Specifications Guide
North Sea Sulfur De-escalator

Latest update: August 2020
Platts assesses Forties de-escalator at 20 cents/b from Sep 1, 2020

On Aug. 25, 2020, S&P Global Platts announced that the sulfur de-escalator to be effective Sept. 1, 2020 in Forties cargoes and related instruments in the Platts MOC Process would be 20 cents/b per 0.1% weight of sulfur over the 0.6% wt standard.

This is unchanged from August.

While gasoline showed a strong recovery through the month and sweet/sour crude spreads relaxed, Dated Brent was largely rangebound. The Dated Brent flat price rose just 67 cents/b from July 23, to $44.805/b on Aug. 24, suggesting a steadying in global supply and demand balances. The Ekofisk/Forties spread narrowed marginally through the month to 30 cents/b on Aug. 24, down just 8 cents/b.

Platts considers a number of indicators in the determination of the Forties de-escalator level including the behaviour 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.

The September sulfur de-escalator should apply to cargoes loading from Sept. 1, 2020.

While the gasoline Eurobob FOB AR Barge crack rose $2.10/b to $5.17/b on Aug. 24, the 10ppm FOB ARA diesel barge crack slumped to $4.32/b on Aug. 24, down $2.11/b.

The premium of naphtha over high sulfur fuel oil was largely unchanged at $140/mt Aug. 24, down $2.25/mt, with the diesel/gasoil spread $5/mt narrower at $5.25/mt.

The Brent-Dubai EFS -- a key global sweet/sour crude spread -- stayed in positive territory but fell 41 cents/b from July 23 to 9 cents/b on Aug. 24.

Subsequently, the de-escalator was assessed unchanged at 20 cents/b, reflecting the narrow band that the Dated Brent flat price has remained in over recent months and the absence of a substantial shift in the products markets.