



# US CRUDE & PRODUCTS EXPORTS

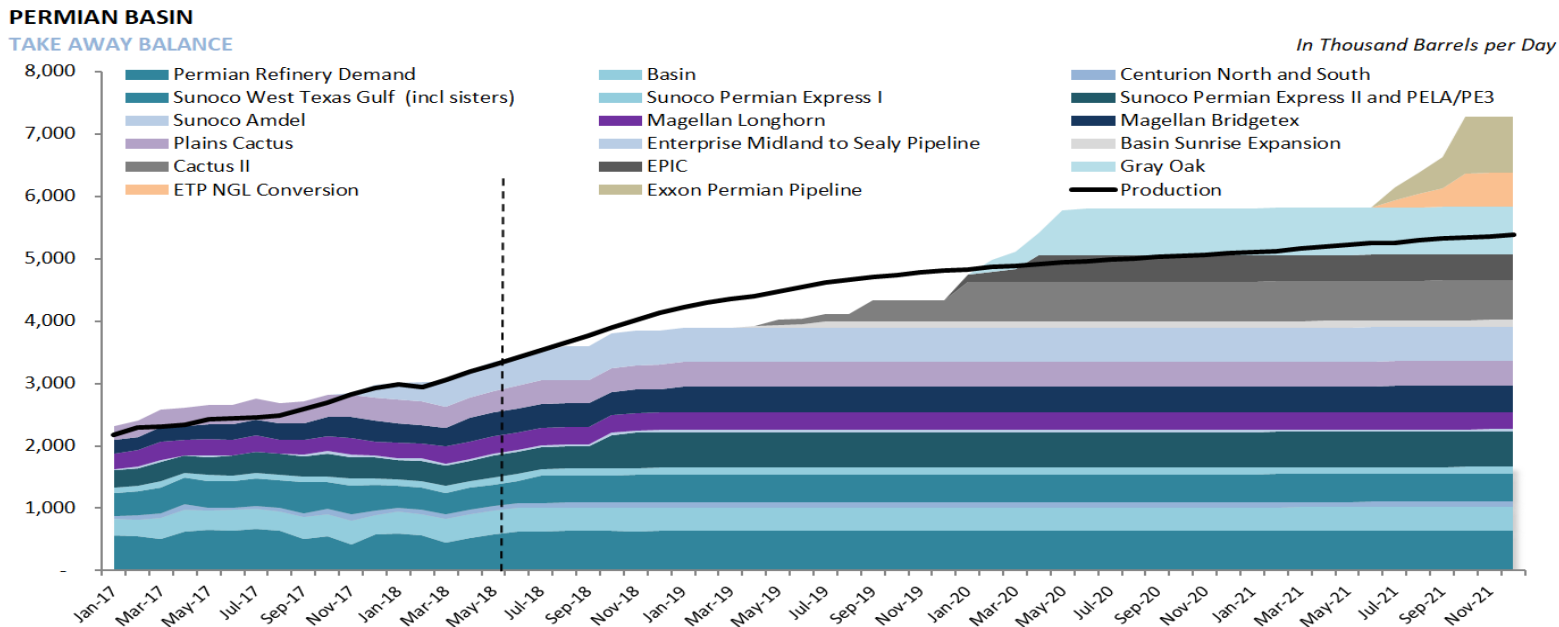
4 June 2018



ADVANCING  
TRADE

# PERMIAN BALANCES

- Frantic pace of Permian production growth has ballooned price differentials as producers scramble for rail / truck capacity to evacuate the basin



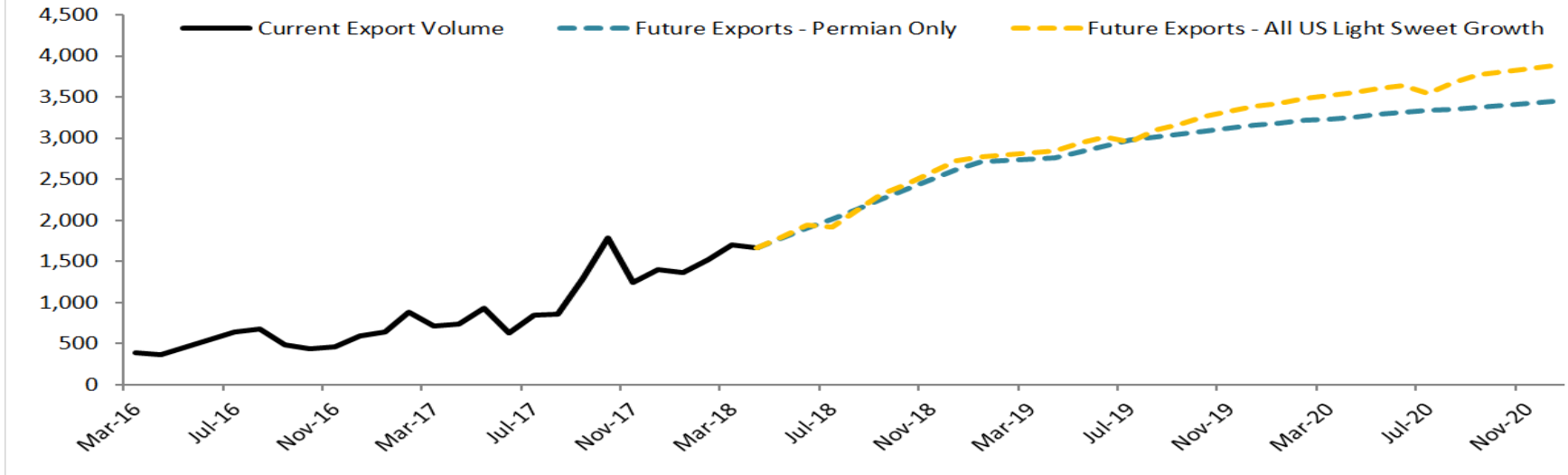
Source: Texas RRC, DrillingInfo, Company Reports, Trapifigura Research

