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ARGUS MARINE FUELS FORWARD CURVES

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The most up-to-date Argus Marine Fuels Forward Curves Methodology is available on www.argusmedia.com

Methodology overview

Argus aims to produce reliable, representative price assessments of commodity market values, free from distortion and representative of fair market values. Argus Marine Fuels Forward Curves contains assessments of the market value of forward contracts and financial swaps contracts at predetermined time periods. Forward contracts allow for physical delivery of the commodity, and financial swaps settle against a published index. Forward curve prices are not forecasts of future values but instead are assessments of the price of delivery of a commodity at a future date if transacted today.

Argus Marine Fuels Forward Curves is published at 6:00pm CT on every trading day on which the CME's ULSD (HO) Futures markets are open for open outcry trading during normal business hours. In the event that some input data are not available at the time of calculation, the most recent available data will be used.

Argus Methodologies

Subscribers are encouraged to review the [Argus US Products](#), [Argus European Products](#) and [Argus Asian-Pacific Products](#) methodologies, which contain more information on Argus' editorial processes, policies and procedures, as well as detailed specifications for the physical markets referred to and used in producing Argus Marine Fuels Forward Curves.

Argus Marine Fuels Forward Curves prices are assessments of market value that correspond with the settlement of the prevailing futures markets and are distinct from Argus price assessments as described in the Argus US Products, Argus European Products, and Argus Asian-Pacific Products methodologies.

Assessment timestamps

All Argus marine fuels forward curves are assessments of market value at timestamps that align with relevant regional exchange timings

- North America: Nymex New York Harbor ULSD (HO) futures at 2:30pm ET time
- Europe: Ice gasoil futures at 4:30pm London time
- Asia-Pacific: Ice Gasoil Futures at 4:30pm Singapore time

All forward curves are based on market activity leading up to the timestamp, including transactions, bids and offers, and other market data. Occasionally, market activity after the timestamp is also used in calculating final assessments

This is done so that the forward curves correspond with the futures markets' closing prices for any given trading day. Using the futures timestamps provides consistency as it aligns with futures closing prices for the primary trading session and the Trade at Settlement mechanism.

Monthly prices roll according to the CME calendar.

Assessment process

Argus gathers and analyses information leading up to the timestamp, including transactions, bids and offers, and other market data. Other market data includes spreads between products (quality spreads), spreads between different timings (timing roll), multiple timing transactions (strip deals) and other information.

In many markets, the relevant methodology will assign a relatively higher importance to transactions over bids and offers, and a relatively higher importance to bids and offers over other market information. But certain markets will exist for which such a hierarchy would produce unreliable and non-representative price assessments, and so the methodology must assign a different relative importance in order to ensure the quality and integrity of the price assessment. And even in markets for which the hierarchy normally exists, certain market situations will at times emerge for which the strict hierarchy would produce non-representative prices, requiring Argus to adapt in order to publish representative prices.

At times, Argus may use proprietary curve valuation models that use advanced statistical analyses to formulate forward curves in cases in which no market information is available for a particular product or term. For each illiquid product or term, Argus has identified at least one liquid reference product or term that has exhibited a strong historical correlation.

Argus Global Compliance Policy

Subscribers and other stakeholders are encouraged to review the [Argus Global Compliance Policy](#) to understand the rigorous and transparent controls framework Argus has employed to govern its price reporting activities. The company's Global Compliance Officer oversees the compliance framework, including a rolling program of internal audits to ensure compliance with stated methodologies and policies.

Markets covered

Argus Marine Fuels Forward Curves includes monthly price assessments for a rolling 24 months forward. The service includes forward curve basis differentials to the Nymex NY Harbor ULSD and Ice gasoil futures contracts.

US

- USGC fuel oil 0.5%
- NYH fuel oil 0.5%
- NYH MGO 0.5%
- NYH fuel oil 1%
- USGC fuel oil 3.0%

Europe

- NWE fuel oil 0.5%
- NWE VGO 0.5%
- NWE MGO 0.1%
- NWE HS fuel oil
- NWE LS fuel oil

Asia-pacific

- Singapore HS 380cst fuel oil
- Singapore fuel oil 0.5%
- Singapore MGO 0.1%