BUSINESS STANDARD, Delhi, 2.12.2023
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Russia oil turns dearer for Indian refiners on G7-imposed price cap

US probe may affect Dec loadings, sending Russian supplies below 1.5 mbpd

S DINAKAR
Amritsar, 1 December

Ongoing US investigation into Russian ships carrying oil to India is threatening to disrupt flows this month even as Indian purchases of Russian crude oil increased 7 per cent in November from October, according to the ship-tracking data and industry sources.

Discounts averaging $4.50-5/barrel (bbl) on Russian crude oil have been threatened by rising freight rates for tankers transporting oil to India.

Ship brokers were quoting up to $12/bbl around 10 days ago, 50 per cent more than the $8/bbl last month, Mumbai-based officials in the refining industry said. The rise in rates was in response to the US blacklisting five tankers carrying Russian oil to India.

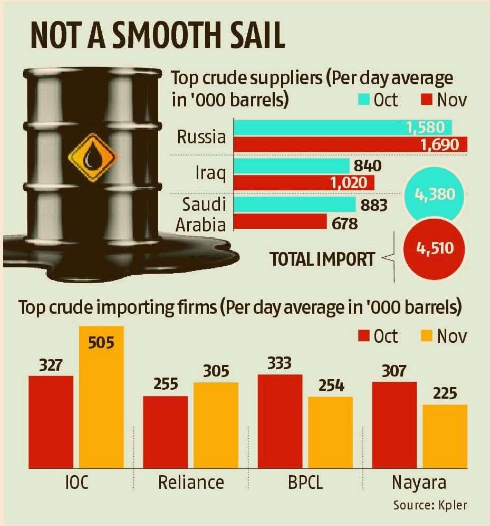
Transport costs have since stabilised to around $9.5/bbl after Washington did not escalate matters.

Higher freight rates typically narrow discounts, industry sources said. But there's little room for further tightening because at $3-4/bbl discounts Gulf crudes are more attractive to refiners than the Russian benchmark Urals grade. Discounts were $7-8/bbl for September loadings, and as high as $12-13/bbl at the beginning of the year.

US investigation may affect loadings for December, officials said, sending Russian supplies below 1.5 million barrels per day (mbpd).

It all depends on how serious Washington is on derailing exports of Russian oil, a Mumbai-based official said.

India's crude oil imports from Russia rose to 1.69 million barrels a day last month from 1.58 million barrels a day in October, according to the loading data (as of Friday morning) from Paris-based market intelligence agency Kpler.



Iraq's supplies rose by around 21 per cent to 1.02 million barrels a day in November from a month earlier while shipments of more expensive Saudi Arabian grades fell by 23 per cent to 678,000 barrels a day. The share of Russian supplies in India's crude oil import rose to 38 per cent in November from 36 per cent in October, but was lower than the 43 per cent in September.

Indian Oil imported 505,000 barrels a day from Russia in November, followed by Reliance Industries at 305,000 barrels a day and Bharat Petroleum at 254,000 barrels a day, according to Kpler.

Moves by Washington to enforce the price cap strictly in October by opening investigation into five tankers have caused concern among refiners and traders.

Traders in Russian crude oil told officials the sudden surge in transport costs ate into their margins and might affect discounts. If Washington blacklists more tankers, freight rates may rise and discounts will shrink, hurting Indian imports of Russian oil, industry officials said.

Pressure on Russian oil sales came after the US stepped up efforts to enforce the price cap. The US treasury department blacklisted owners of three oil tankers — the Ligovsky Prospect, Kazan and NS Century — that are suspected of violating the G7 price cap of $60 a barrel.

In October, the US had blacklisted owners of the SCF Primorye and the Yasa Golden Bosphorus tankers, the first such attempt to enforce the cap. Washington has also sent out notices to some 30 owners and managers of oil tankers to check on their compliance with the price cap and warned the shipping industry against any violations, US market publication Energy Intelligence reported.

Separately, the European Union is preparing to ratify a 12th package of sanctions, which emphasises enforcing existing restrictions for Russian oil shipments. The bloc is aiming at more detailed attestations from ships that transport Russian oil, and is considering blocking sales by older tankers to prevent Russia from expanding the so-called "shadow fleet". And oil tankers carrying Russian crude oil could face inspections by Denmark in the Danish straits.

Russian shipments rose in November after prices of the benchmark Urals grade declined sharply from October levels.

Urals traded at over $80 a barrel in September and October, according to the Russian finance ministry data, but has fallen to $65 a barrel in mid-November, according to price-reporting agencies.

Indian officials said it was typical for traders of Russian oil to present invoices showing the free-on-board price of Urals below $60 a barrel to facilitate payments by banks, a price cap imposed by G7 nations on Russian oil sales beyond which sanctions apply.