# US EXPORTS AND EXPORT REQUIREMENT

## TOTAL US CRUDE EXPORT NEED

BASED ON DOMESTIC LIGHT PRODUCTION AND ABSORPTION

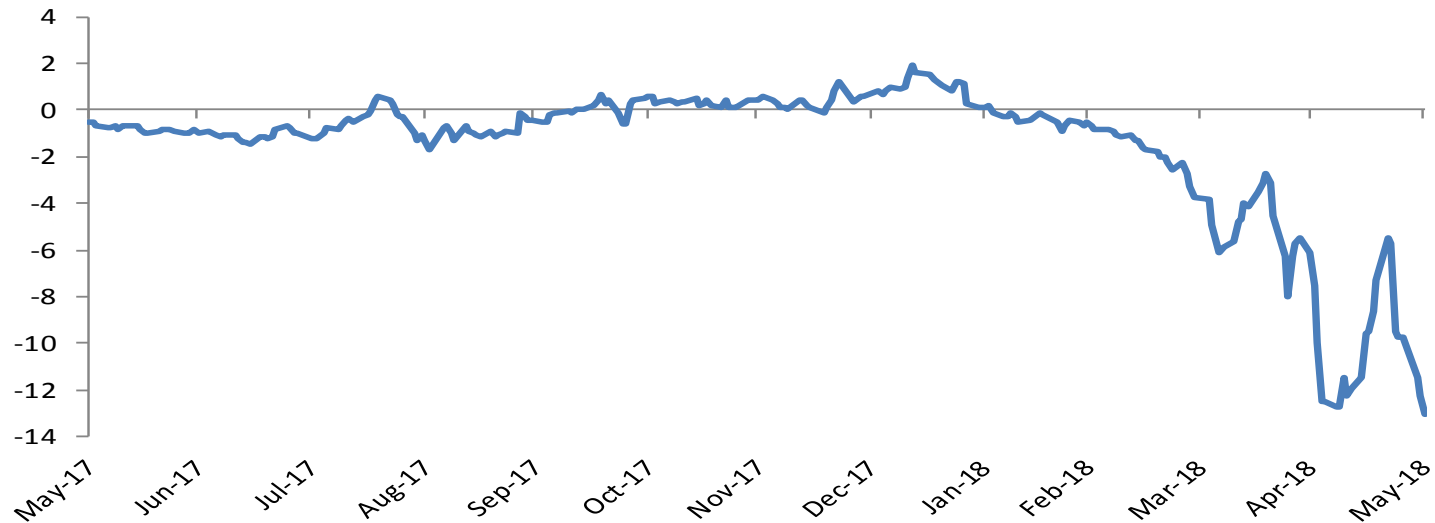
*In Thousand Barrels per Day*



# MIDLAND DIFFERENTIAL HEADING BACK OUT AFTER RECOVERING A BIT

CUSHING - MIDLAND  
PRICE DIFFERENTIAL

USD/BBL



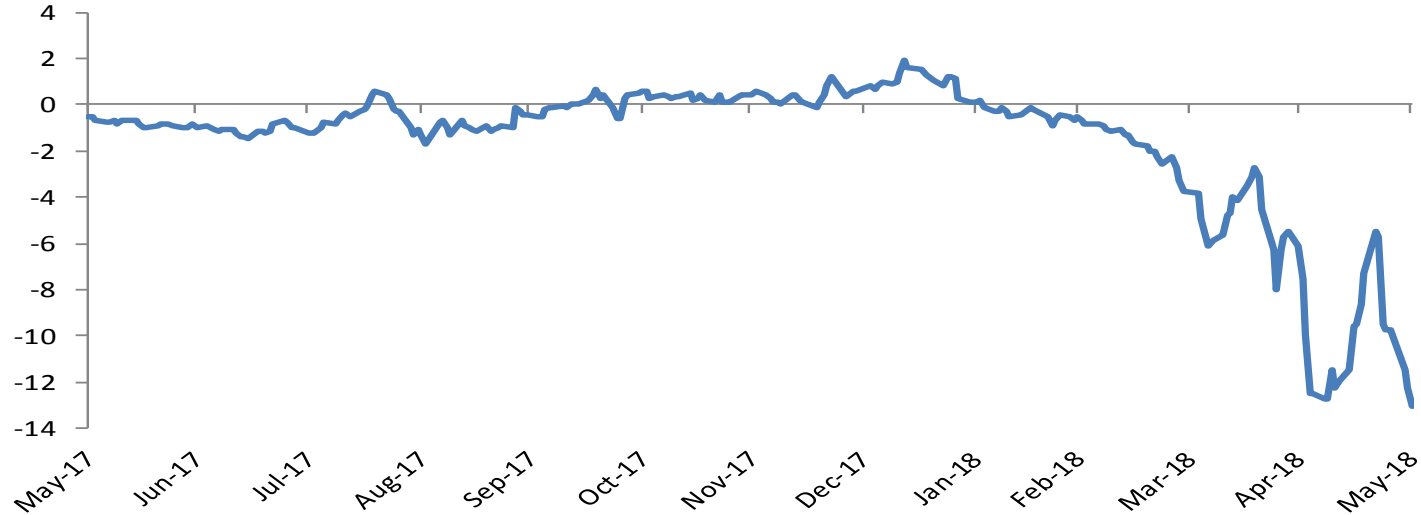
Source: Bloomberg, Trifigura Research

# ...WHILE WTI-BRENT CONTINUES TO WEAKEN

WTI - BRENT

PRICE DIFFERENTIAL

USD/BBL

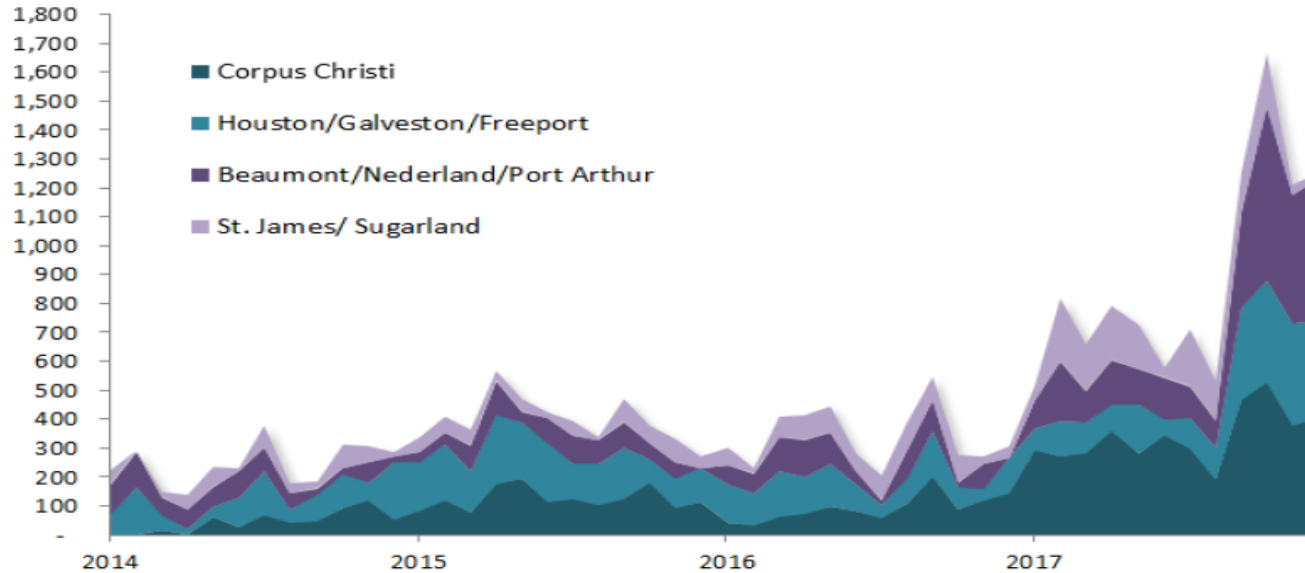


Source: Bloomberg, Trifigura Research

