

# INSIDE OIL - AMERICAS

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## TOP NEWS

### **EXCLUSIVE-Kazakhstan to seek damages from Transneft for tainted oil loaded in Ust-Luga**

Kazakh oil flowing via Russia to be loaded on tankers at the Baltic Sea port of Ust-Luga has been contaminated and Kazakhstan plans to seek compensation from Russian pipeline monopoly Transneft, a senior Kazakh energy official said. Russia's oil export flows have been disrupted since April, when high levels of organic chloride were found in crude pumped via the Druzhba pipeline to Ust-Luga and other European countries.

### **EXCLUSIVE-Trump EPA did not await court ruling to loosen biofuel rules for refiners -documents**

The Trump administration made it easier for oil refineries to get waivers from the nation's biofuel law at least four months before a 2017 court decision it often cites to justify the move to the corn lobby, and the move was motivated by a desire to save the oil industry money, Reuters has learned. The timing and motivation for the Environmental Protection Agency's policy change, revealed through court documents and an interview with a former top agency official, have not been previously reported. This reinforces the concerns of the corn industry that the decision to expand the waiver program was made at the EPA's discretion.

### **U.S. coasts face tight gasoline supplies ahead of summer driving season**

Tight gasoline supplies on the U.S. East and West Coasts have left both regions vulnerable to potential price spikes at the pump ahead of the peak summer driving season. Supplies on both coasts are at seasonal five-year lows just days ahead of the May 27 Memorial Day holiday weekend starts, the unofficial beginning of summer.

### **BP faces investor push to beef up fight against climate change**

BP will face pressure at a meeting next week to set tougher targets to combat climate change, the latest signal from investors that they want the oil and gas industry to do more to clean up its act. After BP's 2018 carbon emissions rose to their highest in six years, the London-based major is being lobbied by activists and an increasing number of shareholders to ensure its operations are in line with goals set by the 2015 Paris climate deal to curb global warming.

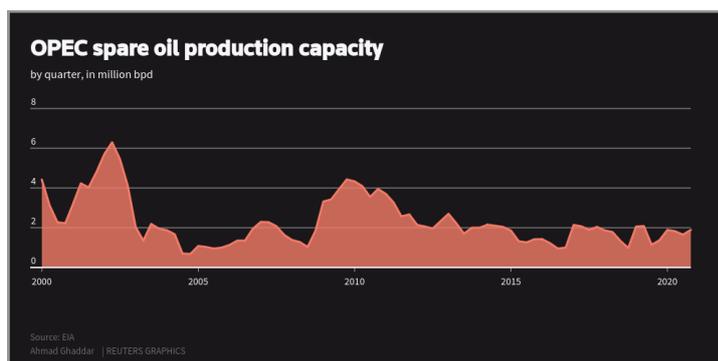
### **Saudi Arabia accuses Iran of ordering drone attack on oil pipeline**

Saudi Arabia's deputy defence minister on Thursday accused Iran of ordering an attack on Saudi oil pumping stations that Yemen's Iran-aligned Houthi militia has claimed responsibility for. The attack "proves that these militias are merely a tool that Iran's regime uses to implement its expansionist agenda," tweeted Prince Khalid bin Salman, a son of King Salman.

### **China raises fuel export quotas 30% in latest 2019 allocation**

China has issued a second batch of refined fuel export quotas for 2019 that is 30 percent higher than the first batch, two trading sources briefed on the matter said on Friday. The new quota is for 23.79 million tonnes of oil products the sources said. The increase reflects the start up this year of a new privately owned refinery that will add to China's fuel surplus as record refinery output is exceeding fuel demand growth.

## CHART OF THE DAY



**Gas station lines reappear in Venezuela as refinery halts, fuel imports plunge**

Gas station lines reappeared across oil-rich but crisis-stricken Venezuela this week as gasoline imports plunged and the country's second-largest oil refinery halted operations. Shortages of motor fuel have become a periodic occurrence across OPEC member Venezuela, particularly in border regions where smuggling to neighboring countries is common, the result of generous subsidies from state-run oil company PDVSA that have led to nearly-free gasoline.

**COLUMN-Brent spreads point to tightest market since 2014: Kemp**

Oil traders anticipate a big draw down in crude stocks in the second half of this year as sanctions on Iran and Venezuela coupled with other supply disruptions and a sluggish response from OPEC cause a severe shortage. Brent's six-month calendar spread has moved into a backwardation of almost \$3.80 per barrel up from \$2.20 a month ago and a contango of more than \$1 per barrel at the beginning of the year.

**Total CEO says planned buy of Anadarko's Africa assets 'perfectly fitting'**

French energy giant Total SA's planned acquisition of U.S. firm Anadarko's African assets is "perfectly fitting" with the company's overall strategy and helps play to its strengths, Chief Executive Patrick Pouyanne said on Thursday. Total agreed to buy all of Anadarko's oil-and-gas-producing assets outside the United States, including its biggest future expense, a multibillion-dollar liquefied natural gas project in Mozambique, for \$8.8 billion.

**Canadian Senate committee recommends govt scrap oil tanker ban bill**

The premier of Canada's main crude-producing province Alberta on Thursday welcomed a Senate committee vote recommending the federal government does not proceed with a bill enacting an oil tanker moratorium along British Columbia's northern coast. The committee voted on Wednesday night against Bill C-48, which would ban oil tankers from docking on that stretch of coast. Six senators were in favour of the legislation and six against, and under Senate committee rules a tied vote counts as a rejection.

**MARKETS TODAY**

**OIL:** Oil edged higher towards \$73 a barrel, supported by real and threatened supply disruptions in the Middle East and heading for a weekly gain.

**FOREX:** The Japanese yen strengthened, attracting safe-haven buying due to lingering concerns among investors about trade tensions and impending European Parliament elections.

**U.S. EVENTS SCHEDULED FOR THE DAY (ET)**

**1000** U Mich Sentiment Preliminary for May: Expected 97.5; Prior 97.2

**1000** U Mich Conditions Preliminary for May: Expected 112.2; Prior 112.3

**1000** U Mich Expectations Preliminary for May: Expected 86.8; Prior 87.4

**TECHNICAL CHARTS**

[NYMEX Crude](#) | [NYMEX RBOB Gasoline](#) | [NYMEX Heating Oil](#) | [ICE Brent Crude](#) | [ICE Gas Oil](#) | [ICE Heating Oil](#)

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