

# Asia Distillates-Gasoil margins rise in January, breaking two months of declines



SINGAPORE, Jan 31 (Reuters) - Asian refining margins for 10ppm gasoil eased on Thursday, a day after hitting a one-week high, as crude prices firmed, but posted their first month of gains following two straight months of declines.

Refining margins or cracks for gasoil with 10ppm sulphur content were at \$13.89 a barrel over Dubai crude during Asian trade, down from \$14.22 a barrel on Wednesday.

Crude oil prices rose on Thursday, pushed up by lower imports into the United States amid OPEC efforts to tighten the market, and as Venezuela struggles to keep up its crude exports

after Washington imposed sanctions on the nation.

The benchmark gasoil margins have risen about 11 percent in January, the biggest monthly gain since August 2018.

Lacklustre demand amid availability of ample supplies, however, has kept the current refining margins for the industrial fuel about 15 percent lower than this time last year.

Cash discounts for 10ppm gasoil G010-SIN-DIF were at 42 cents a barrel to Singapore quotes on Thursday, compared with a discount of 34 cents per barrel a day earlier.

Meanwhile, cash discounts for jet fuel narrowed to their smallest in over two weeks, buoyed by expectations for a tighter market going forward as some refineries in the region are scheduled to go for spring maintenance.

Jet cash discounts JET-SIN-DIF were at \$1.42 a barrel to Singapore quotes on Thursday, compared with a discount of \$1.55 a barrel on Wednesday.

The February/March time spread for the aviation fuel narrowed for the fourth consecutive session to a discount of 40 cents a barrel on Thursday, their slimmest in three weeks. They were at a discount of 57 cents on Wednesday.

Refining margins for jet, which also determines the profitability of closely-related kerosene, edged higher to \$14.24 a barrel over Dubai crude, 18 cents higher from Wednesday.

#### SINGAPORE INVENTORIES

- Singapore onshore middle-distillate stocks fell 4.6 percent to 11.8 million barrels in the week to Jan. 30, according to data from Enterprise Singapore released on Thursday.

- The inventories have averaged 11.9 million barrels in the first five weeks of this year, having averaged 9.6 million barrels a week in 2018. In 2017, the weekly average was about 12 million barrels, Reuters calculations showed.

- Overall, onshore middle-distillate inventories were

about 27 percent higher year on year.

- Light distillates stocks dropped 169,000 barrels to a two-week low of 15.7 million barrels in week ended Wednesday, while fuel oil stocks rose 478,000 barrels to a six-week high of 20.3 million barrels.

#### EIA INVENTORIES

- U.S. crude oil stockpiles rose less than expected last week due to a drop in imports, while gasoline and distillate inventories fell as refiners slowed down production, the Energy Information Administration said on Wednesday.

- Crude inventories rose 919,000 barrels in the week to Jan. 25, compared with analysts' expectations for an increase of 3.2 million barrels.

- Distillate stockpiles, which include diesel and heating oil, fell 1.1 million barrels, versus expectations for a 1.4 million-barrel drop, the EIA data showed.

#### SINGAPORE CASH DEALS

- No gasoil deals, no jet fuel trades.