India to resume Venezuela crude oil imports as US sanctions ease

India is set to restart imports of Venezuelan oil after a three-year hiatus, according to brokers and shipping fixtures, as it rushes to take advantage of a US move to ease sanctions on the South American nation. Private refiner Reliance Industries has booked two supertankers, C Earnest and C Genuine, which are scheduled to load crude cargoes from Venezuela between December to early January. Another fixture showed very large crude carrier Eucaly was also hired to transport Venezuelan crude to India in early December, again for Reliance. BLOOMBERG

UN chief, COP28 president clash over future of fossil fuels

Reuters
Dubai

UN Secretary General Antonio Guterres urged world leaders at the COP28 climate summit to plan for a future without fossil fuels, saying there was no other way to curb global warming.

Speaking a day after COP28 president Sultan Ahmed al-Jaber proposed embracing the continued use of fossil fuels, Guterres said: "We cannot save a burning planet with a fire hose of fossil fuels."

"The 1.5-degree limit is only possible if we ultimately stop burning all fossil fuels. Not reduce. Not abate," he said, referring to nascent technologies to capture and store carbon emissions.

The competing visions summed up the most divisive issue facing world leaders at this year's UN climate summit in the oil-producing UAE.

King Charles III of Britain pleaded with world leaders to make progress in the global climate agenda. "Scientists have been warning for so long, we are seeing alarming tipping points being reached," he said.

"Unless we rapidly repair and restore nature's economy, based on harmony and balance, which is our ultimate sustainer, our own economy and survivability will be imperilled," said the king, who has spent most of his adult life campaigning on the environment. The comments from Charles, whose role as Britain's head of state is largely ceremonial, appeared to be at odds with his government.

STRIVING FOR CONSENSUS. UN Secretary-General Antonio Guterres, Bulgaria's President Rumen Radev and President of the UAE Sheikh Mohamed bin Zayed Al Nahyan at the UN Climate Change Conference in Dubai REUTERS

UK'S MEASURES

British Prime Minister Rishi Sunak, who was expected at COP28 on Friday to announce 1.6 billion pounds ($2.02 billion) in climate finance, has rolled back several domestic measures that had been set by previous governments to help the country meet its 2050 net-zero targets.

A former Marshall Islands president, whose country faces inundation from climate-driven sea level rise, resigned from the main COP28 advisory board on Friday in objection to the UAE's support of continued use of fossil fuels.

Hilda Heine said in her resignation letter that she was "deeply disappointed" that the UAE had reportedly used its COP28 role to broker oil and gas deals.

The UAE has strongly denied the accusations. "These actions undermine the integrity of the COP presidency and the process as a whole," she wrote, adding that restoring trust meant delivering "an outcome that demonstrates that you are committed to phasing out fossil fuels."

DEAL OPTIONS

Away from the main stage, delegations and technical committees set to work on Friday on the mammoth task of assessing their progress in meeting global climate targets, specifically the Paris Agreement goal of limiting global warming to within 2 degrees Celsius (3.6 degrees Fahrenheit), above pre-industrial temperatures.

Scientists say that a global temperature rise beyond this threshold will unleash catastrophic and irreversible impact worldwide.

Meanwhile, a member of the main advisory board of the COP28 climate summit resigned on Friday over reports the UAE presidency planned to use the meeting to secure oil, gas deals, according to her resignation letter seen by Reuters.

Hilda Heine, former president of the low-lying, climate vulnerable Marshall Islands, said reports that the UAE planned to discuss possible natural gas and other commercial deals ahead of UN climate talks were "deeply disappointing" and threatened to undermine the credibility of the multilateral negotiation process.

OPEC+ decision fails to arrest fall in crude prices

ARUNIMA BHARADWAJ
New Delhi, December 1

BRENT CRUDE REGISTERED a fall to a level of $80.6 per barrel despite the recent decision of the Organisation of Petroleum Exporting Countries (OPEC) and its allies to extend output cut of 1.7 million barrels a day to 2024.

Analysts expect crude prices to remain in the range of $80-85 per barrel going ahead.

"Oil prices immediately sunk after the announcement, reversing gains from earlier in the day, suggesting the market was disappointed by the outcome," said Jorge Leon, senior vice president at Rystad Energy.

"As a result, we expect prices to hover between $80 and $85 per barrel in the coming months."

The benign outlook for Brent crude prices augurs well for India, which meets 85% of its crude oil requirement via imports. The import bill has reduced in recent months as crude prices softened and the supply diversified with Russian Ural accounting for a major share of imports.

The Indian basket of crude is still closely linked to Brent. Despite the rise in import volumes, the net crude import bill declined by nearly a fourth to $68 billion in April-October period compared with $90.1 billion in the corresponding period of last fiscal.

