S&P Global
Commodity Insights

Fuels and Refining Market Insights
Use Cases

Start

Trader

C-Suite

Case Study

An LPG/NGL trader working for a commodity trading house notices that US Gulf Coast (USCG) propane has slipped in price compared to Northwest-Europe (NWE) propane. She believes the trans-Atlantic price gap is wide enough to pay freight and still leave margin. She has one trading day to test the numbers and lock the spread.

Needs

- Confirm live propane prices and freight-adjusted netbacks
- Check the usual spread between the two grades
- Price forecasts to stress-test P/L models
- Data that can be easily fed into internal trading models
- To understand near-term supply shifts

Solution:

How Fuels and Refining Market Insights CSM+ helps:

- **Real-time Market Information** – Breaking refinery news, outages, supply-demand trends, tenders and more.
- **Global Supply, Trade and Pricing Forecasts** – For more than 150 country profiles.
- **NGL Market Analysis & Forecasts** – Regional coverage (North America, Asia, Middle East) with PADD breakdowns; fundamental data and 5- & 10-year supply-demand forecasts for purity products (ethane, propane, normal & iso-butane, natural gasoline).
- **Freight Rates** – For key refined products and routes.

Workflow:

- After confirming the price discrepancy and the spread is worth pursuing using the spot prices and historical price data respectively (part of Fuels and Refined Market Data), the trader wants to understand the reason for the price discrepancy and how long it may last.
- Reads the NGL market commentary and short-term outlooks, to learn two European steam-crackers are down for turnaround, hence demand is tightening.
- She stress-tests the potential trade by plugging in price forecast data to simulate worst-case/narrowing spreads to see if the margin will still be profitable.

Trader

C-Suite

Case Study

The executive leadership team of one of the world's largest producers of Ethylene, Propylene and Polyolefins is getting ready for the company's shareholder meeting. On the agenda is:

- Earnings guidance
- Cap-ex decisions
- M&A possibilities

Needs

To understand where feedstock costs and margins are today

To understand reason for price movements

To understand what happens in 2030-2050 under different energy transition speeds

To evaluate company targets from both an economical and operational perspective

Solution:

How Fuels and Refining Market Insights CSM+ helps:

- **Comprehensive Refined Product Insights** – Monthly, yearly and 25-year reports covering demand/supply, utilization, new projects and capacity changes.
- **Dedicated NGL Market Analysis and Forecasts** – Regional coverage (North America, Asia, Middle East) with PADD breakdowns; fundamental data and 5- & 10-year supply-demand forecasts for purity products.
- **25-year Outlooks** – Refining capacity, investment, product demand, production and trade.
- **Asset and Company Tools** – Comprehensive data with visualization and analytical tools to provide an intuitive way to benchmark the competitive landscape of the global refining industry.

Workflow:

- Plug in price forecasts into models to update profits and earnings guidance.
- Read market commentary, reports and STOs to understand the reasoning behind the trend and how long it may last.
- To evaluate significant upcoming projects, they utilize the Annual Strategic Workbook to explore plausible long-term scenarios and pricing. They test the projects against the fundamentals of each scenario before deciding to spend billions.
- Use tools such as RSM and RCMA to evaluate assets of target companies and run various scenarios aligned with desired company operations.