

Specifications Guide

North Sea Sulfur De-escalator

Latest update: October 2020

Platts assesses Forties de-escalator at 20 cents/b from Nov. 1, 2020

On Oct. 23, 2020, S&P Global Platts announced that the sulfur de-escalator to be effective Nov. 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 October.

The November sulfur de-escalator should apply to cargoes loading from Nov. 1, 2020.

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.

While European sweet/sour crude spreads narrowed through October, the Brent/Dubai EFS returned to positive territory and Dated Brent flatprice held steady.

The spread between Forties and Urals FOB Primorsk fell to a discount of 30 cents/b on Oct. 22, down from a premium of 56 cents/b on Sept. 24.

Meanwhile, the Dated Brent flatprice was rangebound, assessed at \$41.515/b on Oct. 22, up just 65 cents/b from Sept. 24. The premium of Ekofisk over Forties however rose 41 cents/b from Sept. 24, to 58 cents/b on Oct. 22, as floating storage of Forties continues to build amid a loss of buying interest.

The Brent-Dubai EFS -- a key global sweet/sour crude spread -- gained 64 cents/b pushing it back into positive territory at 39 cents/b.

The products market showed a mixed picture amid demand uncertainty as Europe heads into increasing coronavirus-related restrictions. The HSF0 barge crack gained \$3.95/b to minus \$1.44/b as the gasoline barge crack fell by \$1.67/b to \$3.56/b.

Similarly, the ULSD/gasoil spread widened to \$7.50/mt, up from \$4.75/mt while the premium of 0.5% fuel oil over 3.5% fuel oil fell \$7.75/mt to \$54.50/mt

Subsequently, the de-escalator was assessed unchanged at 20 cents/b, as flat prices remain in a tight band along with the lack of substantial or sustained changes in crude or products spreads.