Lower crude oil import bill will allay the concerns over the current account deficit, even as merchandise trade deficit touched an all-time high of $31.5 billion in October. OPEC and allies' decision was aimed to arrest any fall in price, as demand from the top consumers dwindle.

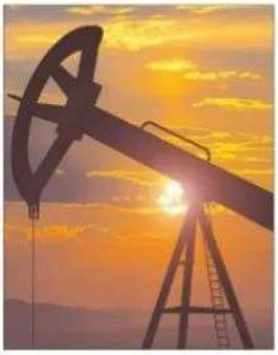
However, the decision failed to have the desired affect, said Gnanasekar Thiagarajan, director, Commtrendz Research.

Moreover, the decision comes as a cushion against a possible fall in prices on the back of decline in the demand for crude going ahead.

"There is a feeling in the market that there will be a possible recession in the US and demand may not be good. And alternative energy sources is denting fossil fuel demand," Thiagaranjan said.

As far as Angola and Nigeria are concerned, the countries who were against production cuts, what needs to be seen is the adherance to the decision.

"Angola, Nigeria, and Congo's production levels were slashed and there is not a major actual decline in production since these countries were unable to produce at their earlier defined baseline," said Pulkit Agarwal, Head of India Content (Cross-Commodities Expert), S&P Global Commodity Insights.



The new production cuts has taken OPEC+ quota for the first quarter of 2024 at 35.6 million barrels a day, down from 37.3 million bpd expected before the meeting, Leon said.

"This assumes that Russian export cuts (crude and products) do not affect production levels," he said. According to Rystad Energy, the updated liquid balance for the first half of 2024 now shows a market deficit of around 400,000 bpd.

"Because OPEC+ members already have cut supply significantly the need for additional reductions can generate reluctance and pushback," said Bhushan Bahree, executive director, S&P Global Commodity Insights.

Going ahead, analysts believe that the next challenge for OPEC+ will be the state of demand when the time comes to dial back the cuts affirmed in its recent meeting.

OPEC+ on Friday announced a reduction in oil output by 1.7 million barrels per day till March 2024. The cut combines the voluntary 1 million bpd reduction by Saudi Arabia and an additional 0.7 million bpd voluntary cut from Iraq, the UAE, Kuwait, Kazakhstan, Algeria and Oman.

Further, Russia also extended its voluntary export cut of 500,000 barrels a day constituting 300,000 bpd for crude and 200,000 bpd for fuel products.

Brazil to join OPEC+

Brazil is expected to join the OPEC+ group of oil-producing countries in January but would not take part in the group's coordinated output caps, the chief executive of state-run oil firm Petrobras told Reuters. The group's surprising announcement on Thursday that the South American nation would join it raised immediate questions on whether Brazil would take part in the production caps, as OPEC+ nations agreed to voluntary cuts approaching 2 million barrels per day (bpd) for early next year.

Further cuts by Opec+

Cartel seeks to check flagging prices when non-Opec oil supplies are higher and global growth is weak

THE ONLINE MEETING of the oil cartel, Opec (together with allies like Russia) on Thursday decided on additional voluntary cuts of 2.2 million barrels a day to shore up flagging oil prices at a time of higher supplies from non-Opec countries and weaker global growth. Global oil prices rose briefly but settled down to lower levels as the markets were seized of the strains in the Opec+ coalition that led to the meeting being postponed from Sunday. There was wrangling over production quotas among the members, especially the African countries, who were hesitant to cut supplies. In the run-up to the meeting, Saudi Arabia, the leader of the cartel, had even threatened that it would unwind its existing voluntary cuts if other members did not make a greater contribution, according to the Financial Times. They fell in line as the risks of not having an agreement would only result in oil prices falling sharply from the existing levels of $80 a barrel if the Saudis made good on its threat.

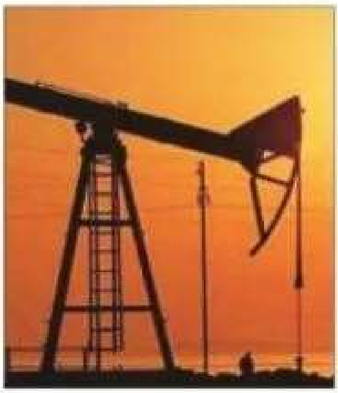
The market's subdued response was also due to the fact that the additional cuts were announced by individual state agencies (rather than the Opec secretariat) and the absence of a customary address to explain the group's strategy by Saudi energy minister Prince Abdulaziz bin Salman. Saudi Arabia's pledge to roll over its existing voluntary cut of 1 million b/d was thus announced by the state press agency. Russia further deepened its export reduction to 500,000 b/d from the existing 300,000 b/d. The balance of 700,000 b/d has been shared by Iraq, UAE, Kuwait, Kazakhstan, Algeria and Oman. The 2.2 million b/d cut in production during the first quarter of 2024 amounts to 2% of global supplies. Whether or not it would contribute to a spike in global oil prices depends in large part on rising supplies from non-Opec countries like the US—which accounted for four-fifths of the supply increase this year—Guyana and Brazil to meet global demand. Brazil has been invited to join the grouping, which it may do in January 2024.