# US IS NOW EXPORTING NEARLY 2 MMBPD FROM VARIOUS PORTS

## THE UNITED STATES GULF COAST EXPORTS FROM KEY PORTS

*Stated in kbpd*



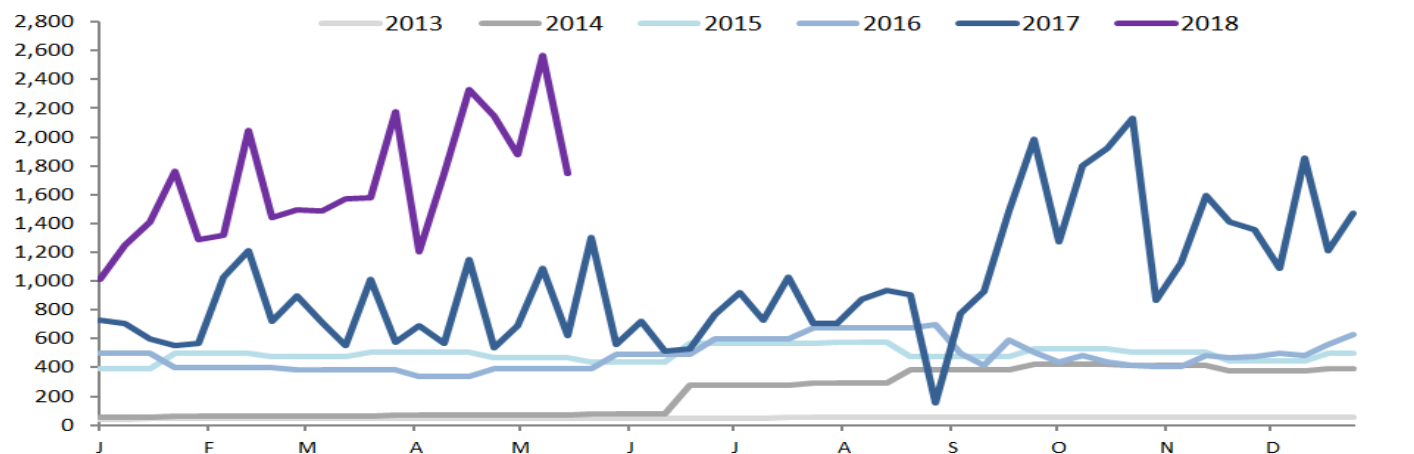
Source: Customs, Clipper, Lloyds, Trafigura Research

# US EXPORTS AND EXPORT REQUIREMENT

- Exports rising strongly since mid-2017, absorbing significant portion of the incremental light US crude production over that period
- We expect that 1.8- 2.0 million bpd is the new US baseline for exports which will be tested to the upside as US production continues to boom

