



Major Oil Marketers
Association of Nigeria

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INDUSTRY DATA SHEET

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Conoil



NNPC



CHALLENGES FACED BY THE PRIVATE SECTOR IN IMPORTING PMS INTO NIGERIA

By Olise' Wakwe

The private sector plays a crucial role in the development and growth of a country's economy. However, the private sector in

Nigeria's petroleum downstream industry is often faced with several challenges that hinder its ability to import supplies effectively. One of the major challenges faced by the private sector is the risk associated with the cost of the product being imported, as compared to the fixed pump price.

Another challenge faced by the private sector is access to foreign exchange (FOREX) at competitive rates. With the current limited supply of FOREX in the sub-sector and the large volumes of forex required to meet the country's needs, the private sector faces difficulties in obtaining the required funds for importing supplies.

To address these challenges, industry experts recommend that the government reform the process for accessing FOREX to allow for efficient allocation and transparency. This will help the government achieve its objective of supporting the private sector in importing supplies.



The Bretton Woods Institutions have always advised a single uniform exchange rate, which is generally accepted as best practice but has consistently been resisted by this government. Until the government moves to this single exchange rate and for as long as it interferes with the price of PMS, a solution for managing FOREX in a way that will allow for transparent access is to sell the 445,000 barrels of crude oil that are earmarked for domestic refining or any unused volumes. The proceeds from the sale of these barrels would be ringfenced in the Central Bank of Nigeria (CBN) for product importation. Industry experts recommend the set up of an import committee, led by The Authority, which should be responsible for allocating these funds for importation. The importation committee, which should be led by The Authority, should have representation from relevant government agencies and the private sector to ensure transparency.

The continued allocation of domestic crude supply volumes to NNPC, whose refineries are inactive now, undermines the clear intentions of the Petroleum Industry Act (PIA). Therefore, bringing the private sector into importation pending the building of the country's refining capacity will help reduce supply costs and close supply gaps that arise from NNPC's insufficient logistics capacity. This will create a regime of transparency and inclusiveness, while ensuring a level playing field and competition among all market participants, resulting in increased efficiency in the market.

In conclusion, the private sector faces several challenges in importing supplies, including product cost risk and limited access to FOREX. To address these challenges, the government must reform the process for accessing FOREX and allocate the proceeds from the sale of crude oil to the private sector for product importation. This will result in increased transparency, competition, and efficiency in the market.