What does not augur well for Opec+'s efforts to bolster oil prices is the weakening of global growth. China -- which accounted for three-quarters of the growth in global oil demand—is slowing down, reflected in the contraction in purchasing managers' indices in November. Oil prices have been declining despite the ongoing war between Hamas forces and Israel since October 7 as the markets believe that the conflict has so far not engulfed the region as a whole. But there are heightened geopolitical risks of the conflict impacting prices if it spills over from Israel to Lebanon and Syria ultimately involving Iran for supporting Hamas and other militias like Hezbollah in Lebanon.

In this milieu, the US has been exerting pressure on the Saudis not to "weaponise" oil supplies like in 1973 due to the anger in Arabian countries due to the humanitarian disaster in Gaza. Iran, for instance, was pushing for an embargo. For such reasons, the decision of Opec+ to announce additional voluntary cuts was perhaps also intended to send a signal to the US for its support to Israel although it was justified by a desire to impart "market stability". The upshot is a prospect for oil prices to not flare up due to higher non-Opec supplies and tepid global growth.

Oil stabilises after slump on OPEC+ cuts

ROBERT HARVEY
December 1



OIL PRICES WERE stable on Friday following a 2% drop on Thursday, with the market unconvinced that the latest round of OPEC+ production cuts will be able to lift prices out of their recent slump.

Brent crude futures for February rose by 16 cents, or 0.2%, to $81.02 a barrel by 1520 GMT on their first day as the front-month contract.

US West Texas Intermediate crude futures (WTI) rose 25 cents, or 0.33%, to $76.21.

OPEC+ producers agreed on Thursday to remove around 2.2 million barrels per day (bpd) of oil from the global market in the first quarter of next year, with the total including a rollover of Saudi Arabia and Russia's 1.3 million bpd of current voluntary cuts.

OPEC+, which pumps over 40% of the world's oil, is focusing on reducing output as prices have fallen from about $98 in late September amid concerns over weaker economic growth in 2024.

The market received the news with scepticism and confusion, driven by concerns about compliance given the voluntary nature of the reductions, ongoing macroeconomic headwinds, and investors' prior expectations of deeper cuts.

"Markets may have been pricing in another larger cut, and it just didn't meet those expectations," OANDA analyst Craig Erlam said.

The cuts "will not stop a billowing cloud of confusion that is going to take the oil market weeks and months to figure out and only if the self-reporting data is indeed reliable," PVM analyst John Evans said.

"The only real hope for long term balance in the market is for a dramatic improvement in global economic data as we start the new year," Onyx Capital Group CEO Greg Newman said.

—REUTERS

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India to import oil from Venezuela after three years

SUKALP SHARMA
New Delhi, December 1

WITH THE United States (US) easing sanctions on Venezuela, India's crude oil imports from Caracas are set to resume after three years with private sector giant Reliance Industries Ltd (RIL) booking three tankers scheduled to load oil from the Latin American country in December and January 2024, as per shipping fixtures shared by trade sources.

Private sector refiners RIL and Nayara Energy (NEL) were regular buyers of Venezuelan crude prior to imposition of US sanctions on Caracas in 2019. Following the sanctions, oil imports from Venezuela stopped.

According to data from commodity market analytics firm Kpler, India last imported Venezuelan crude in November 2020. Venezuela was New Delhi's fifth-largest supplier of oil in 2019, providing close to 16 million tonnes of crude to Indian refiners, as per India's official trade data.

In October this year, Washington eased sanctions on Venezuela's oil sector, authorising oil exports without limitation for six months. Venezuela, a member of the Organisation of the Petroleum Exporting Countries (OPEC) has the largest proven oil reserves in the world.

It has reportedly been offering steep discounts to Chinese independent refiners, who have been its biggest buyers of oil through the sanctions. However, recent reports suggest the discounts have narrowed considerably in recent weeks due to the easing of sanctions and other buyers now willing to pick up Venezuelan oil. Caracas appears eager to sell its crude in other major markets and is likely offering discounts to willing buyers.

Shipping fixtures show that three super tankers, each capable of carrying up to 270,000 tonnes of crude oil, have been chartered by RIL. Two are scheduled to be loaded over the next week, while one is scheduled for early January. In shipping industry parlance, a "fixture" indicates that the charter of a ship has been finalised. An RIL spokesperson did not respond to a request seeking comment on the matter.