## CRUDE OIL EXPORTS

### TOTAL UNITED STATES



Parameter	Region	Units	Current	Prior	Change
Crude Oil Exports	Total United States	kbpd	1,748	2,566	(818)

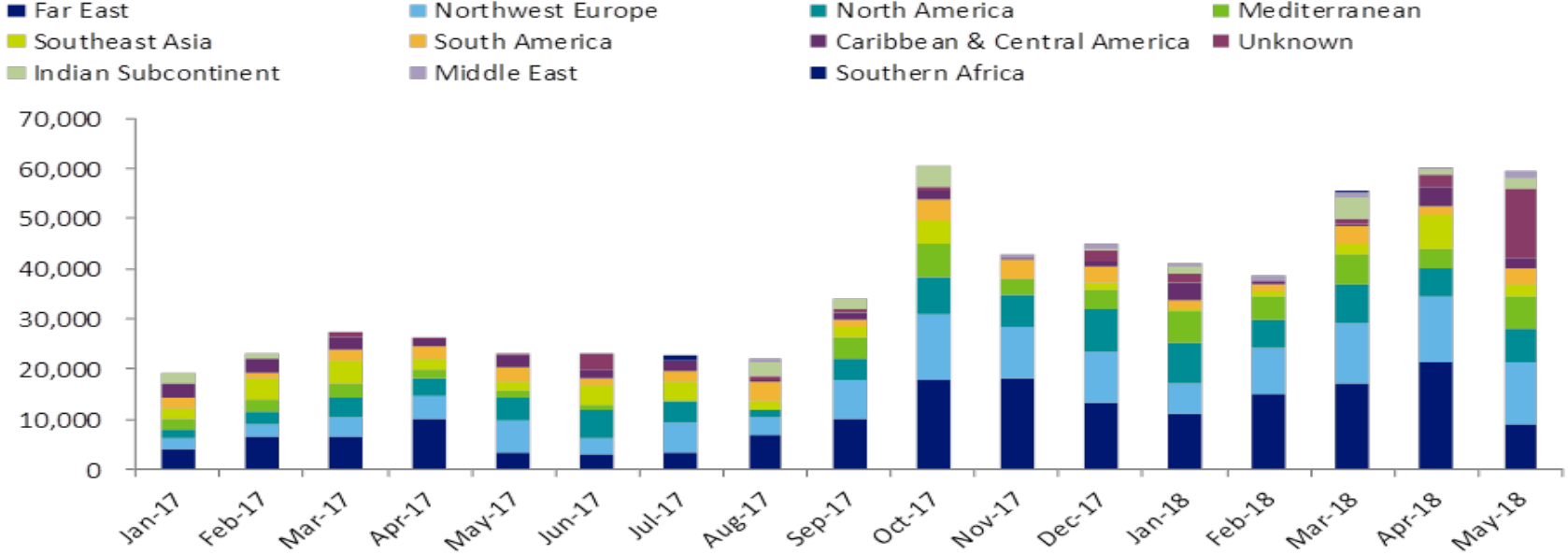
Source: DOE, Trafigura Research

# US CRUDE AND CONDENSATE EXPORTS ARE INCREASING TO ALL REGIONS

## US CRUDE AND CONDENSATE EXPORTS BY DISCHARGE REGION

### BY LOAD MONTH

*Stated in Thousand Barrels*



Source: APEX, Clipper, EIKON, Petrologistics, Broker Reports, Trafigura Research

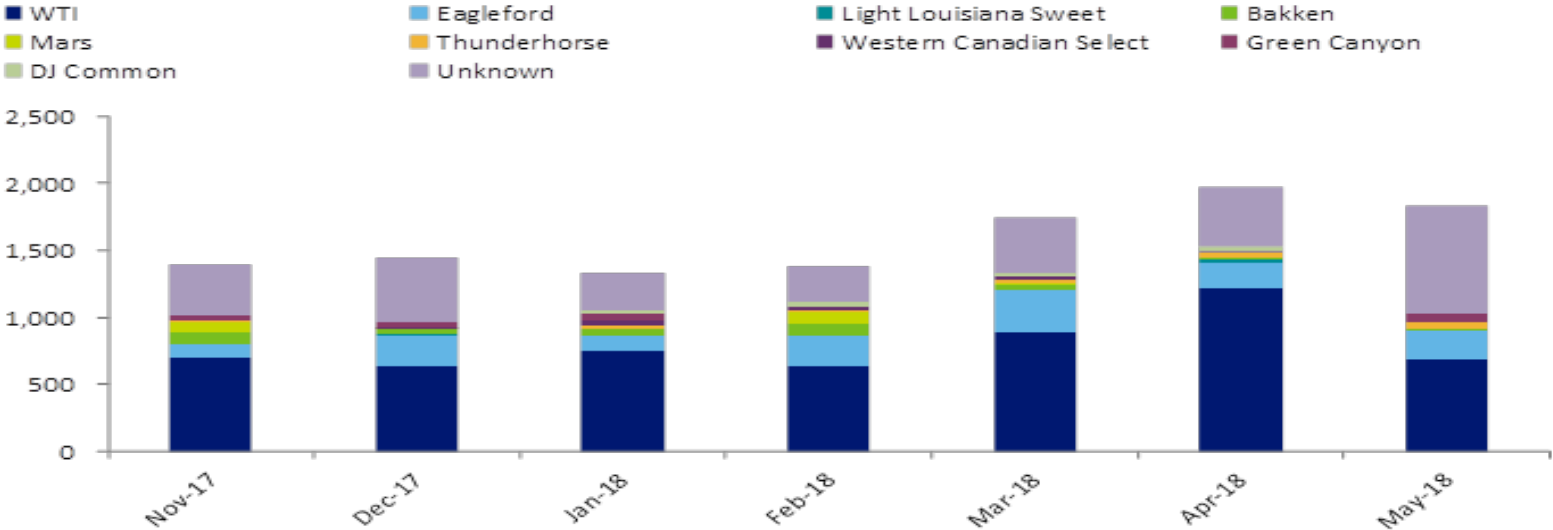


# WTI EXPORTS ARE LIGHTENING THE GLOBAL SLATE

## US EXPORTS BY TOP 10 CRUDE GRADE

### BY DISCHARGE MONTH

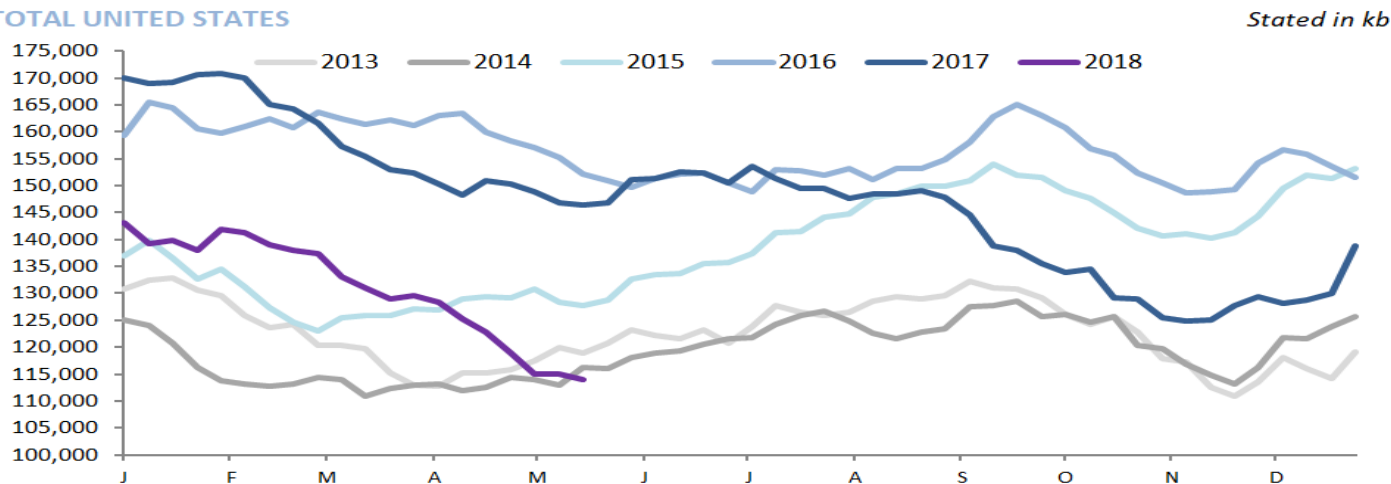
*Stated in KBPD*



# US DISTILLATE FUEL INVENTORIES

- Distillate stocks in the US have breached the low-point of the five-year average – partially a demand phenomenon but also a function of low yield due to US refineries maximizing runs of high-naphtha light shale crude

**DISTILLATE STOCKS**  
TOTAL UNITED STATES

