30	1031.67
Senegal	1.64	752.10	1159.30
Liberia	1.19	547.86	844.48

AGO			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460 NGN)	Naira/Litre (Blended rate of 1USD = 709.50 NGN)
Nigeria	1.14 [*]	524.86	808.87
Cameroon	0.95	436.54	672.89
Benin	1.16	531.76	819.66
Sierra Leone	1.02	468.28	721.81
Togo	1.40	645.84	995.51
Burkina Faso	1.12	512.90	790.59
Ivory Coast	1.08	497.72	767.19
Ghana	1.29	592.94	913.97
Guinea	1.37	629.28	969.98
Mali	1.45	667.92	1029.54
Senegal	1.25	573.62	884.19
Liberia	1.24	570.86	879.93

Note:

**The blended rate is the rate at which most private sector operators import products. This blended rate of 709.50 NGN per USD was calculated by MOMAN using the rate of 15% of the CBN rate (460 NGN per USD) + 85% of the parallel market rate (753 NGN per USD) advised by The NMDPRA.*

PMS Pump Prices

- All USD per litre prices are sourced from Globalpetrolprices.com.
- Naira per litre price using CBN rate of 460 NGN per USD was calculated by MOMAN.
- Naira per litre price using the blended rate of 709.50 NGN per USD was calculated by MOMAN.
- *[^]Pump price, taking into consideration the PLATTS and FOREX adjustment: 610.56 NGN per litre. (There was an 8% increase in the International Platts prices within the week as well as a slight devaluation of the Naira in the parallel market)*

AGO Pump Prices

- All USD per litre prices sourced from Globalpetrolprices.com **EXCEPT for Nigeria.**
- Nigeria's USD per litre price was calculated by dividing the pump price of 808.87 NGN by the blended rate of 709.50 NGN per USD. This calculation was done by MOMAN.
- Naira per litre price using CBN rate of 460 NGN per USD was calculated by MOMAN.
- Naira per litre using the blended rate of 709.50 NGN per USD was calculated by MOMAN.



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