

OPIS Mexico Fuels Report

Daily Prices, News & Analysis for Mexico Fuels Markets



17 September 2020

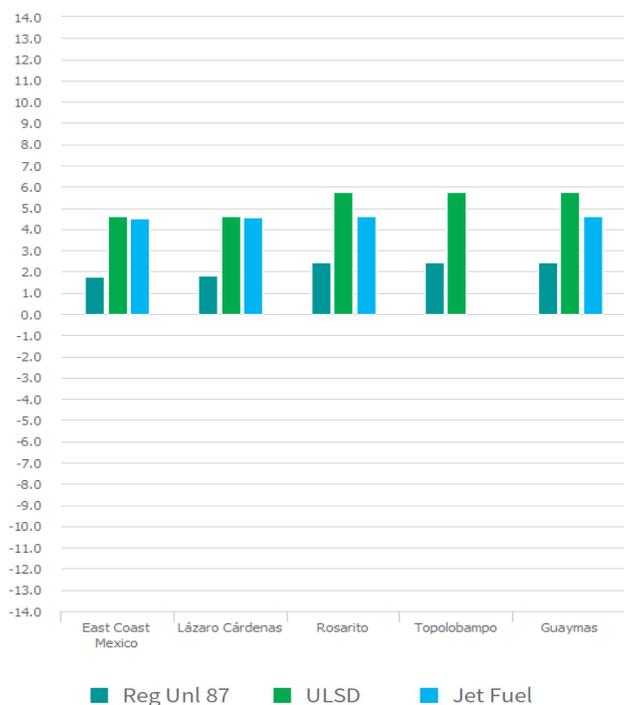
SUBSCRIBER NOTICE: As part of our ongoing commitment to ensure our spot market assessments remain relevant, accurate and comprehensive, OPIS is declaring a two-week open-comment period on all its spot-pricing methodologies. From Thursday, September 17, 2020, to the close of business Wednesday, September 30, please direct comments about our spot methodologies to <mailto:Energy-SpotComplianceGroup@opisnet.com>. To review OPIS' existing methodology for its various products and reports, please visit our website. OPIS' editorial and management team will examine each comment and evaluate whether the feedback ought to result in an alteration, enhancement or clarification of our methodology. Although comments are welcome any time of the year, we will repeat our open-comment period every three months.

Daily Insights

NYMEX Overview: Futures Post 3-Day Rise on OPEC+ Comment, Dollar Drop

Petroleum futures erased initial weakness to end solidly higher Thursday, rallying for a third straight day. *Pg. 2.*

Landed Spot Daily Price Changes US ¢/GAL



Daily Benchmarks Snapshots

WATERBORNE LANDED SPOT PRICES

PRODUCT	SOURCE	US¢/GAL		MXN\$/L	
		MEAN	+/-	MEAN	+/-
EAST COAST MEXICO					
Reg Unl 87	USGC	118.371	1.78	6.588	0.10
Prem Unl 91	USGC	123.058	1.80	6.849	0.10
ULSD	USGC	107.667	4.59	5.993	0.26
Jet Fuel	USGC	107.264	4.53	5.970	0.25
LÁZARO CÁRDENAS					
Reg Unl 87	USGC	123.601	1.80	6.880	0.10
Prem Unl 91	USGC	128.287	1.82	7.140	0.10
ULSD	USGC	113.569	4.61	6.321	0.26
Jet Fuel	USGC	112.792	4.55	6.278	0.25
ROSARITO					
Reg Unl 87	LA	131.821	2.46	7.337	0.14
Prem Unl 91	LA	141.599	2.46	7.881	0.14
ULSD	LA	116.631	5.76	6.492	0.32
Jet Fuel	LA	106.763	4.60	5.942	0.26
TOPOLOBAMPO					
Reg Unl 87	LA	132.384	2.46	7.368	0.14
Prem Unl 91	LA	142.161	2.46	7.913	0.14
ULSD	LA	117.266	5.76	6.527	0.32
GUAYMAS					
Reg Unl 87	LA	132.384	2.46	7.368	0.14
Prem Unl 91	LA	142.161	2.46	7.913	0.14
ULSD	LA	117.266	5.76	6.527	0.32
Jet Fuel	LA	107.358	4.60	5.975	0.26

Daily Wholesale Snapshot

PEMEX TERMINAL POSTED PRICES

TERMINAL	REG UNL	MXN\$/L		
		+/-	ULSD	+/-
Monterrey (Cadereyta)	16.499	0.239	16.510	0.018
Guadalajara (Zapopan)	16.948	0.245	16.847	0.018
Mexico City (Añil)	16.473	0.245	16.414	0.018
San Luis Potosí	16.269	0.152	16.386	0.018
Querétaro	16.648	0.152	16.774	0.018
Veracruz	15.549	0.152	15.666	0.018
Tula	16.452	0.152	16.569	0.018

Exchange Rate

USD \$ → MXN \$

21.0692

NYMEX Overview: Futures Post 3-Day Rise on OPEC+ Comment, Dollar Drop

Petroleum futures erased initial weakness to end solidly higher Thursday, rallying for a third straight day, after OPEC and its allies said that the group would press producer members that have failed to comply with their production-reduction quota to cut more supply in Q4 2020.

