

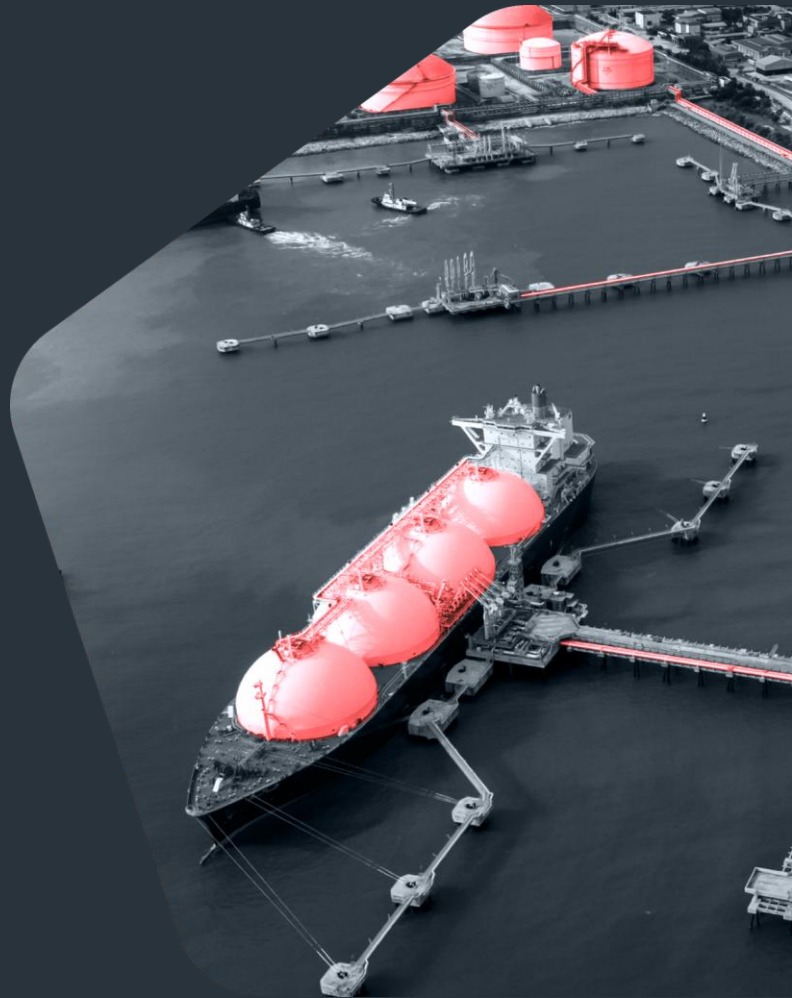
Latam under pressure: Crude, fuel, and freight in a shifting world