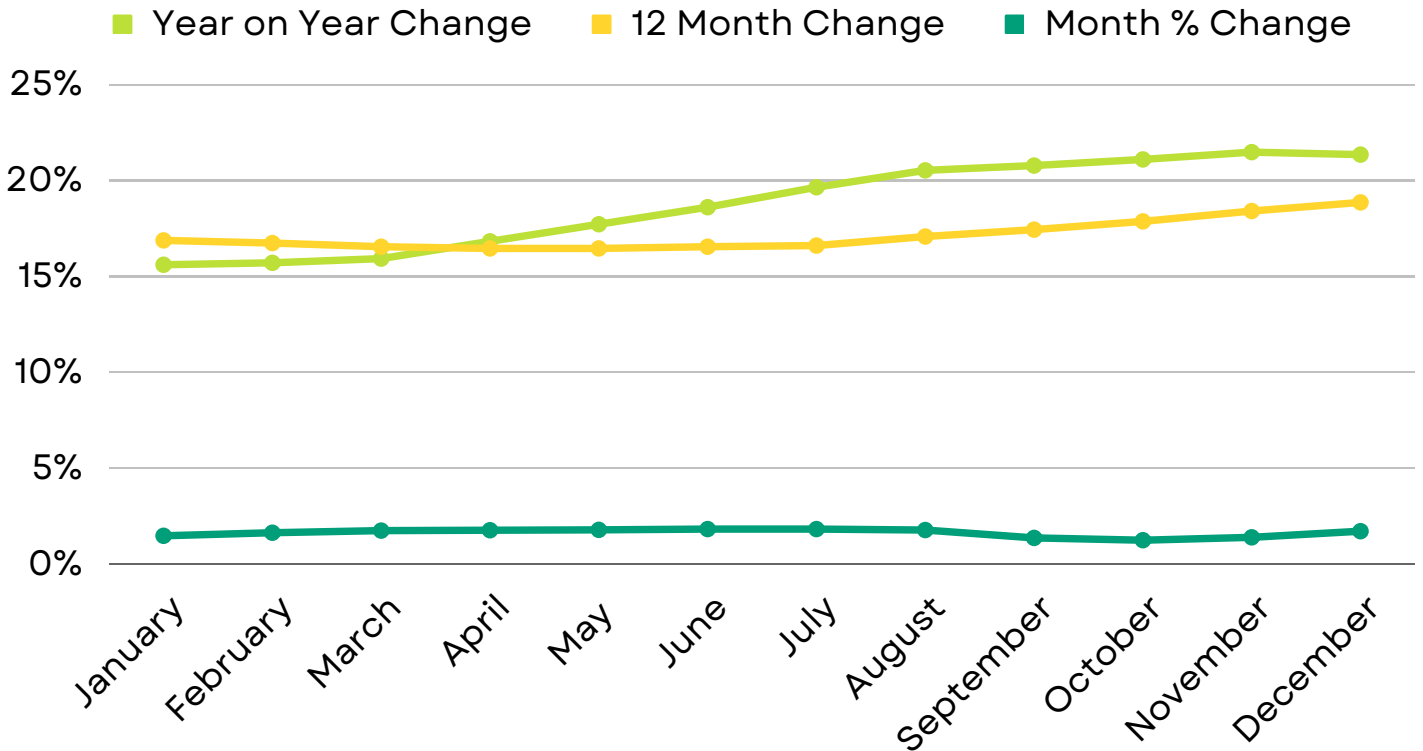
To address these challenges, industry experts recommend that the government reform the process for accessing FOREX to allow for efficient allocation and transparency. This will help the government achieve its objective of supporting the private sector in importing supplies.

MARKETS WATCH



INFLATION

JANUARY - DECEMBER 2022



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	Feb. 3	Feb. 10	Weekly Change	WTD	MTD	QTD	YTD
NSE 30	1946.01	1952.62	6.61	0.34	2.10%	5.98%	5.98%
Consumer Goods	619.06	615.14	-3.92	-0.63	-1.13%	4.45%	4.45%
Oil & Gas	532.16	535.51	3.35	0.63	9.85%	15.79%	15.79%
Banking	457.14	453.02	-4.12	-0.90	0.93%	8.51%	8.51%
Industrial	2455.08	2471.00	15.95	0.65	0.66%	2.82%	2.82%
Insurance	181.10	175.08	-6.02	-3.32	-4.70%	0.41%	0.41%



MARKETS WATCH



FOREX RATES - INTERBANK I & E MARKET

NGN	Feb. 6	Feb. 7	Feb. 8	Feb. 9	Feb. 10
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	461.00	460.50

CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	Bid	Offer	Market Closing FX Rate (\$/NGN)
Feb. 6	460.00	462.00	460.00
Feb. 7	460.00	462.00	460.00
Feb. 8	460.00	462.00	460.00
Feb. 9	460.00	462.00	460.00
Feb. 10	460.00	462.00	460.00



CENTRAL BANK OF NIGERIA

FOREX RATES - PARALLEL MARKET

NGN	Feb. 6	Feb. 7	Feb. 8	Feb. 9	Feb. 10
USD					
GBP					
EURO					

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INDUSTRY WATCH

AVERAGE EX-DEPOT PRICES (NAIRA/LITRE)

30 JANUARY - 3 FEBRUARY 2023

6-FEB-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	N/A	N/A	N/A	N/A	N/A	N/A
AGO	762.50	N/A	N/A	726.60	726.80	731.80
DPK	720.00	N/A	N/A	750.00	740.00	730.00

7-FEB-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	190.00	N/A	320.00	260.00	267.50	266.25
AGO	760.00	N/A	760.00	721.40	721.00	724.80
DPK	720.00	N/A	N/A	740.00	735.00	750.00