U.S. oil benchmark October West Texas Intermediate crude oil futures settled up 81cts/bbl, at \$40.97/bbl on CME Globex, while the European benchmark November Brent crude rose \$1.08/bbl, at \$43.30/bbl on ICE Futures Europe.

WTI has now gained more than \$3/bbl, or 10%, in just three days, up from Monday's settlement at \$37.26/bbl.

October NYMEX RBOB futures closed up 3.55cts/gal, at \$1.2244/gal on CME Globex, and October ultra-low-sulfur diesel outperformed gasoline, and it settled 4.35cts/gal higher, at \$1.1598/gal.

Crude and product futures accelerated gains, after a panel of major OPEC producers and its allies, a group known as OPEC+, did not recommend changing its current output reduction target of 7.7 million b/d, according to newswire reports.

The current OPEC+ production cut target represents about 8% of global demand.

In addition, OPEC+ said it would crack down on laggards such as Iraq, Nigeria and the United Arab Emirates, demanding they cut more barrels in Q4 2020 to compensate for overproduction from May through July, according to a Reuters report that cited OPEC+ sources.

The OPEC+ news was more than enough to offset a lackluster U.S. equity market, which saw follow-through selling a day after U.S. Federal Reserve Chairman Jerome Powell said the economic outlook was "highly uncertain." Powell vowed to keep interest rates at near zero through 2023 - a highly unusual move by the U.S. central bank.

In addition, the U.S. dollar index against a basket of major currencies fell 0.3%, which made dollar-denominated crude oil futures cheaper for investors holding non-U.S. currencies.

In cash markets, basis differentials for physical Chicago CBOB and New York Harbor RBOB gasoline strengthened in late Thursday trade, while premiums for U.S. West Coast mogas are on track to finish the day weaker.

--Reporting by Frank Tang, ftang@opisnet.com, Editing by Steve Cronin, scronin@opisnet.com

Goldman Affirms Forecasts of Higher 2021 Oil Price, Crude Deficit in Q4 2020

Despite a recent crude oil sell-off that erased all the commodity's summer gains, energy analysts at Goldman Sachs on Thursday stood by their previous bullish price oil forecast for 2021.

Goldman said that daily U.S. rail and trucking volumes suggest that the economy could start to restock, which would help distillate consumption ahead of winter demand.

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In addition, European policymakers so far are not reconsidering aggressive lockdowns related to coronavirus disease 2019 (COVID-19), while confirmed cases of the virus in the U.S. could rise at a slower rate without sharply decreasing oil demand there.

As a result, the bank said it still expects a global oil deficit of 2,900 b/d in September, citing improving compliance from the laggards of the OPEC output-reduction agreement and disrupted production in the U.S. Gulf of Mexico in an active hurricane season.

The U.S. bank said that the oil's sell-off was "unsurprising" due to a sharp slowdown in Chinese imports and higher OPEC and North American production. The catalyst for the oil market swoon was a technology equity sell-off and reduced retail investors' length in U.S. oil exchange-traded products.

Goldman affirmed its in late August call that the resilience in prices was driven by long-dated oil prices, reflecting an increasingly tight market in 2021 due to low upstream spending and progress in vaccines to prevent COVID-19 infections.

The U.S. bank also attributed a return to favorable floating-storage economics to "transient inventory allocation dynamics" rather than a rise in inventories, as more crude barrels need to find a home in waterborne storage due to reduced Chinese crude buying.

In addition, the supply overhang was exacerbated by the need to extend existing floating storage financing deals that were set to expire this fall, Goldman said.

"While such (floating storage) dynamics will continue to play out in coming weeks, leading to higher price volatility than in recent months, we continue to expect global inventories to draw in September and forecast a 4Q20 deficit of 3,000 b/d, near our previous expectation," Goldman said.

The bank said that low U.S. production activities and recent Chinese guidance on commodity stockpiling next year further supports its forecast for a tightening market in 2021, with its Brent oil price forecast of \$49/bbl at year-end 2020, rising to \$65/bbl by Q3 2021.

--Reporting by Frank Tang, ftang@opisnet.com, Editing by Steve Cronin, scronin@opisnet.com

Citi Analysts Say Concerns Over Rising RIN Prices are 'Overblown'

Prices for conventional ethanol D6 Renewable Identification Number (RIN) credits have more than tripled since the start of the year, but Citi Research analysts on Thursday said they expect D6 values will remain "well below" 2013 peak that saw prices for the credit soar above \$1.

In a note to clients, Citi said EPA's "election year" policy shift earlier this week rejecting a number of retroactive small refinery exemptions (SREs) "is further supporting the biofuel credit market and the perception of tightening RIN stocks."

And although Citi said it expects to see a broader commodities "reflation" in the third quarter, it believes concerns about "RINflation" are overblown."

The analysts said total RIN generation has continued to recover from its April collapse reaching 1.62 billion gal in July. EPA on Thursday said RIN creation in August retreated to just under 1.58 billion credits.

The bank said the recovery in fuel demand could by the end of Q3 leave RIN generation only 5% to 7% below the same time in 2019, adding that based on recent production, consumption, and physical trade trends, total 2020 RIN generation could come in between 17.75 billion and 18.5 billion gal, down 6% to 10% year to year.