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Crude

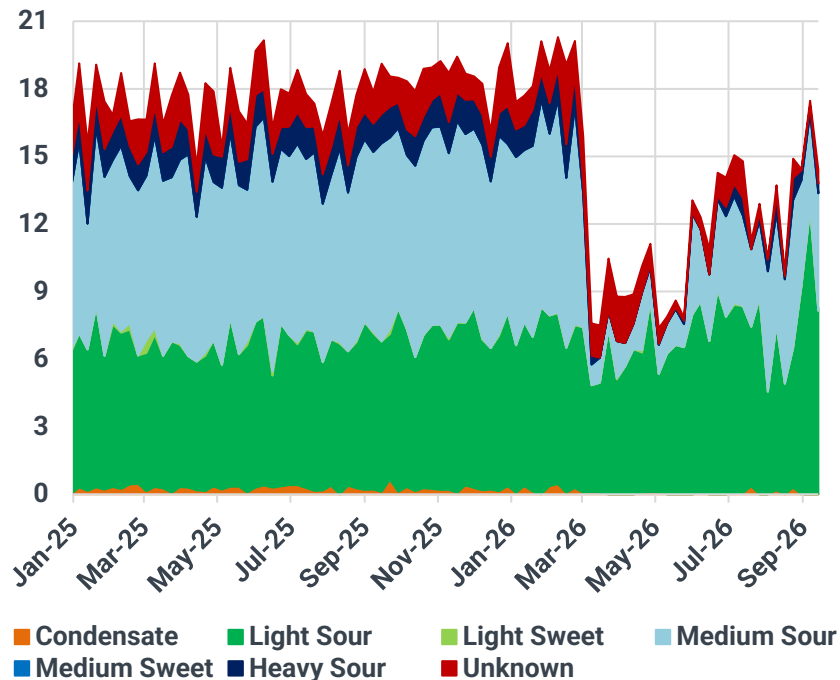
Johannes Rauball, Senior Crude Analyst



Quality matters just as much as quantity

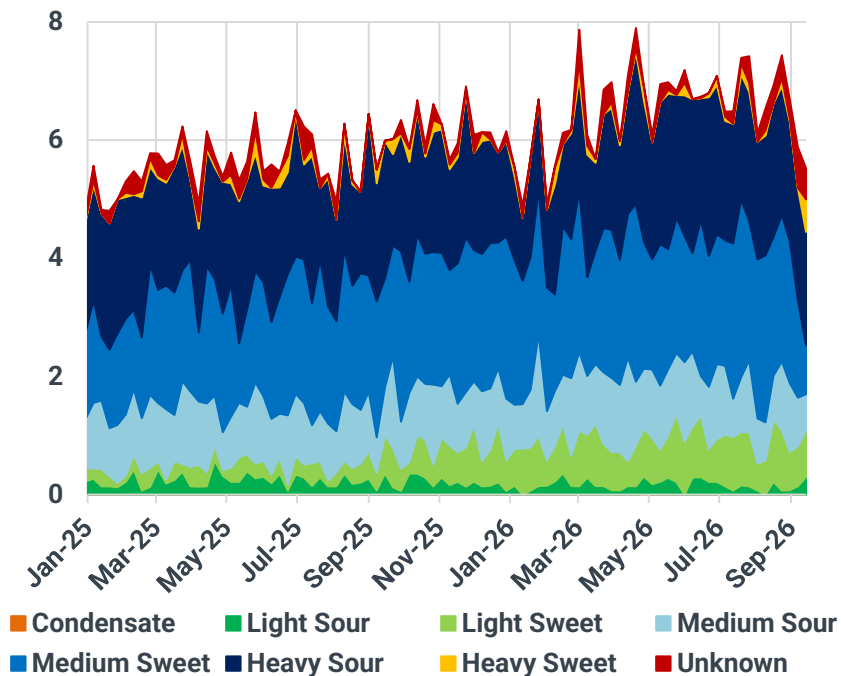
Middle Eastern crude supply outages have kept demand for medium-density crudes high