8-FEB-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	190.00	194.00	320.00	274.40	277.50	277.50
AGO	757.50	N/A	760.00	722.70	722.00	724.80
DPK	720.00	N/A	N/A	740.00	735.00	750.00

10-FEB-23

Product	Warri/Oghara Hub	Calabar Hub	PHC Hub	Satellite Hub	Ibafon/Tincan Hub	Apapa Hub
PMS	190.00	N/A	320.00	220.00	227.50	227.50
AGO	740.00	N/A	757.50	721.40	718.80	721.40
DPK	720.00	N/A	N/A	728.33	730.00	720.00

INDUSTRY WATCH



AVERAGE WEEKLY PRICES

 Available on the [Argus Publications App](#)

Combined Description	Gasoline Eurobob Delivered West Africa \$/t	Jet/Kerosine Delivered West Africa \$/t	Gasoil Diesel 1000ppm Delivered West Africa \$/t
Week 01 2023	792.58	985.69	895.38
Week 02 2023	817.31	1,016.40	928.35
Week 03 2023	874.63	1,088.50	974.55
Week 04 2023	908.37	1,117.70	984.15
Week 05 2023	857.95	997.70	874.65
Week 06 2023	851.03	933.70	841.65

Argus is an independent media organisation with 1,200 staff. It is headquartered in London and has 28 offices in the world's principal commodity trading and production centres. Argus produces price assessments and analysis of international energy and other commodity markets and offers bespoke consulting services and industry-leading conferences. Companies in 140 countries around the world use Argus data to index physical trade and as benchmarks in financial derivative markets as well as for analysis and planning purposes. Argus was founded in 1970 and is a privately held UK-registered company. It is owned by employee shareholders, global growth equity firm General Atlantic and Hg, the specialist software and technology services investor.



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WEST AFRICAN PUMP PRICES

GlobalPetrolPrices.com



PMS			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460.00 NGN)	Naira/Litre (Blended rate of 1USD = 711.60 NGN)
Nigeria	0.45	206.08	318.80 (642.60 [^])
Cameroon	1.19	548.32	848.23
Benin	1.07	489.90	757.85
Sierra Leone	1.10	504.16	779.91
Togo	1.15	527.62	816.21
Burkina Faso	1.23	565.34	874.56
Ivory Coast	1.34	614.10	949.99
Ghana	1.32	606.74	938.60
Guinea	1.36	626.98	969.91
Mali	1.42	652.74	1,009.76
Senegal	1.62	746.12	1,154.22
Liberia	1.09	499.10	772.09

AGO			
Country	USD/Litre	Naira/Litre (CBN rate of 1USD = 460.00 NGN)	Naira/Litre (Blended rate of 1USD = 711.60 NGN)
Nigeria	1.15 [*]	528.54	817.86
Cameroon	1.18	540.50	836.13
Benin	1.15	527.62	816.21
Sierra Leone	1.10	504.16	779.91
Togo	1.27	583.74	903.02
Burkina Faso	1.11	508.76	787.03
Ivory Coast	1.07	493.58	763.55
Ghana	1.39	637.10	985.57
Guinea	1.36	626.98	969.91
Mali	1.42	650.90	1,006.91
Senegal	1.24	569.02	880.25
Liberia	1.18	544.18	841.82

Note:

- *The blended rate is the rate at which most private sector operators import products. This blended rate of 711.60 NGN per USD was calculated by MOMAN using the rate of 15% of the CBN rate (460.00 NGN per USD) + 85% of the parallel market rate (756 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 460.00 NGN per USD was calculated by MOMAN.
- Naira per litre price using the blended rate of 711.60 NGN per USD was calculated by MOMAN.
- ^Pump price, taking into consideration the PLATTS and FOREX adjustment: 642.60 NGN per litre.**

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 817.86 NGN by the blended rate of 711.60 NGN per USD. This calculation was done by MOMAN.
- Naira per litre price using CBN rate of 460.00 NGN per USD was calculated by MOMAN.
- Naira per litre using the blended rate of 711.60 NGN per USD was calculated by MOMAN.