In November, Petroleum Minister Hardeep Singh Puri told reporters that India would be willing to buy Venezuelan oil if it was available at a discount. India is the world's third-largest consumer of crude oil and depends on imports to meet over 85 per cent of its requirement.

Given the volatility in the oil markets over the past nearly two years, the government has maintained that India will buy from wherever it can get cheaper oil. Irking many in the West, New Delhi significantly ramped up Russian crude imports as Moscow offered deep discounts after its February 2022 invasion of Ukraine.

Industry watchers believe that with India resuming oil imports from Venezuela, imports by Chinese refiners could be adversely impacted.

Oil imports rise in Nov on high demand

SUKALP SHARMA
New Delhi, December 1


India imported 4.5 million barrels per day of crude in Nov.

INDIA'S CRUDE OIL imports in November rose sequentially as the country moved to a period of high petroleum consumption, with the festival season and the end to the autumn refinery maintenance season, preliminary estimates of ship tracking data showed.

Amid robust import volumes from top supplier Russia, India's Iraqi oil imports surged by nearly 25% sequentially in November. Oil imports from Saudi Arabia, on the other hand, declined by around a fifth.

According to ship tracking data provided by energy intelligence and analytics firms Kpler and Vortexa, India imported 4.5 million barrels per day (million bpd) of crude in November, around 3% more than the volumes imported in October.

India is the world's third-largest consumer of crude oil and depends on imports to meet over 85% of its requirement.

The country has a refining capacity of a little over 5 million bpd. Oil imports from Iraq in November are pegged at around 1 million bpd, up from around 0.8 million bpd in October. Iraq is currently India's second-largest supplier of crude oil, behind Russia.

Prior to the war in Ukraine, Iraq was at the top of the table of India's sources of crude oil, but was dethroned by Russia as Indian refiners started lapping up Russian oil when Moscow began offering it at a discount to international prices.

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While most of Russian oil bought by Indian refiners is purchased on spot basis, India mainly relies on West Asian oil suppliers like Iraq and Saudi Arabia for most of its term volumes. Between the two oil heavyweights, Indian refiners have been preferring Iraq, as its oil has been relatively cheaper than Riyadh's.

In November, Indian refiners imported a total of around 0.7 million bpd of oil from Saudi Arabia, down over 20% from October. Saudi Arabia remains New Delhi's third-biggest supplier of crude oil.

"Iraq is cheaper than Saudi Arabia, hence India maintains stable levels of Iraqi crudes but has cut down on Saudi imports," Kpler's lead crude analysts Viktor Katona said.

As for India's Russian oil import volumes in November, Kpler's estimate stands at around 1.7 million bpd, while Vortexa pegs the volume at around 1.5 million bpd.

In October, oil imports from Russia were around 1.6 million bpd. Preliminary volume estimates based on cargo data recorded by different agencies can vary slightly depending on the methodology employed.

Notwithstanding the slight difference in volume estimates, analysts at both firms said that Indian refiners seem unwilling to cut down on Russian oil imports, even as discounts offered by Moscow's oil firms have eroded in recent months.

ECONOMIC TIMES, Delhi, 2.12.2023
Page No. 5, Size:(11.02)cms X (12.12)cms.

Russian Crude Imports Fall 4% in Nov

Sanjeev.Choudhary
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New Delhi: India's imports of Russian crude oil fell 4% sequentially in November to 1.49 million barrels a day amid a broader decline in crude imports by New Delhi, according to energy cargo tracker Vortexa. Imports of Russian crude is expected to fall further in December.

Despite the drop in November shipments, Russia remained the top supplier with a 33% share in India's total crude imports last month, falling from 34% in October and 39% in September. Iraq (23%) and Saudi Arabia (15%) were the second- and the third-largest suppliers.

Iraq and the UAE (7%) gained in crude exports to India while Saudi Arabia, the US (3%) and Africa (5.5%) lost some share in November over the previous month.

"There has been an increase in Russian crude being discharged into Turkey (up nearly 130,000 barrels per day (bpd) in November, presenting competition for Indian refiners. Russian crude has likely remained attractively priced to Indian refiners, so it is just a matter of availability," said Serena Huang, an analyst at Vortexa.

Russian crude arrivals into Turkey in November was one of the highest historically, and there could be limited upsides for Turkey to take more Russian crude, she added.

TOP SUPPLIER

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"Russian crude exports in November are down over 15% month-on-month, which would likely see lower arrivals into India in December," Huang said. Ships take about a month after loading at Russian ports to reach India.