Middle Eastern flows by quality, Mbd



Source: Kpler

Latin American flows by quality, Mbd

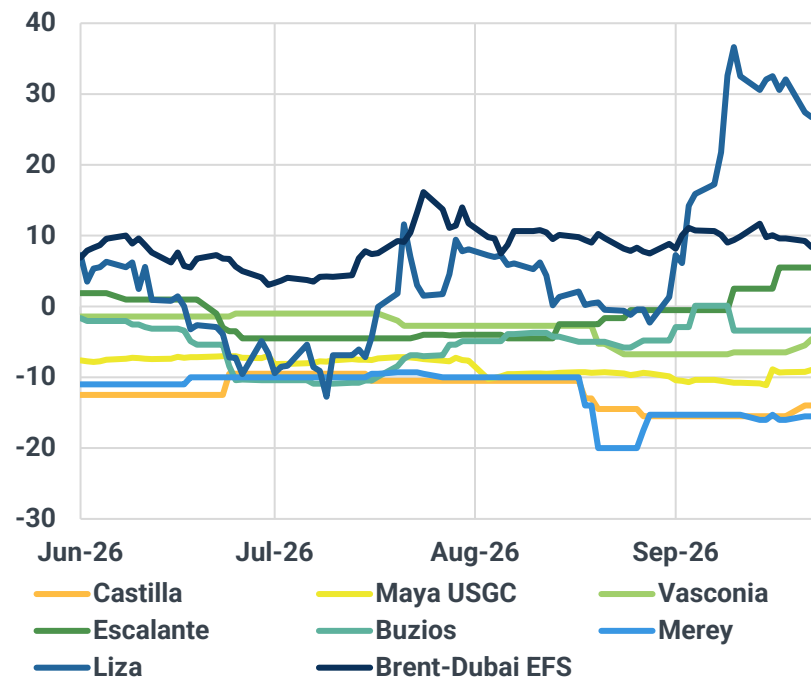


Source: Kpler

Latin American differentials driven by Europe and Asia pull

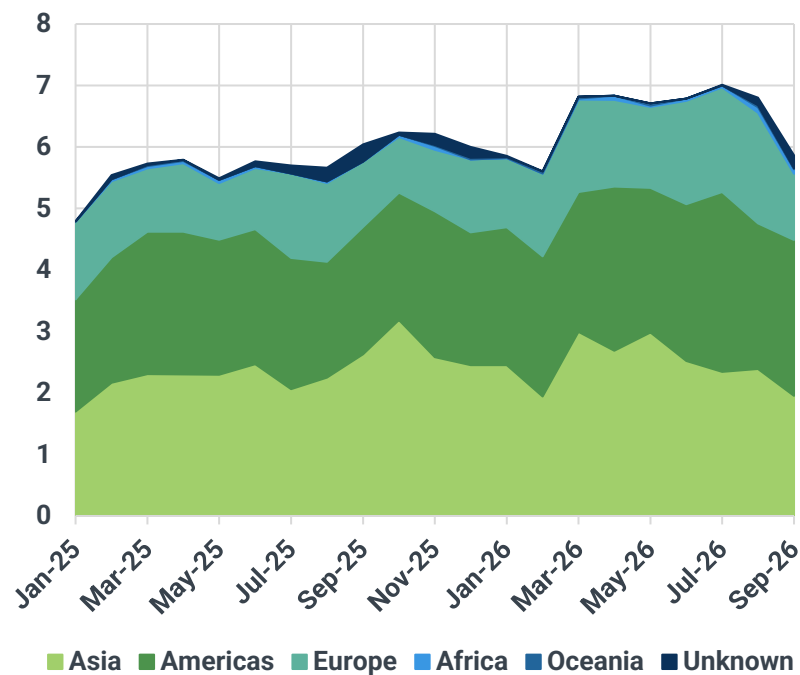
Higher freight allowing fob and landed prices to appreciate, with Europe abrupt short reflecting in Liza pricing