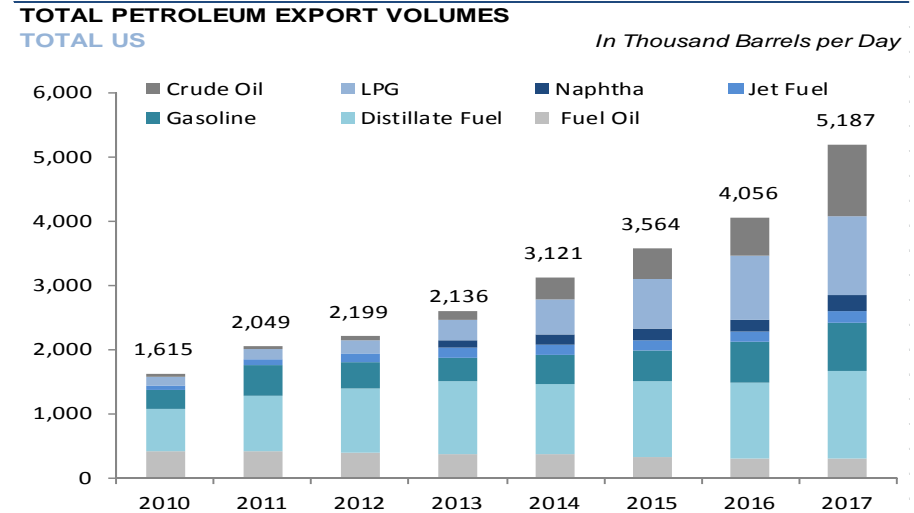


Parameter	Region	Units	Current	Prior	Change
Distillate Stocks	Total United States	kb	113,995	114,946	(951)

Source: DOE, Trafigura Research

# UNITED STATES: PETROLEUM PRODUCT EXPORTS

- Total US petroleum exports continued to surge through end-2017, setting a new record high in aggregate and for each of the key individual products (crude oil, LPG, gasoline, distillate fuel, jet fuel)
- The majority of these steams are moving to Latin America (especially Mexico and Brazil), meeting heightened import requirements as local refinery production has collapsed due to operational, financial, and strategic decisions in recent years
- Europe (mainly the Mediterranean) is a large and growing destination for distillates, but competition from is intense the Arab Gulf, Russia, and local refining in that market
- For specific products (LPG / Naphtha), arbitrage to Asia is typically economic and products largely clear into India, South Korea and Japan