And because annual blending targets for the RFS-obligated parties are set as a percentage of the conventional fuel production, lower output and imports will reduce mandated volumes and "should offset the drop in RIN generation, as long as overall blending rates remain relatively constant."

But Citi cautioned that recent actions by EPA and "jawboning from the White House" to promote ethanol to shore up the president's support in the Midwest could still have an impact on RIN markets.

"RIN price volatility could continue to rise over the next few months and we could see occasional market spikes and selloffs. But ultimately for RIN credits, it is about the direction of the RIN bank and the 2021 RFS2 rule."

Citi said it expects EPA will publish its final 2021 Renewable Volume Obligation (RVO) after the November election and "overall RFS2 growth to be contained."

"To the extent that ethanol RIN stocks became tight, renewable/biodiesel growth and the nesting structure of RFS would allow for the use of surplus D4 and D7 RIN credits," the analysts added.

--Reporting by Jeff Barber, jbarber@opisnet.com; editing by Jordan Godwin, jgodwin@opisnet.com

Second Surge of Floating Storage Unlikely, Shipping Group Says

While there has been increasing talk recently of another surge in the use of floating storage for crude oil, a prominent maritime research

consultancy says that's unlikely to happen this fall and warns that the use of tankers to store fuel poses a "ticking time bomb" for the tanker industry.

In an opinion piece released Thursday, Rajesh Verma, lead analyst, tanker shipping for Drewry, said the surge in using tankers for floating storage earlier this year has "artificially squeezed" the amount of tanker tonnage currently available, thereby supporting freight rates.

"However, floating storage is a ticking time bomb for the crude tanker market since sooner or later, these vessels will return to trade crude, and the resultant influx of tonnage in the market will eventually hurt freight rates," Verma wrote. "The timing of the return of these vessels to crude oil trade will thus decide the fate of the crude tanker market."

There are limited chances that oil prices will surge over the next couple of years, as the energy demand impact of the coronavirus disease 2019 (COVID-19) is likely to linger and keep a ceiling on prices, Verma said. That means there's little reason for traders to continue paying to keep oil stored in vessels offshore, according to the analyst.

"In such a scenario, the upcoming winter season will provide the best exit opportunity for traders to offload oil stored on vessels, as demand will climb higher during this period," Verma said. As this oil is sold and tankers return to the market, it will serve to keep a lid on any significant recovery in tanker rates this winter, said Verma.

The collapse of oil prices in March and April led to a sharp increase in the use of tankers as floating storage and huge jumps in tanker rates. With oil prices so low due to a price war between Russia and Saudi Arabia that came at about the same time as demand plummeted due to COVID-19, traders and refiners but they could pay the high charter rates and still make a profit once prices recovered.

As oil prices rose through the summer, many tankers used as floating storage unloaded cargoes and returned to the market, pushing tanker rates lower. For example, Verma said, the average one-year time charter rate for very large crude carriers (VLCCs) declined from \$60,000/per day in April to \$35,000/per day in August.

But, even then, tanker rates remained artificially high, as about 7% of the global crude tanker fleet was still locked into floating storage agreements. Most of these vessels were storing oil offshore in China, which had gone on an oil-buying spree during the price crash. Earlier this week, IHS Markit, the parent company of OPIS, noted "the still rather high number of laden VLCCs waiting in the queue to discharge millions of barrels" in Chinese ports.

Oil markets are again in contango, with prices for the May 2021 West Texas Intermediate crude oil contract about \$3/bbl higher Thursday afternoon than the October 2020 contract. That, along with a deep decline in freight rates, has led to talk of a second wave of floating storage. Recent reports indicate that Trafigura, Shell, BP, Mercuria and Unipet have all recently taken VLCCs for short-term time charter, Verma noted.

Continue reading on Pg. 9.