Selected LatAm fob differentials to ICE Brent, \$/bbl



Source: Argus Media

LatAm crude and condensate flows by destination, Mbd

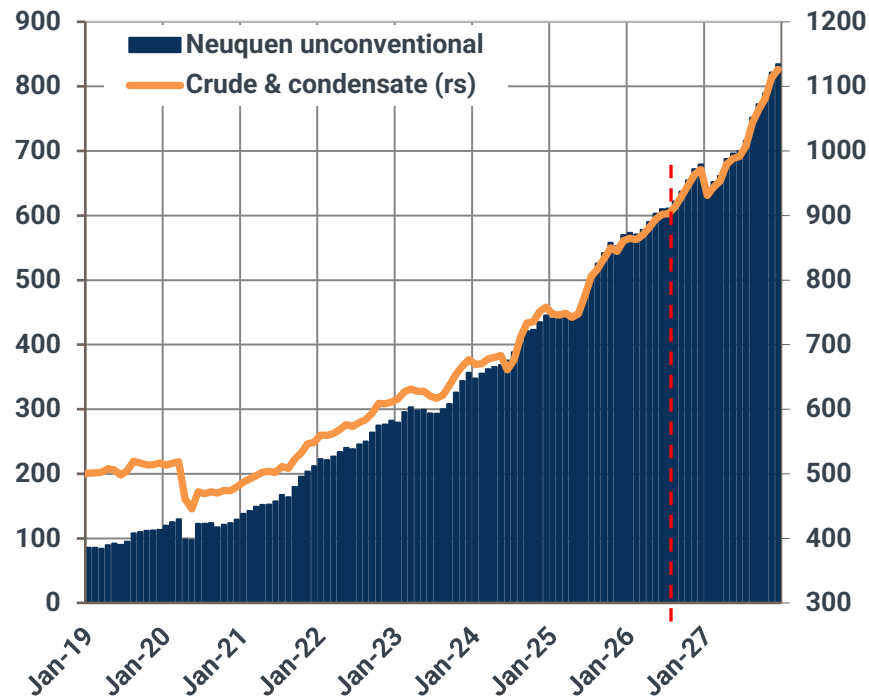


Source: Kpler

The outlier: Argentina's light sweet shale boom

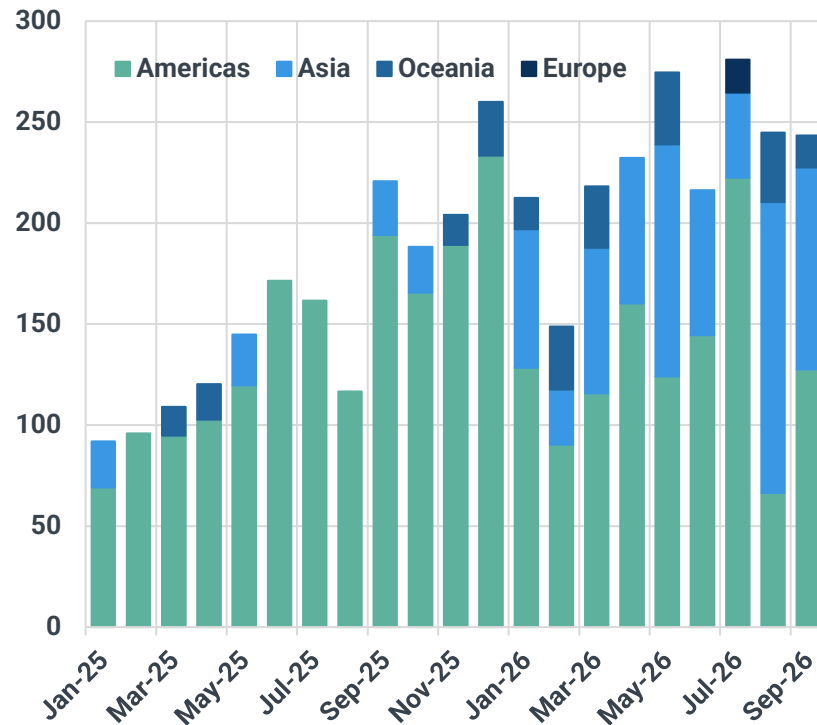
Vaca Muerta shale growth has been accelerating as US producers eye further investments

Argentina's crude supply, kbd



Source: IAPG

Exports of Argentina's Medanito by destination, kbd

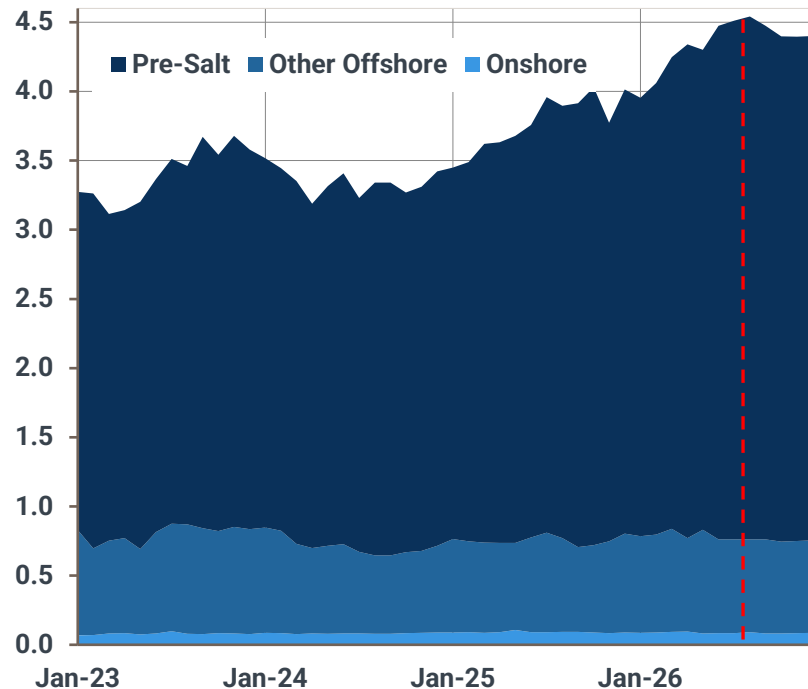


Source: Kpler

Brazil and Guyana carry the medium sweet torch

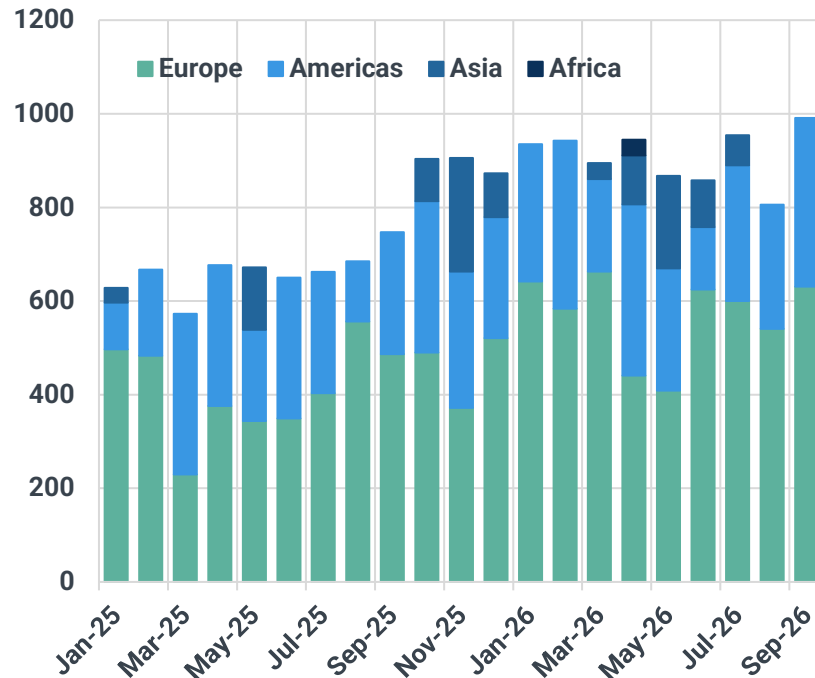
As growth in Brazil stalls, Guyana is set to continue its upward trend as FPSO Errea Wittu comes onstream