On Thursday, Russia said it would deepen its voluntary oil supply cut to 500,000 barrels per day from the previously pledged 300,000 bpd, which could further constrain Russian exports.

This is part of the additional voluntary supply curbs various members of the producer club OPEC+ have announced. Poor weather conditions in the Black Sea have also contributed to lower Russian crude exports in November.

The G7 price cap of $60 per barrel hasn't been a deterrent for Russian oil trade. For months, ships have been able to deliver Russian oil purchased above the cap although the US has acted against some ships recently. "The US sanctions on the three shipping companies and their three vessels are likely to have limited impact on India's oil imports from Russia," Huang said. "Unless there is strict policing and large-scale clamp down on violators of the price cap, I doubt that the recent US sanctioning will be much of a deterrence."

The G7 sanctions bar the use of Western shipping, finance, and insurance for Russian oil sold above the cap.

India's overall crude imports fell 1% sequentially in November to 4.51 million barrels a day.

ECONOMIC TIMES, Delhi, 2.12.2023
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‘Cannot Save a Burning Planet with Fire Hose of Fossil Fuels’

Plan for a future without oil, says UN Secretary-General Guterres

Dubai: UN Secretary General Antonio Guterres urged world leaders at the COP28 climate summit to plan for a future without fossil fuels, saying there was no other way to curb global warming.

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Antonio Guterres on Friday Reuters

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OPTIONS FOR A COP28 DEAL

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Scientists say that a global temperature rise beyond this threshold will unleash catastrophic and irreversible impacts worldwide. **Reuters**

FUEL DATA

Petrol Sales Rise 7.5% in November, Diesel Sales Fall by Same Margin

New Delhi: State-run oil companies' petrol sales rose 7.5% year-on-year in November while diesel sales fell by the same margin.

Jet fuel sales climbed 6% during the month but cooking gas sales retreated 1%, according to provisional sales data provided by these companies. The oil ministry publishes consolidated sales data for the industry, including for the private retailers, by the tenth of every month, which gives a more accurate picture of domestic fuel demand.

State-run companies control around 90% of petrol pumps but have been losing market share in diesel and petrol sales this year, reversing from last year's gains. This is why their standalone sales growth figures aren't indicative of the overall industry growth.

The festive season, which tends to cover the last quarter of every calendar year, is usually marked with higher sales of transportation fuels as people travel and shop more than usual, pushing up long-haul transport and factory activity. Record-high vehicle sales have also been boosting fuel demand. — **Our Bureau**

As US sanctions on Venezuela ease, India set to import oil after 3 years

SUKALP SHARMA
NEW DELHI, DECEMBER 1

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CONTINUED ON PAGE 2

EXPLAINED

E. Diversifying the oil basket

VENEZUELA WAS India's fifth largest oil supplier in 2019, but imports stopped after US sanctions. With the easing of sanctions, private refiners like Reliance are to re-commence imports. India has said it will buy wherever there are discounts.

US sanctions on Venezuela ease, India to import oil

In October this year, Washington eased sanctions on Venezuela's oil sector, authorising oil exports without limitation for six months. Venezuela, a member of the Organisation of the Petroleum Exporting Countries (OPEC) has the largest proven oil reserves in the world.

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Industry watchers believe that with India resuming oil imports from Venezuela, imports by Chinese refiners could be adversely impacted.

"Reliance's entry into the Venezuelan market is an important development because it further weakens the hold of Chinese buyers over Venezuelan flows. Up until the lifting of sanctions, China was buying the overwhelming majority of cargoes," Kpler's lead crude analyst Viktor Katona said. According to him, refiners in the US and Europe are also now lining up for Venezuelan oil.

Katona expects RIL to be the main Indian buyer of Venezuelan crude in the coming months. "Nayara seems to be unlikely to be moving towards Venezuelan oil now, considering how much Russian crude they buy. So, it seems for the time being, Reliance is the ultimate buyer of Venezuelan crude in India," he said.

NEL, which operates a large refinery in Gujarat is a large buyer of discounted Russian oil. Russian oil major Rosneft is part of NEL's promoter group.

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Oil imports rise in Nov on high demand; Iraqi volumes surge, Saudi supply drops

SUKALP SHARMA
NEW DELHI, DECEMBER 1

INDIA'S CRUDE oil imports in November rose sequentially as the country moved to a period of high petroleum consumption — the festival season and the end to the autumn refinery maintenance season — preliminary estimates of ship tracking data showed.

Amid robust import volumes from top supplier Russia, India's Iraqi oil imports surged by nearly 25 per cent sequentially in November. Oil imports from Saudi Arabia, on the other hand, declined by around a fifth.

According to ship tracking data provided by energy intelligence and analytics firms Kpler and Vortexa, India imported 4.5 million barrels per day (million bpd) of crude in November, around 3 per cent more than the volumes imported in October.