Waterborne Landed Spot Gasoline Prices

PRODUCT	SOURCE	ZONE	RVP	RVP DIFF		OCTANE DIFF		US\$/GAL				MXNS/L			
				cts/gal	p/l	cts/gal	p/l	LOW	HIGH	MEAN	+/-	LOW	HIGH	MEAN	+/-
EAST COAST MEXICO															
Reg Unl 87	USGC	North	10.0	1.67	0.09	-	-	118.30	118.45	118.371	1.78	6.58	6.59	6.588	0.10
Prem Unl 91	USGC	North	10.0	1.67	0.09	4.69	0.26	122.98	123.13	123.058	1.80	6.85	6.85	6.849	0.10
Reg Unl 87	USGC	Southeast	10.0	1.67	0.09	-	-	118.30	118.45	118.371	1.78	6.58	6.59	6.588	0.10
Prem Unl 91	USGC	Southeast	10.0	1.67	0.09	4.69	0.26	122.98	123.13	123.058	1.80	6.85	6.85	6.849	0.10
Reg Unl 87	USGC	Center	10.0	1.67	0.09	-	-	118.30	118.45	118.371	1.78	6.58	6.59	6.588	0.10
Prem Unl 91	USGC	Center	10.0	1.67	0.09	4.69	0.26	122.98	123.13	123.058	1.80	6.85	6.85	6.849	0.10
Reg Unl 87	USGC	Pacific	10.0	1.67	0.09	-	-	118.30	118.45	118.371	1.78	6.58	6.59	6.588	0.10
Prem Unl 91	USGC	Pacific	10.0	1.67	0.09	4.69	0.26	122.98	123.13	123.058	1.80	6.85	6.85	6.849	0.10
Reg Unl 87	USGC	Mexico City	7.8	4.00	0.22	-	-	120.63	120.78	120.701	1.86	6.71	6.72	6.718	0.10
Prem Unl 91	USGC	Mexico City	7.8	4.00	0.22	4.69	0.26	125.31	125.46	125.388	1.88	6.97	6.98	6.979	0.10
Reg Unl 87	USGC	Guadalajara	7.8	4.00	0.22	-	-	120.63	120.78	120.701	1.86	6.71	6.72	6.718	0.10
Prem Unl 91	USGC	Guadalajara	7.8	4.00	0.22	4.69	0.26	125.31	125.46	125.388	1.88	6.97	6.98	6.979	0.10
LÁZARO CÁRDENAS															
Reg Unl 87	USGC	Center	10.0	1.67	0.09	-	-	123.53	123.68	123.601	1.80	6.88	6.88	6.880	0.10
Prem Unl 91	USGC	Center	10.0	1.67	0.09	4.69	0.26	128.21	128.36	128.287	1.82	7.14	7.14	7.140	0.10
Reg Unl 87	LA	Center	10.0	-1.44	-0.08	7.33	0.41	132.45	133.45	132.946	2.46	7.37	7.43	7.400	0.14
Prem Unl 91	LA	Center	10.0	-1.44	-0.08	17.11	0.95	142.22	143.22	142.724	2.46	7.92	7.97	7.944	0.14
Reg Unl 87	PNW	Center	10.0	2.48	0.14	8.88	0.49	138.91	139.91	139.405	2.59	7.73	7.79	7.759	0.14
Prem Unl 91	PNW	Center	10.0	2.48	0.14	20.71	1.15	150.74	151.74	151.238	2.59	8.39	8.45	8.418	0.14
Reg Unl 87	USGC	Pacific	10.0	1.67	0.09	-	-	123.53	123.68	123.601	1.80	6.88	6.88	6.880	0.10
Prem Unl 91	USGC	Pacific	10.0	1.67	0.09	4.69	0.26	128.21	128.36	128.287	1.82	7.14	7.14	7.140	0.10
Reg Unl 87	LA	Pacific	10.0	-1.44	-0.08	7.33	0.41	132.45	133.45	132.946	2.46	7.37	7.43	7.400	0.14
Prem Unl 91	LA	Pacific	10.0	-1.44	-0.08	17.11	0.95	142.22	143.22	142.724	2.46	7.92	7.97	7.944	0.14
Reg Unl 87	PNW	Pacific	10.0	2.48	0.14	8.88	0.49	138.91	139.91	139.405	2.59	7.73	7.79	7.759	0.14
Prem Unl 91	PNW	Pacific	10.0	2.48	0.14	20.71	1.15	150.74	151.74	151.238	2.59	8.39	8.45	8.418	0.14
Reg Unl 87	USGC	Guadalajara	7.8	4.00	0.22	-	-	125.86	126.01	125.930	1.88	7.01	7.01	7.009	0.10
Prem Unl 91	USGC	Guadalajara	7.8	4.00	0.22	4.69	0.26	130.54	130.69	130.617	1.90	7.27	7.27	7.270	0.11
Reg Unl 87	LA	Guadalajara	7.8	1.67	0.09	7.33	0.41	135.55	136.55	136.053	2.57	7.54	7.60	7.573	0.14
Prem Unl 91	LA	Guadalajara	7.8	1.67	0.09	17.11	0.95	145.33	146.33	145.831	2.57	8.09	8.14	8.117	0.14
Reg Unl 87	PNW	Guadalajara	7.8	5.95	0.33	8.88	0.49	142.38	143.38	142.876	2.71	7.92	7.98	7.952	0.15
Prem Unl 91	PNW	Guadalajara	7.8	5.95	0.33	20.71	1.15	154.21	155.21	154.709	2.71	8.58	8.64	8.611	0.15
ROSARITO															
Reg Unl 87	USGC	Pacific	10.0	1.67	0.09	-	-	124.65	124.80	124.725	1.80	6.94	6.95	6.942	0.10
Prem Unl 91	USGC	Pacific	10.0	1.67	0.09	4.69	0.26	129.34	129.49	129.412	1.82	7.20	7.21	7.203	0.10
Reg Unl 87	LA	Pacific	10.0	-1.44	-0.08	7.33	0.41	131.32	132.32	131.821	2.46	7.31	7.36	7.337	0.14
Prem Unl 91	LA	Pacific	10.0	-1.44	-0.08	17.11	0.95	141.10	142.10	141.599	2.46	7.85	7.91	7.881	0.14
Reg Unl 87	PNW	Pacific	10.0	2.48	0.14	8.88	0.49	137.78	138.78	138.281	2.59	7.67	7.72	7.697	0.14
Prem Unl 91	PNW	Pacific	10.0	2.48	0.14	20.71	1.15	149.61	150.61	150.114	2.59	8.33	8.38	8.355	0.14
GUAYMAS															
Reg Unl 87	USGC	Pacific	10.0	1.67	0.09	-	-	124.09	124.24	124.163	1.80	6.91	6.91	6.911	0.10
Prem Unl 91	USGC	Pacific	10.0	1.67	0.09	4.69	0.26	128.77	128.92	128.850	1.82	7.17	7.18	7.172	0.10
Reg Unl 87	LA	Pacific	10.0	-1.44	-0.08	7.33	0.41	131.88	132.88	132.384	2.46	7.34	7.40	7.368	0.14
Prem Unl 91	LA	Pacific	10.0	-1.44	-0.08	17.11	0.95	141.66	142.66	142.161	2.46	7.88	7.94	7.913	0.14
Reg Unl 87	PNW	Pacific	10.0	2.48	0.14	8.88	0.49	138.34	139.34	138.843	2.59	7.70	7.76	7.728	0.14
Prem Unl 91	PNW	Pacific	10.0	2.48	0.14	20.71	1.15	150.18	151.18	150.676	2.59	8.36	8.41	8.387	0.14
TOPOLOBAMPO															
Reg Unl 87	USGC	Pacific	10.0	1.67	0.09	-	-	124.09	124.24	124.163	1.80	6.91	6.91	6.911	0.10
Prem Unl 91	USGC	Pacific	10.0	1.67	0.09	4.69	0.26	128.77	128.92	128.850	1.82	7.17	7.18	7.172	0.10
Reg Unl 87	LA	Pacific	10.0	-1.44	-0.08	7.33	0.41	131.88	132.88	132.384	2.46	7.34	7.40	7.368	0.14
Prem Unl 91	LA	Pacific	10.0	-1.44	-0.08	17.11	0.95	141.66	142.66	142.161	2.46	7.88	7.94	7.913	0.14
Reg Unl 87	PNW	Pacific	10.0	2.48	0.14	8.88	0.49	138.34	139.34	138.843	2.59	7.70	7.76	7.728	0.14
Prem Unl 91	PNW	Pacific	10.0	2.48	0.14	20.71	1.15	150.18	151.18	150.676	2.59	8.36	8.41	8.387	0.14

