Specifications Guide
North Sea Sulfur De-escalator

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

On Sept. 25, 2020, S&P Global Platts announced that the sulfur de-escalator to be effective Oct. 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 September.

The October sulfur de-escalator should apply to cargoes loading from Oct. 1, 2020.

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.

While gasoline saw marginal support recovery through the month, sweet/sour crude spreads were relatively rangebound, while Dated Brent saw a decline in value.

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The Ekofisk/Forties spread narrowed, back to recent lows of 17 cents/b on Sept. 24. The gasoline Eurobob FOB AR Barge crack rose marginally to $5.23/b on Sept. 24, from $5.17/b on the same date the previous month.

The 10ppm FOB ARA diesel barge crack saw pressure, falling from $4.32/b to $1.36/b, on Sept. 24, down $2.96/b.

The premium of naphtha over high sulfur fuel oil was largely unchanged at $145/mt, down just $5/mt, Sept. 24, with the diesel/gasoil spread 50 cents narrower at $4.75/mt.

The premium of Forties over Urals FOB Primorsk was lower, falling from $1.56/b to 56 cents/b, down $1/b Sept. 24, while the Azeri Light/Urals spread also fell, falling to 37 cents/b, from $1.12/b.

The Brent-Dubai EFS -- a key global sweet/sour crude spread -- fell back into negative territory, assessed at minus 25 cents/b Sept. 24.

Subsequently, the de-escalator was assessed unchanged at 20 cents/b, reflecting limited changes in fundamentals, despite crude prices seeing pressure as a whole, spreads and differentials remained fairly steady through the month.

No active upward or downward trend can be detected in the vast majority of the markets we analyse for the de-escalator.