India imported 4.5 million barrels per day of crude in Nov

India is the world's third-largest consumer of crude oil and depends on imports to meet more than 85 per cent of its requirement.

Oil imports from Iraq in November are pegged at around 1 million bpd, up from around 0.8 million bpd in October. Iraq is currently India's second-largest supplier of crude oil, behind Russia. Before the war in Ukraine, Iraq was India's top source of crude oil. It was dethroned by Russia as Indian refiners started purchasing oil offered by Moscow at a discount owing to international sanctions.

While most of Russian oil bought by Indian refiners is purchased on a spot basis, India mainly relies on West Asian oil suppliers such as Iraq and Saudi Arabia for most of its term volumes. Between the two oil heavyweights, Indian refiners have preferred Iraq as its oil has been relatively cheaper than Riyadh's. In November, Indian refiners imported around 0.7 million bpd of oil from Saudi Arabia, down more than 20 per cent from October. Saudi Arabia remains New Delhi's third-biggest supplier of crude oil.

"Iraq is cheaper than Saudi Arabia, hence India maintains stable levels of Iraqi crudes but has cut down on Saudi imports," Kpler's lead crude analysts Viktor Katona said.

As for India's Russian oil import volumes in November, Kpler's estimate stands at around 1.7 million bpd, while Vortexa pegs the volume at around 1.5 million bpd. In October, oil imports from Russia were around 1.6 million bpd. Preliminary volume estimates based on cargo data recorded by different agencies can slightly vary depending on the methodology employed. Notwithstanding the slight difference, analysts at both firms said Indian refiners seem unwilling to cut down on Russian oil imports, even as discounts offered by Moscow's oil companies have eroded in recent months.

"Russian crude has likely remained attractively priced to Indian refiners, so it is just a matter of availability," said Serena Huang, head of Asia-Pacific Analysis at Vortexa.

According to Katona, India's Russian oil volumes in December are likely to remain robust, but going ahead, there may be a limit on availability of Russian oil. "The only big question will be the overall availability of Russian crude now that Russian refiners ramp up refinery runs and pretty much every refinery has completed autumn maintenance works. Whatever Indian refiners can buy, they will," he said.

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Oil prices stabilise after underwhelming OPEC+ cuts; Brazil to join group

REUTERS
DECEMBER 1

OIL PRICES were broadly steady Friday following a 2% drop on Thursday, with the market seemingly unconvinced that the latest round of production cuts by the OPEC+ coalition will be able to lift prices out of their recent slump.

Brent crude futures for February rose 22 cents, or 0.27%, to $81.08 a barrel by 1058 GMT on their first day as the front-month Ice Brent contract. U.S. West Texas Intermediate (WTI) crude futures rose 31 cents, or 0.41%, to $76.27. OPEC+ producers agreed on Thursday to remove around 2.2 million barrels per day (bpd) of oil from the global market in the first quarter of next year.

Won't cap output: Petrobras CEO

Brazil is expected to join the OPEC+ group of oil-producing countries in January but would not take part in the group's coordinated output caps, said the chief executive of state-run oil firm Petrobras.

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India's diesel consumption slumps 7.5% as truckers take Diwali break

Consumption of petrol during November was 20.1% more than in COVID-19 marred November 2021 and 25% more than in pre-pandemic November 2019

OUR CORRESPONDENT

NEW DELHI: India's diesel consumption slumped by 7.5 per cent in November on a fall in demand in the transportation sector where some took Diwali break, preliminary data of state-owned firms showed on Friday.

Diesel consumption dropped to 6.78 million tonnes in November from 7.33 million tonnes a year back.

Industry officials said this was largely because some truckers take Diwali break to visit their homes and the demand is largely going to come back this month.

Diesel is India's most consumed fuel, accounting for almost 40 per cent of all petroleum product consumption. Transport sector accounts for 70 per cent of all diesel sales in the country.

Petrol sales by three state-owned fuel retailers rose 7.5 per cent to 2.86 million tonnes on increased personal vehicle movement during the festive season.

Fuel consumption has been on a see-saw over the last couple of months.

Petrol demand had fallen 9 per cent year-on-year in the first half of October and diesel sales by 3.2 per cent but the start of Navratri/Durga Puja celebration helped reverse the trend. Diesel demand fell 12.1 per cent in the first half of November and recovered a bit in the second half.

Diesel is India's most consumed fuel, accounting for almost 40 per cent of all petroleum product consumption. Transport sector accounts for 70 per cent of all diesel sales in the country

Month-on-month diesel sales however were up 3.6 per cent when compared with 6.5 million tonnes in October.