Waterborne Landed Spot Distillates Prices

PRODUCT	SOURCE	US\$/gal				MXN\$/L			
		LOW	HIGH	MEAN	CHANGE	LOW	HIGH	MEAN	CHANGE
EAST COAST MEXICO									
ULSD	USGC	107.42	107.92	107.667	4.59	5.98	6.01	5.993	0.26
Jet Fuel	USGC	107.14	107.39	107.264	4.53	5.96	5.98	5.970	0.25
LÁZARO CÁRDENAS									
ULSD	USGC	113.32	113.82	113.569	4.61	6.31	6.34	6.321	0.26
ULSD	LA	117.40	118.40	117.900	5.76	6.53	6.59	6.562	0.32
ULSD	PNW	113.95	114.95	114.450	5.81	6.34	6.40	6.370	0.32
Jet Fuel	USGC	112.67	112.92	112.792	4.55	6.27	6.28	6.278	0.25
Jet Fuel	LA	107.70	108.20	107.952	4.60	5.99	6.02	6.009	0.26
Jet Fuel	PNW	114.45	114.95	114.702	4.60	6.37	6.40	6.384	0.26
ROSARITO									
ULSD	USGC	114.59	115.09	114.839	4.61	6.38	6.41	6.392	0.26
ULSD	LA	116.13	117.13	116.631	5.76	6.46	6.52	6.492	0.32
ULSD	PNW	112.68	113.68	113.181	5.81	6.27	6.33	6.300	0.32
Jet Fuel	USGC	113.86	114.11	113.981	4.55	6.34	6.35	6.344	0.25
Jet Fuel	LA	106.51	107.01	106.763	4.60	5.93	5.96	5.942	0.26
Jet Fuel	PNW	113.26	113.76	113.513	4.60	6.30	6.33	6.318	0.26
GUAYMAS									
ULSD	USGC	113.95	114.45	114.204	4.61	6.34	6.37	6.356	0.26
ULSD	LA	116.77	117.77	117.266	5.76	6.50	6.55	6.527	0.32
ULSD	PNW	113.32	114.32	113.816	5.81	6.31	6.36	6.335	0.32
Jet Fuel	USGC	113.26	113.51	113.387	4.55	6.30	6.32	6.311	0.25
Jet Fuel	LA	107.11	107.61	107.358	4.60	5.96	5.99	5.975	0.26
Jet Fuel	PNW	113.86	114.36	114.108	4.60	6.34	6.37	6.351	0.26
TOPOLOBAMPO									
ULSD	USGC	113.95	114.45	114.204	4.61	6.34	6.37	6.356	0.26
ULSD	LA	116.77	117.77	117.266	5.76	6.50	6.55	6.527	0.32
ULSD	PNW	113.32	114.32	113.816	5.81	6.31	6.36	6.335	0.32

