

Platts

S&P Global

Commodity Insights

Specifications Guide

North Sea Sulfur De-escalator

Latest update: May 2023

Platts assesses Forties de-escalator at 25 cents/b from June. 1, 2023

On May 25, 2023, Platts announced that the sulfur de-escalator to be effective June 1, 2023, in Forties cargoes and related instruments in the Platts MOC assessment process would be 25 cents/b per 0.1% weight of sulfur over the 0.6% wt standard.

This is unchanged from May. The June sulfur de-escalator should apply to cargoes loading from June 1, 2023.

Platts considers a number of indicators in the determination of the Forties de-escalator level including the behavior of sweet and light crudes versus sourer and heavier streams in the North

Sea and other competing regions, as well as the performance of refined products and refinery feedstocks, and the outright price of crude oil.

Dated Brent fell \$6.67/b from April 24 to be assessed by Platts, part of S&P Global Commodity Insights, at \$77.59/b May 24. Sweet/sour crude spreads grew marginally on the month while product spreads held steady.

For example, the premium of USLD over gasoil fell \$4.50/mt while the Hi-5 fuel oil spread rose \$4.25/mt between April 24 and May 24. North Sea Ekofisk's premium over Forties grew 28.5 cents/b through the month.

The Brent-Dubai EFS - a key global sweet/sour crude spread moved marginally higher month on month. The EFS at 1630 London was assessed at \$1.98/b May 24, up from \$1.77/b April 24.

Diesel and gasoline cracks meanwhile moved slightly higher through the month in anticipation of a possible bump in seasonal demand going into summer. The 10ppm USLD FOB ARA Barge crack rose nearly \$19/mt month-on-month to \$113/mt May 24.

Subsequently, the de-escalator was assessed unchanged for June reflecting the diverging fundamentals of a fall in Dated Brent outright levels, slightly wider sweet/sour spreads, and a lift in refined product margins.