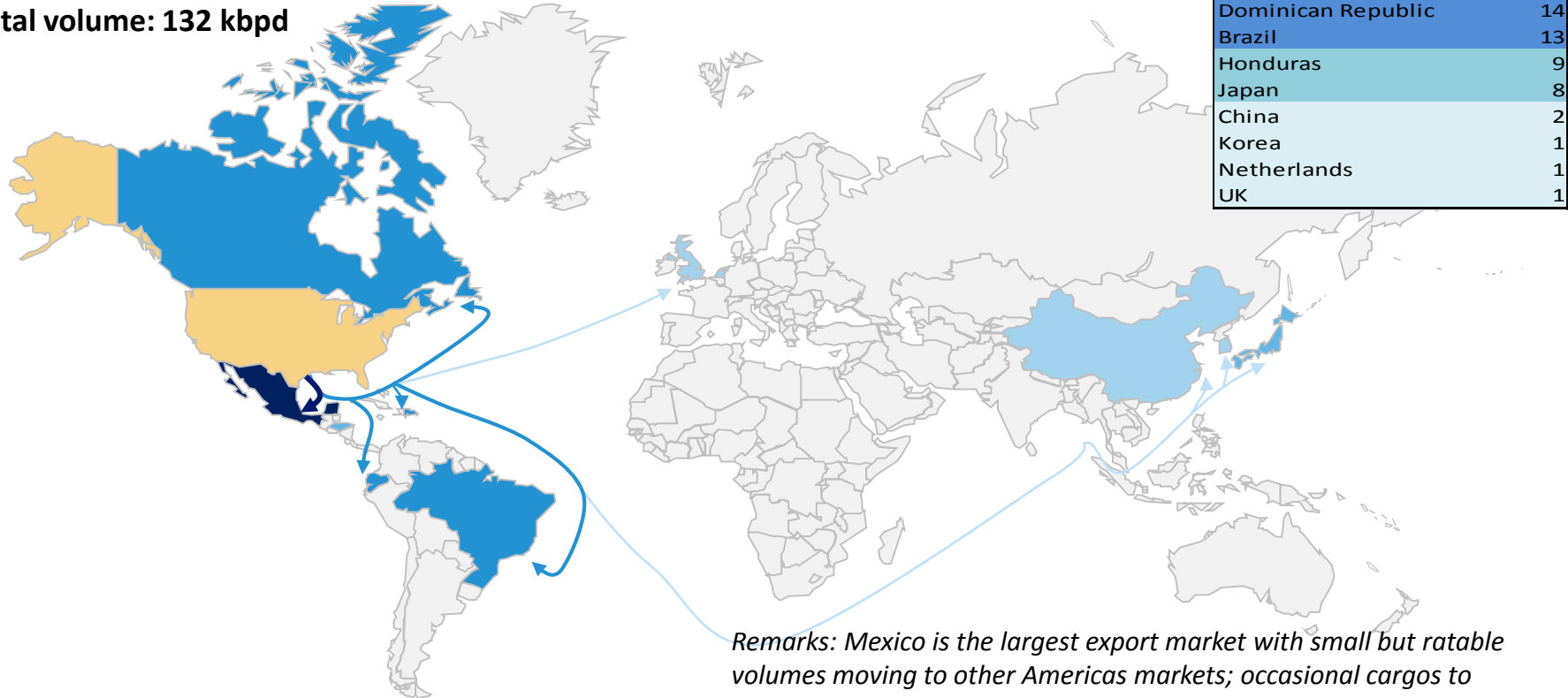


Source: EIA, Trafigura Research

# LPG FLOWS TO KEY MARKETS

## CALENDAR 2010

Total volume: 132 kbpd



*Remarks: Mexico is the largest export market with small but ratable volumes moving to other Americas markets; occasional cargos to markets in Northwest Europe and North Asia*

# LPG FLOWS TO KEY MARKETS

## CALENDAR 2017

Total volume: 1,207 kbpd

US LPG Exports - 2017 (KBPd)	
Japan	211
China	145
Mexico	131
Korea	94
Canada	77
India	59
Singapore	58
Brazil	56
UK	38
Netherlands	36
Dominican Republic	33
Norway	28
Indonesia	20
Australia	18
Ecuador	15
Guatemala	12
Honduras	12
Morocco	9
Panama	9

Remarks: The United States has become one of the single largest providers of LPG to Japan, Korea and China, displacing other regions; starting in 2016, the United States displaced most others supplies to India and Indonesia; it is likely that a good portion of this relates to OPEC cuts