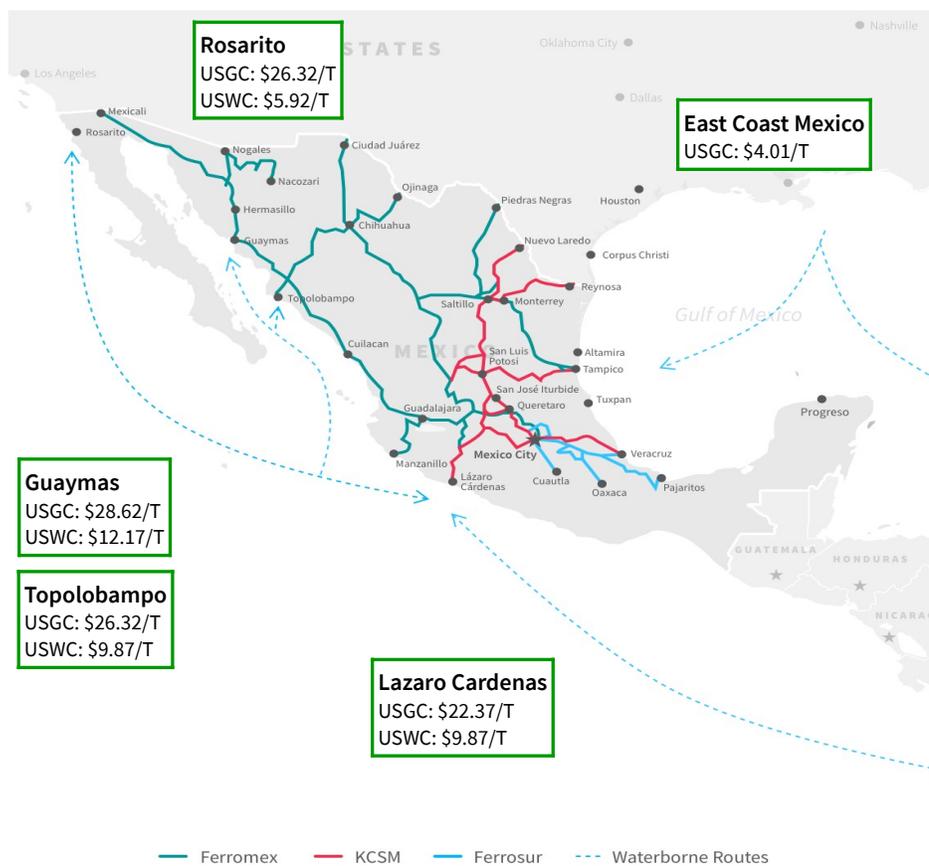
Rail Landed Spot Refined Products Prices (manifest)

PRODUCT	SOURCE	DELIVERY	RVP	RVP DIFF		OCTANE DIFF		US\$/gal				MXN\$/L			
				cts/gal	p/l	cts/gal	p/l	LOW	HIGH	MEAN	+/-	LOW	HIGH	MEAN	+/-
Reg Unl 87	Houston	Brownsville	10.0	1.67	0.09	-	-	131.54	131.69	131.620	1.81	7.32	7.33	7.326	0.10
Prem Unl 91	Houston	Brownsville	10.0	1.67	0.09	4.69	0.26	136.23	136.38	136.306	1.83	7.58	7.59	7.587	0.10
ULSD	Houston	Brownsville	-	-	-	-	-	121.20	121.70	121.446	4.63	6.75	6.77	6.760	0.26
Reg Unl 87	Houston	Monterrey	10.0	1.67	0.09	-	-	140.50	140.65	140.578	1.81	7.82	7.83	7.824	0.10
Prem Unl 91	Houston	Monterrey	10.0	1.67	0.09	4.69	0.26	145.19	145.34	145.265	1.83	8.08	8.09	8.085	0.10
ULSD	Houston	Monterrey	-	-	-	-	-	130.63	131.13	130.876	4.63	7.27	7.30	7.284	0.26
Reg Unl 87	Houston	San Luis Potosí	10.0	1.67	0.09	-	-	147.31	147.46	147.388	1.81	8.20	8.21	8.203	0.10
Prem Unl 91	Houston	San Luis Potosí	10.0	1.67	0.09	4.69	0.26	152.00	152.15	152.075	1.83	8.46	8.47	8.464	0.10
ULSD	Houston	San Luis Potosí	-	-	-	-	-	137.79	138.29	138.044	4.63	7.67	7.70	7.683	0.26
Reg Unl 87	Corpus C	San José Iturbide	10.0	1.67	0.09	-	-	142.26	142.41	142.332	1.81	7.92	7.93	7.922	0.10
Prem Unl 91	Corpus C	San José Iturbide	10.0	1.67	0.09	4.69	0.26	146.94	147.09	147.018	1.83	8.18	8.19	8.183	0.10
ULSD	Corpus C	San José Iturbide	-	-	-	-	-	132.47	132.97	132.721	4.63	7.37	7.40	7.387	0.26

Oxygenates Landed Spot Prices

PRODUCT	SOURCE	DESTINATION	US\$/gal				MXN\$/L			
			LOW	HIGH	MEAN	+/-	LOW	HIGH	MEAN	+/-
RAIL										
MTBE	Houston	Monterrey	152.23	154.23	153.226	0.00	8.47	8.58	8.528	0.00
MTBE	Houston	Guadalajara	175.06	177.06	176.060	0.00	9.74	9.85	9.799	0.00
WATERBORNE										
MTBE	USGC	East Coast Mexico	130.14	132.14	131.143	-0.02	7.24	7.35	7.299	-0.00