Diesel sales typically fall in monsoon months as rains lower demand in the agricultural sector which uses the fuel for irrigation, harvesting and transportation. Also, rains slow vehicular movements.

This led to a fall in diesel consumption in the last three months. And once the monsoon ended, consumption rose month-on-month.

Consumption of diesel had soared 6.7 per cent and 9.3 per cent in April and May, respectively, as agriculture demand picked up and cars yanked up air-conditioning to beat the summer heat.

It started to taper in the second half of June after the monsoon set in. The fall reversed in October but sales again fell in November.

Consumption of petrol during November was 20.1 per cent more than in the COVID-19 marred November 2021 and 25 per cent more than in pre-pandemic November 2019.

Diesel consumption was up 18.1 per cent over November 2021 and 1.2 per cent compared to November 2019.

Jet fuel (ATF) sales rose 6.1 per cent year-on-year to 620,000 tonnes in November. But this was 7.5 per cent lower than in November 2019 primarily because not all international flights have resumed after the pandemic.

ATF consumption was 31.6 per cent more than in November 2021, but lower than 670,200 tonnes used in pre-COVID November 2019.

Month-on-month jet fuel sales were 1.4 per cent higher compared to 611,300 tonnes in October 2023.

Cooking gas LPG sales were down 0.9 per cent year-on-year at 2.57 million tonnes in November. LPG consumption was 6.9 per cent higher than in November 2021 and 14 per cent more than in pre-COVID November 2019.

Month-on-month, LPG demand rose 2 per cent against 2.52 million tonnes of LPG consumption during October, the data showed.

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Saudi extends cut in crude oil supply in bid to boost prices

LONDON: Saudi Arabia will extend a cut in the amount of oil it sends to the world after a series of reductions by members of the OPEC+ alliance of major producing countries failed to prop up prices.

That's been a good thing for US drivers, who have been able to fill their gas tanks for less money in recent months. But it's bad news for OPEC+ countries whose oil income bolsters their economies and who have faced setbacks in pushing prices higher despite initial fears that the Israel-Hamas war could affect oil flows.

The Saudi Energy Ministry said in a statement on its website that its voluntary cut of 1 million barrels per day will stay in place through the first three months of next year.

It was announced after rest of the OPEC oil cartel and allied nations like Russia met in an online meeting about global oil production. The OPEC+ coalition announced that Brazil will join the bloc in January. AGENCIES

RASHTRIYA SAHARA, Delhi, 2.12.2023
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विमान ईंधन हुआ सस्ता वाणिज्यिक एलपीजी महंगी

नई दिल्ली (भाषा)।

विमान ईंधन (एटीएफ) की कीमत में शुक्रवार को 4.6 प्रतिशत की कटौती की गई। वहीं वाणिज्यिक इस्तेमाल वाले 19 किलोग्राम के रसोई गैस सिलेंडर (एलपीजी) का दाम 21 रुपये बढ़ाया गया है। हालांकि, घरेलू इस्तेमाल वाले रसोई गैस सिलेंडर (14.2 किलोग्राम) का दाम 903 रुपये पर कायम रखा गया है।

सार्वजनिक क्षेत्र की पेट्रोलियम कंपनियों की ओर से जारी अधिसूचना के अनुसार, एविएशन टर्बाइन फ्यूल (एटीएफ) की कीमत में 5,189.25 रुपये या 4.6 प्रतिशत की कटौती की गई है।

राष्ट्रीय राजधानी में एटीएफ का दाम 1,06,155.67 रुपये प्रति किलोलीटर हो गया है, जो पहले 1,11,344.92 रुपये प्रति किलोलीटर था। विमान ईंधन की कीमतों में एक महीने में दूसरी बार कटौती की गई है।

■ राष्ट्रीय राजधानी में एटीएफ का दाम 1,06,155.67 रुपये प्रति किलोलीटर हुआ

इससे पहले एक नवंबर को विमान ईंधन की कीमत में करीब छह प्रतिशत (6,854.25 रुपये प्रति किलोलीटर) की कटौती की गई थी।

वहीं होटल तथा रेस्तरां जैसे प्रतिष्ठानों में इस्तेमाल किए जाने वाले वाणिज्यिक एलपीजी की कीमत में 21 रुपये की बढ़ोतरी की गई है। 19 किलोग्राम के एक वाणिज्यिक एलपीजी की कीमत अब राष्ट्रीय राजधानी में 1,796.50 रुपये और मुंबई में 1,749 रुपये होगी। पेट्रोल और डीजल की कीमतें लगातार रिकॉर्ड 21वें महीने स्थिर बनी हैं। राष्ट्रीय राजधानी में पेट्रोल की कीमत 96.72 रुपये प्रति लीटर है और डीजल की 89.62 रुपये प्रति लीटर है।