

PLATTS US EXPORT ULSD ASSESSMENT

Why is Platts publishing a new Export ULSD assessment?

The massive growth in US crude oil production in recent years has had a transformative impact on refined product markets, where the US has moved rapidly from being a major net importer to become the world’s biggest net product exporter in 2014.

Diesel is at the heart of this trend. Exports of the products have been climbing every year from a level of nearly 314,000 b/d in 2010 to a record 888,000 b/d in 2014. Strong demand for the transport fuel from Europe and Latin America is fueling the growth in US ULSD exports. Export data from 2014 shows roughly 70% of US ULSD Exports went to Latin America while 30% went to Europe.

Year	US ULSD Exports in thousand b/d
2010	314
2011	565
2012	716
2013	874
2014	888

Source: US EIA

Platts has moved to capture that volume and put a price on the ULSD exports coming out of the US Gulf Coast to provide transparency to the booming market.

What new Export ULSD assessment is Platts publishing?

Platts is publishing a daily value for ultra low sulfur diesel export cargoes loading at US Gulf Coast terminals on an FOB basis.

What specifications and physical logistics does the new Export ULSD assessment represent?

The Platts USGC Export ULSD assessment will reflect EN590 quality diesel with a typical standard clip size of 300,000 barrels and a typical operational tolerance of plus/minus 10% loading on an FOB basis. The assessment will reflect cargoes loading 7 to 21 days forward from the date of publication, subject to industry standard terminal and vessel nomination procedures. Export ULSD should be free of any biofuels. Loading locations include terminals along the US Gulf Coast from Corpus Christi, Texas, to Pascagoula, Mississippi, normalized to a Houston basis.

The Platts USGC Export ULSD assessment will not include the value of Renewable Volume Obligations (RVOs), which reflect the cost of supplying RINs with fuel when mandated by the US Environmental Protection Agency as part of the Renewable Fuel Standard (RFS). RVOs are the amount of renewable fuels to be blended into transportation fuels for US domestic consumption.

How is the new Export ULSD assessment being derived?

Bids, offers and trades in the Platts Market on Close assessment process will be used along with other market information heard throughout the day.

The new assessment will be published as an outright value in both cents/gallon and \$/mt. The value of any cargoes trading as a differential to prompt pipeline ULSD will be assessed by calculating a forward value for pipeline diesel to align with the 7-21 day Export ULSD assessment window. Platts deducts the Renewable Volume Obligation price from its final Export ULSD cargo assessment.

Where is Platts publishing the new Export ULSD assessment?

Platts Export ULSD assessment is published through Platts Global Alert, a real-time price and news service as well as in Platts US Marketscan, Platts Oilgram Price Report and Platts North American Crude and Products Scan, which are daily market reports that provide detailed information on global crude oil prices, market commentary and analysis, futures settlement prices and much more.

Assessment	Market Data Code	MAvg
ULSD Cargo in cents/gal	AAXRV00	AAXRV03
ULSD Cargo in \$/mt	AAXRW00	AAXRW03

Where can I find more information on the Platts Export ULSD assessment?

For more information, please visit:

www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/Americas-refined-oil-products-methodology.pdf

Or contact Platts editorial staff at the following email address:

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