Mexico Freight Rates



Shipping Notes

- Freight rates on Thursday hardly moved with little changed in the marketplace. Storms hitting the US Gulf Coast continued to cause closures and keep export cargoes under a lid. The USG/EC Mexico slipped to an assessed value of \$152.5K (\$4.01/mt) basis 38,000-mt cargo size. USGC/Rosarito was flat at an assessed \$1M (\$26.32/mt). The USWC/Rosarito was unchanged at an assessed value at of \$225K (\$5.92/mt) basis 38,000-mt cargo.
- A weather disturbance was forming in the Southwest Gulf of Mexico Thursday afternoon that could form a tropical depression or tropical storm later in the day, said the US National Weather Service. The disturbance was expected to linger in the region Thursday and then move northward Friday and Saturday.
- Ports in Mexico were opened on Thursday with no impacts so far and discharges at ports continuing to flow. For instance, wait time at the Port of Tuxpan this week has been less than a day, compared with where it was in mid-August at about 4 days, according to IHS Markit's Market Intelligence Network.

--Eric Wieser, eric.wieser@ihsmarkit.com

Americas Clean Freight Rates (US\$)

ROUTE	SIZE '000T	LOW	HIGH	MEAN	+/-	US \$/T
USGC-East Coast Mexico	38	150,000	155,000	152,500	-2,500	4.01
USGC-Lázaro Cárdenas	38	840,000	860,000	850,000	0	22.37
USGC-Topolobampo	19	-	-	-	-	26.32
USGC-Guaymas	12	-	-	-	-	28.62
USGC-Rosarito	38	990,000	1,010,000	1,000,000	0	26.32
USWC-Lázaro Cárdenas	38	365,000	385,000	375,000	0	9.87
USWC-Topolobampo	19	-	-	-	-	9.87
USWC-Guaymas	12	-	-	-	-	12.17
USWC-Rosarito	38	215,000	235,000	225,000	0	5.92

Americas Rail Rates (September)

ROUTE	GASOLINE		ULSD		MTBE	
	cts/gal	+/-	cts/gal	+/-	cts/gal	+/-
Corpus Christi-San Jose Iturbide	23.57	-0.25	24.81	-0.26	-	-
Houston-Brownsville	12.86	-0.31	13.54	-0.33	-	-
Houston-Guadalajara	-	-	-	-	46.06	0.07
Houston-Monterrey	21.82	-0.29	22.97	-0.31	23.23	0.02
Houston-San Luis Potosi	28.63	-0.26	30.14	-0.27	-	-

OPIS Renewable Volume Obligation

PRODUCT	YEAR	US\$/GAL	+/-	MXN\$/L	+/-
RVO	2020	6.953	0.038	0.387	0.002

IEPS Fiscal Stimulus (week ending Sep 18)

	REGULAR	PREMIUM	DIESEL
Deductions	4.950	4.180	5.440

Pemex Wholesale Prices vs OPIS U.S. Gulf Coast Spot Price Spread (MXN \$/L)