# DISTILLATE FLOWS TO KEY MARKETS

## CALENDAR 2010

Total volume: 654 kbpd

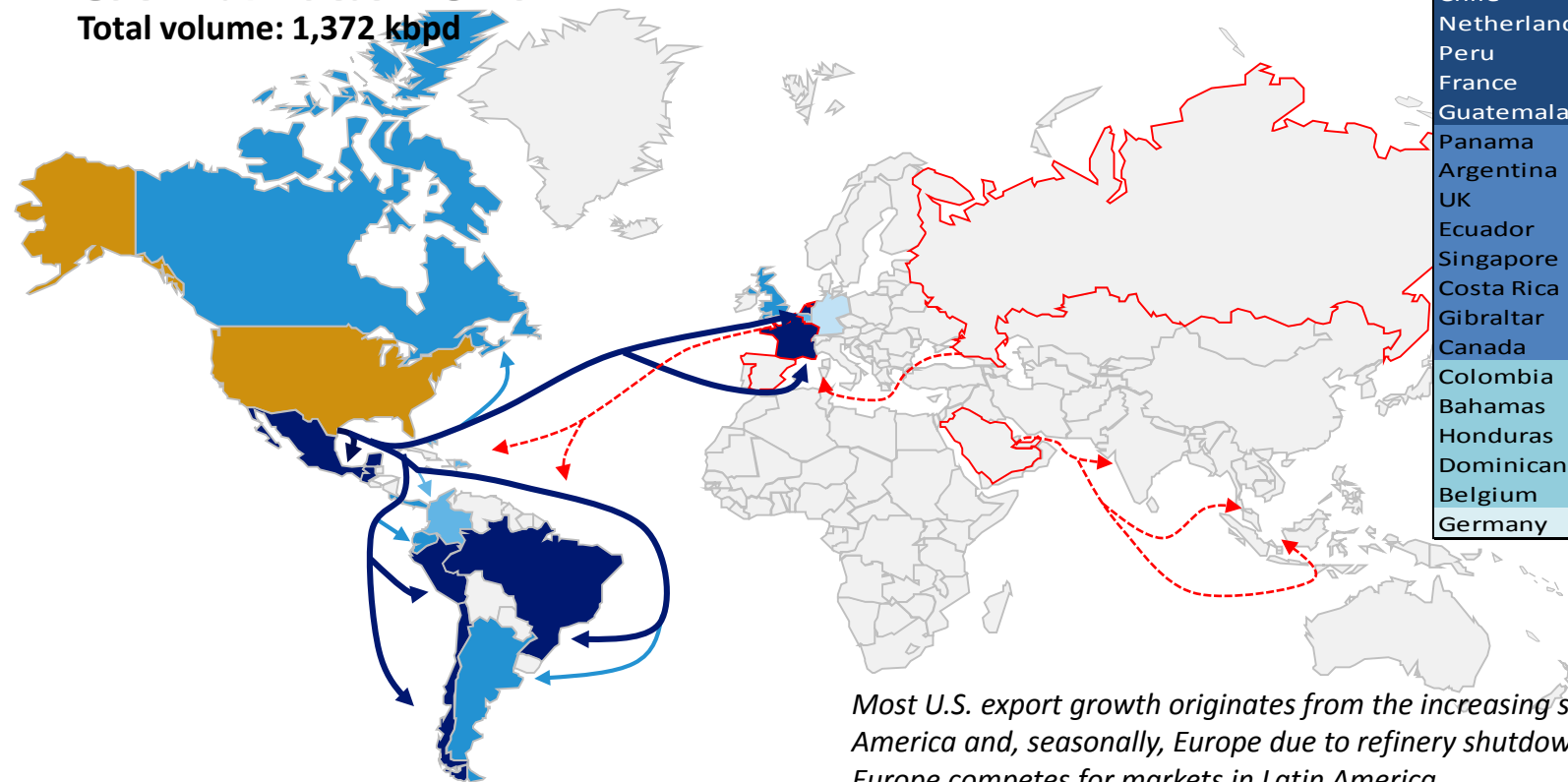


# DISTILLATE FLOWS TO KEY MARKETS

## CALENDAR 2017

Total volume: 1,372 kbpd

US Distillate Exports - 2017 (KBPd)	
Mexico	246
Brazil	208
Chile	99
Netherlands	86
Peru	72
France	57
Guatemala	56
Panama	46
Argentina	39
UK	38
Ecuador	36
Singapore	35
Costa Rica	26
Gibraltar	26
Canada	21
Colombia	19
Bahamas	14
Honduras	14
Dominican Republic	13
Belgium	11
Germany	5

