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# S&P Global Platts West African crude oil MOC FAQ

## **What is the Platts Market on Close assessment process?**

The Platts Market on Close (MOC) is the process S&P Global Platts market reporting staff use to assess the value of crude oil, petroleum products and related derivatives. The MOC approach to methodology operates on the principle that price is a function of time. The MOC is a structured, highly transparent process in which bids, offers and transactions are submitted by participants to Platts' editors, and published in real-time throughout the day until the market close. Following the close, Platts editors examine the data gathered through the day, conduct their analysis and develop price assessments that reflect an end-of-day value.

## **What time is the Platts WAF Crude Oil MOC?**

Platts accepts bids and offers for publication in the Market on Close assessment process in WAF crude oil throughout the day, from 09:45 London time. From 15:45:00 London time onwards, no new WAF crude bids or offers can be published in the Platts MOC, although market makers can change the price level for their bid or offer. From 16:25:00 London time onwards, no further price changes can be published, in order to allow the market sufficient time to fully understand the bids and offers in the MOC, and decide whether to trade them. Platts assesses value at 16:30 London time and gives priority to bids and offers that are still live at that time. Bids, offers and trade from earlier in the day will also be taken into account, but may be normalized for time.

## **What price increments are reflected in the Platts WAF crude oil MOC in Europe?**

Bids and offers should be made at levels appropriate to prevailing market values. Before 16:25:00 London time each day, market makers can improve their bid or offer by a maximum of \$0.05/bbl or less, with changes being made no more frequently than once every 60 seconds. This is to allow other market participants to have sufficient time to view and evaluate these price indications. There is no limit to the amount or the frequency by which bids can be reduced or offers increased in price, although Platts reserves the right to not publish or cease publishing bids or offers which are unlikely to demonstrate market value. Provided that interest has not been already marked by a counterpart, companies may withdraw their indications freely at any

time. Once interest has been marked by a counterpart, the company bidding or offering has 60 seconds to notify Platts of their intention to repeat their indication.

## **What crude oil grades are included in the Platts MOC?**

The most liquidly-traded crude oil grades in the Platts MOC are currently the four WAF Index components: Qua Iboe, Bonny Light, Forcados and Bonga. However, Platts currently assesses 10 grades of Nigerian crude oil, eight grades of Angolan crude oil, and one grade each from Ghana, Chad, and the Republic of the Congo, all of which can be bid and offered in the Platts MOC.

## **What date range is included in the Platts MOC?**

Platts understands that the Nigerian crude oil loading programs are released on a regular monthly schedule. Platts will publish bids for any Nigerian cargoes whose laycans fall fully or partly within the date range of 25-55 days ahead of publication, provided that the loading schedule for the dates being bid has been received by Platts prior to the cut-off for new bids and offers. Platts will publish offers for any Nigerian cargoes whose laycans fall fully within the date range of 25-55 days ahead of publication. Platts will publish bids for cargoes which have already been sold once or more, understanding that these cargoes may be made available again by the current owner at a particular price level. However, Platts reserves the right to normalize bids and offers where appropriate.

## **Which cargoes can be bid or offered in the Platts MOC?**

Platts publishes bids for West African crude oil cargoes which contain a minimum of a five day date range. In line with Platts guidance on slippage days, at least one day within this range should match the current loading dates of a physical cargo of the corresponding crude oil grade, as contained in Platts latest cargo tracking. Should a seller opt to make use of the slippage day methodology, they must cover any additional costs incurred by the buyer resulting from the earlier or later loading. Platts also publishes offers for West African crude oil cargoes which contain a minimum of a two day date range. Offers containing longer date ranges should be narrowed by the buyer at the time of trade, while bids containing longer date ranges should be narrowed by the seller at the time of trade.

### Who can bid and offer in the Platts MOC?

Platts will publish bids and offers in the WAF crude MOC from any company that is active in the market and approved by Platts for participation in the MOC process. In order to maintain the robustness of the assessment process, Platts reviews new participants in the process prior to publishing information from them.

Companies may communicate interest to trade a published bid or offer to Platts. Platts expects both counterparties to confirm the deal bilaterally, and report this deal confirmation.

### What criteria does Platts use to review market makers for entry to the MOC?

Platts acceptance review process is based on four criteria that applicant entities are asked to demonstrate. The criteria refer to the applicant's ability to trade with typical counterparties in the WAF crude MOC; ability to demonstrate performance of trade; information about the business profile and financial standing of the market participant; and finally that the market participant is familiar with Platts' methodology and the market-on-close

assessment process. For more detailed information on MOC Participation Acceptance and Review Principles and Procedures please download the following document at: <https://www.spglobal.com/platts/en/userform/moc>.

### How does Platts use WAF crude MOC information for?

Platts will consider all information published via the MOC process as relevant to its WAF crude oil price assessments, and will compare published bids, offers and trades with activity outside the MOC.

### How does Platts register companies for participation in the WAF crude MOC?

Companies wishing to participate in the WAF crude MOC should email [europa\\_crude@spglobal.com](mailto:europa_crude@spglobal.com), copying in [PriceGroup@spglobal.com](mailto:PriceGroup@spglobal.com). Any requests to participate in the WAF crude MOC should include the entity name and full contact details.

Further details of Platts methodology for the global crude oil markets can be found here: [https://www.spglobal.com/platts/plattscontent/\\_assets/\\_files/en/our-methodology/methodology-specifications/crude-oil-methodology.pdf](https://www.spglobal.com/platts/plattscontent/_assets/_files/en/our-methodology/methodology-specifications/crude-oil-methodology.pdf).

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For all other queries or requests pursuant to this notice, please contact S&P Global Inc. via email at [support@platts.com](mailto:support@platts.com).

For more information, please visit us online or speak to one of our sales specialists:

NORTH AMERICA

+1-800-PLATTS8 (toll-free)

+1-212-904-3070 (direct)

EMEA

+44-(0)20-7176-6111

LATIN AMERICA

+55-11-3818-4100

ASIA-PACIFIC

+65-6530-6430

RUSSIA

+7-495-783-4141