TERMINAL	REGULAR		PREMIUM		ULSD		TERMINAL	REGULAR		PREMIUM		ULSD	
	PEMEX	SPRD	PEMEX	SPRD	PEMEX	SPRD		PEMEX	SPRD	PEMEX	SPRD	PEMEX	SPRD
Acapulco	16.49	9.74	16.60	9.45	16.52	10.29	Mexicali	16.63	9.88	16.61	9.47	17.04	10.80
Aguascalientes	16.70	9.95	16.80	9.66	16.81	10.58	Minatitlán	16.00	9.25	15.88	8.74	16.11	9.87
Añil	16.47	9.72	16.52	9.38	16.41	10.18	Monclova	16.38	9.63	16.28	9.14	16.72	10.48
Azcapotzalco	16.42	9.67	16.41	9.27	16.36	10.12	Morelia	16.73	9.98	16.61	9.47	16.84	10.61
Barranca Del Muerto	-	-	-	-	-	-	Navojoa	17.32	10.57	17.73	10.59	17.36	11.12
Cadereyta Jimenez	16.50	9.75	16.38	9.24	16.51	10.27	Nogales	17.94	11.19	18.05	10.90	17.78	11.54
Campeche	16.16	9.41	15.93	8.79	16.28	10.04	Nuevo Laredo	16.40	9.65	16.50	9.36	16.52	10.29
Celaya	16.71	9.97	16.60	9.46	16.83	10.59	Oaxaca	16.53	9.78	16.52	9.38	16.65	10.41
Chihuahua	16.59	9.84	16.52	9.38	16.87	10.63	Pachuca	16.40	9.65	16.50	9.36	16.52	10.28
Ciudad Juárez	16.16	9.41	16.26	9.12	15.99	9.75	Pajaritos	15.55	8.80	15.65	8.51	15.67	9.43
Ciudad Madero	15.55	8.80	15.65	8.51	15.67	9.43	Parral	17.01	10.26	17.11	9.97	17.26	11.02
Ciudad Mante	16.12	9.37	16.01	8.87	16.24	10.00	Perote	16.24	9.49	16.34	9.20	16.36	10.12
Ciudad Obregón	17.55	10.80	17.63	10.49	17.26	11.02	Poza Rica	16.16	9.41	16.27	9.12	16.28	10.04
Ciudad Valles	16.06	9.31	16.01	8.87	16.18	9.94	Progreso	15.78	9.03	15.89	8.74	15.90	9.66
Ciudad Victoria	16.23	9.48	15.91	8.77	16.34	10.11	Puebla	16.36	9.61	16.14	8.99	16.48	10.24
Colima	16.67	9.92	16.67	9.53	16.61	10.37	Querétaro	16.65	9.90	16.53	9.39	16.77	10.54
Cuatla	16.54	9.79	16.53	9.39	16.66	10.42	Reynosa	16.45	9.70	16.33	9.19	16.69	10.45
Cuernavaca	16.38	9.63	16.37	9.23	16.49	10.26	Rosarito	16.36	9.61	16.40	9.26	16.78	10.54
Culiacan	17.35	10.60	18.59	11.45	18.03	11.79	Sabinas	16.40	9.65	16.38	9.24	16.52	10.29
Durango	16.90	10.15	16.78	9.64	17.02	10.78	Salina Cruz	16.30	9.55	16.40	9.26	16.42	10.18
EL Castillo	16.94	10.20	16.88	9.73	16.85	10.61	Saltillo	16.38	9.63	16.34	9.20	16.66	10.42
Ensenada	16.57	9.82	16.43	9.29	16.98	10.74	San Luis Potosí	16.27	9.52	16.32	9.17	16.39	10.15
Escamela	16.18	9.43	16.17	9.03	16.30	10.06	Santa Catarina	16.57	9.82	16.44	9.30	16.62	10.39
Gomez Palacio	16.82	10.07	16.92	9.78	16.94	10.70	Tapachula	16.52	9.77	16.40	9.26	16.64	10.40
Guadalajara	16.95	10.20	16.84	9.70	16.85	10.61	Tepic	16.96	10.21	16.82	9.68	17.03	10.79
Guamúchil	17.23	10.48	18.48	11.33	17.91	11.67	Tierra Blanca	16.13	9.38	15.84	8.70	16.25	10.01
Guaymas	17.32	10.57	17.40	10.26	17.03	10.79	Toluca	16.57	9.83	16.57	9.43	16.69	10.45
Hermosillo	17.55	10.80	17.63	10.49	17.26	11.02	Topolobampo	17.00	10.25	18.24	11.10	17.67	11.44
Iguala	16.66	9.91	16.65	9.51	16.78	10.54	Tula	16.45	9.70	16.33	9.19	16.57	10.33
Irapuato	16.74	9.99	16.62	9.48	16.86	10.62	Tuxtla Gutiérrez	16.27	9.52	16.26	9.12	16.38	10.15
Jalapa	16.16	9.41	16.15	9.01	16.28	10.04	Uruapan	16.82	10.07	16.81	9.67	16.75	10.51
La Paz	16.63	9.88	16.61	9.47	16.82	10.58	Veracruz	15.55	8.80	15.65	8.51	15.67	9.43
Lázaro Cárdenas	16.12	9.37	16.23	9.08	16.06	9.82	Villahermosa	16.16	9.41	15.85	8.71	16.28	10.04
León	16.69	9.94	16.57	9.43	16.81	10.57	Zacatecas	16.69	9.94	16.79	9.65	16.81	10.57
Magdalena	17.94	11.19	17.86	10.72	17.78	11.54	Zamora	16.89	10.14	16.77	9.63	16.98	10.75
Manzanillo	16.12	9.37	16.23	9.08	16.06	9.82	Zapopan	16.95	10.20	16.84	9.70	16.85	10.61
Matamoros	16.82	10.07	16.92	9.78	16.94	10.70							
Matehuala	16.53	9.78	16.52	9.38	16.65	10.41							
Mazatlán	16.78	10.03	16.52	9.38	16.88	10.64							
Mérida	15.84	9.09	15.94	8.80	15.96	9.72							

OPIS Regional Refined Products Heat Maps

DIESEL FUEL: PEMEX/OPIS U.S. GULF COAST SPREAD (MXN \$/L)



REGULAR GASOLINE: PEMEX/OPIS U.S. GULF COAST SPREAD (MXN \$/L)



● 8.30 to 8.70 ● 8.71 to 9.11 ● 9.12 to 9.52 ● 9.53 to 9.93 ● 9.94 to 10.34

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The analyst, however, said current market conditions make that unlikely.

"Considering the weak prospects for oil demand, we do not expect any significant deepening in the contango and a rise in floating storage," he said.

Earlier this week, both the International Energy Agency and OPEC reduced their forecasts for global energy demand in 2020. The oil cartel noted that "risks remain elevated and skewed to the downside, particularly in relation to the development of COVID-19 infection cases and potential vaccines."

But talk of additional use of floating storage is already impacting tanker rates. IHS Markit noted that rates for VLCC carrying crude from the Middle East to China that had been \$6,100/day on Sept. 3 jumped to more than \$24,000/day on Sept. 11, according to an IHS Markit Commodities at Sea analysis.

IHS Markit is the parent company of OPIS.

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