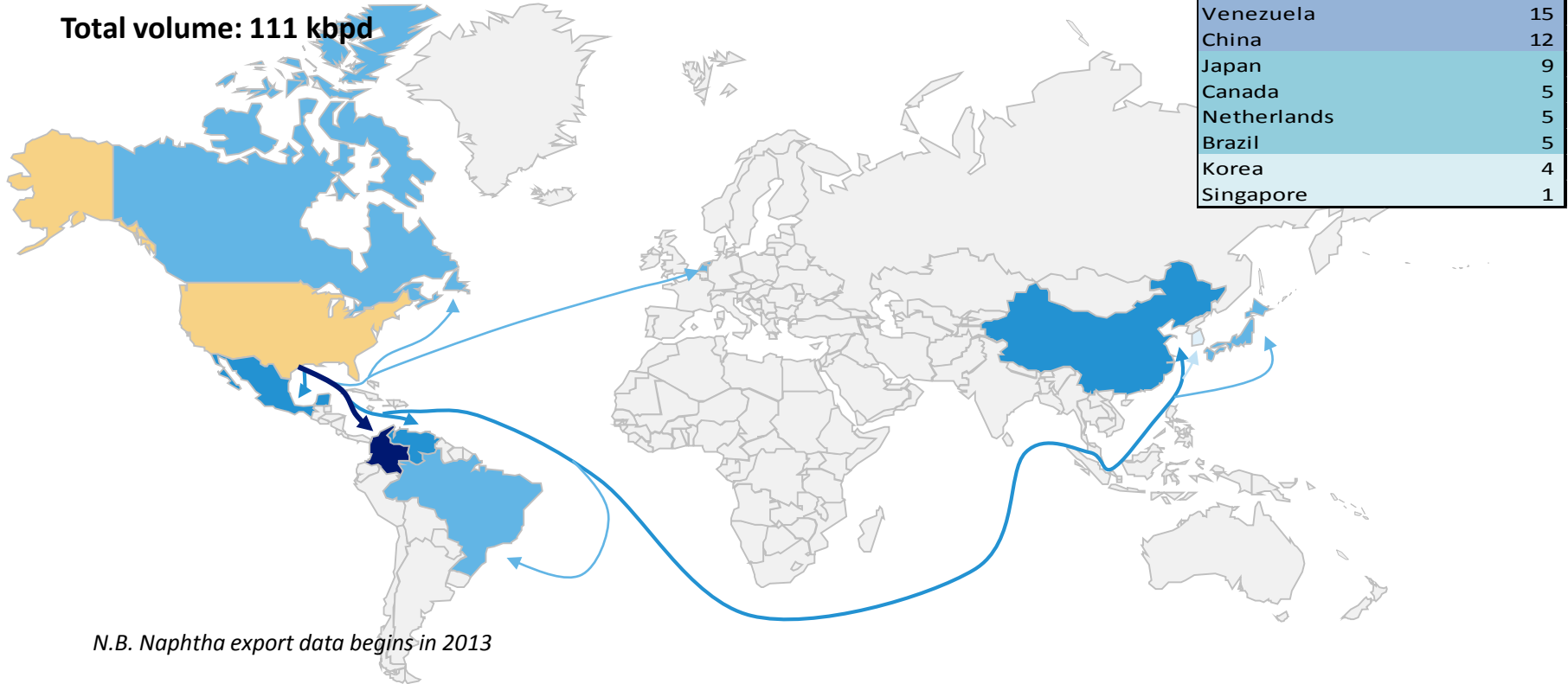


*Most U.S. export growth originates from the increasing shortfall in Latin America and, seasonally, Europe due to refinery shutdowns; Northwest Europe competes for markets in Latin America*

# NAPHTHA FLOWS TO KEY MARKETS

## CALENDAR 2013

Total volume: 111 kbpd



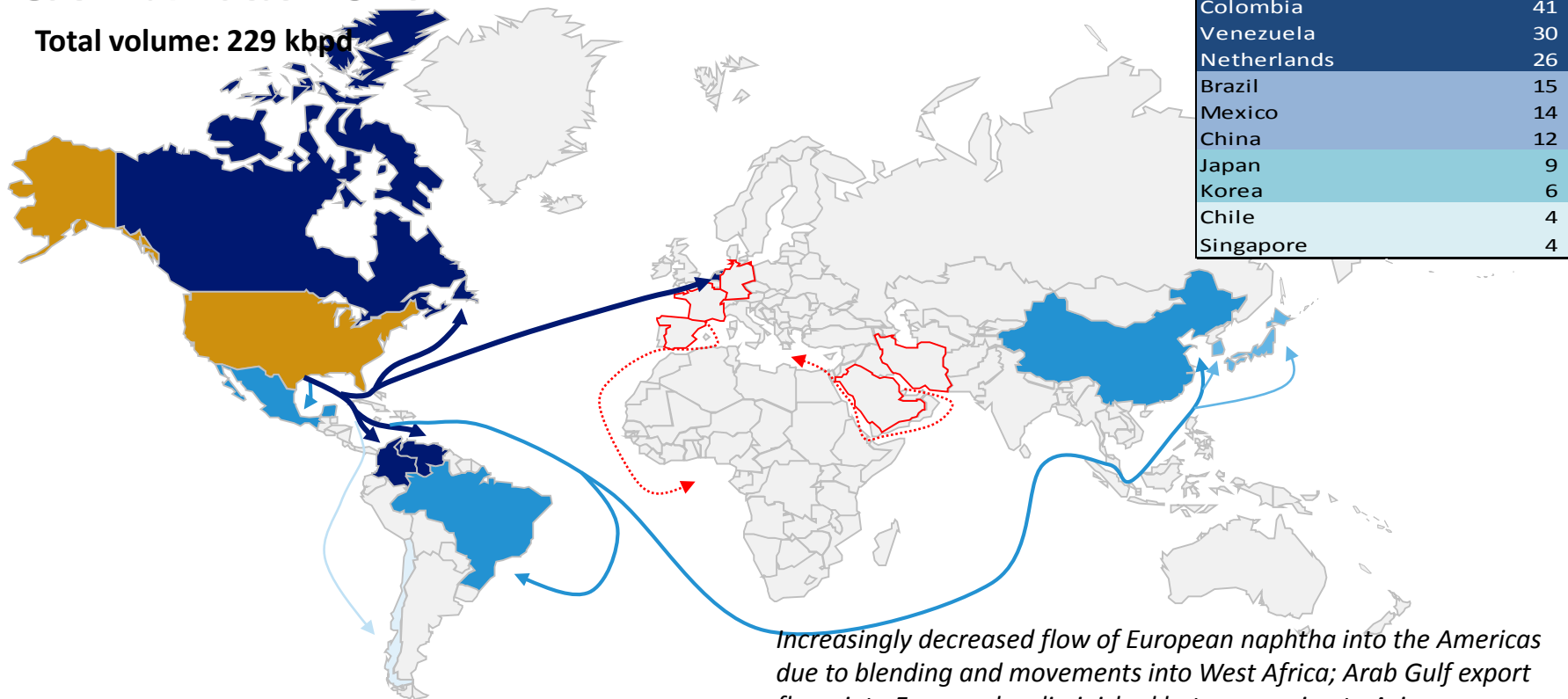
*N.B. Naphtha export data begins in 2013*



# NAPHTHA FLOWS TO KEY MARKETS

## CALENDAR 2017

Total volume: 229 kbpd



*Increasingly decreased flow of European naphtha into the Americas due to blending and movements into West Africa; Arab Gulf export flows into Europe also diminished but are moving to Asia*

# THANK YOU

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