Brazil's crude and condensate supply by source, Mbd



Source: ANP

Guyana's crude exports by destination, kbd

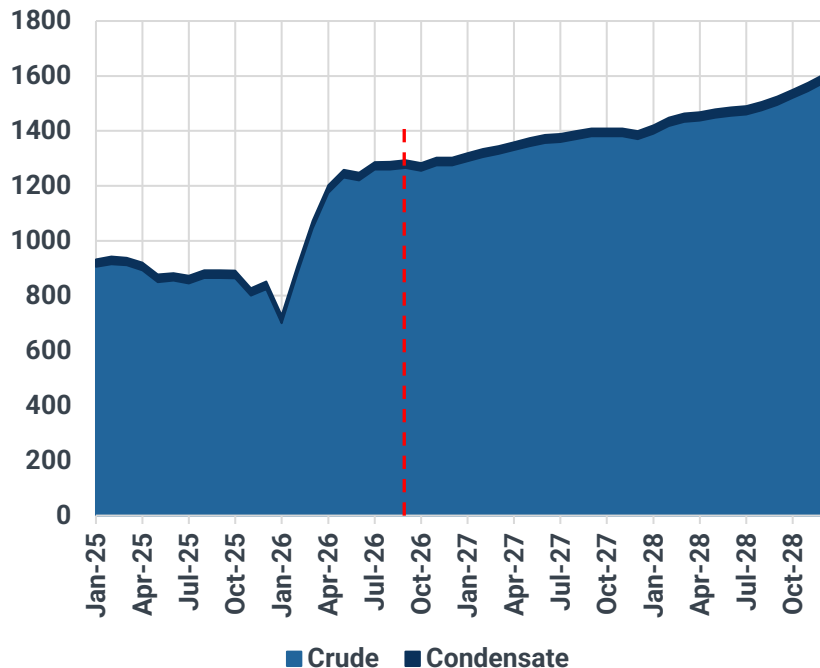


Source: Kpler

Legacy heavies: Mexico and Venezuela

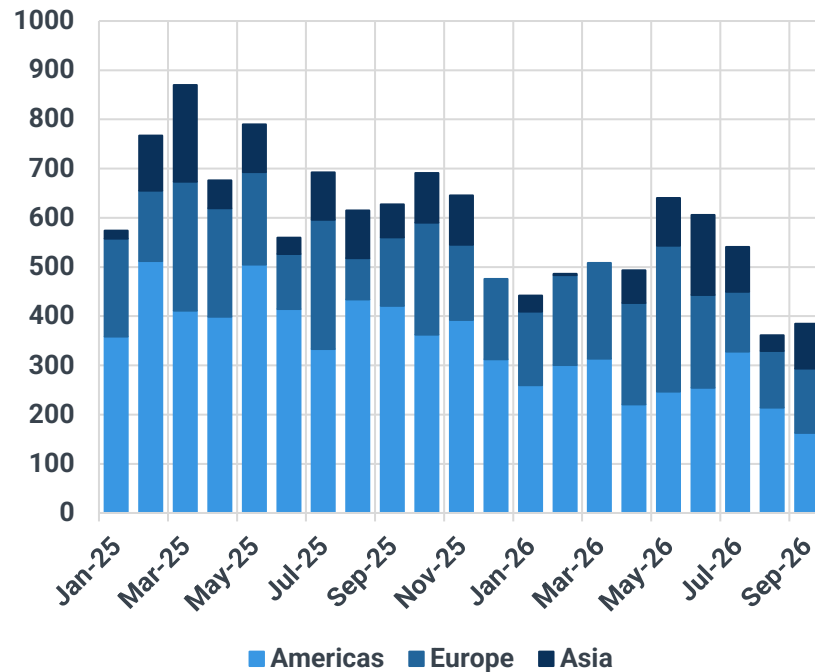
Venezuelan supply growth to more than offset declines expected by Mexico

Venezuelan crude supply, kbd



Source: Kpler

Mexican crude exports by destination, kbd

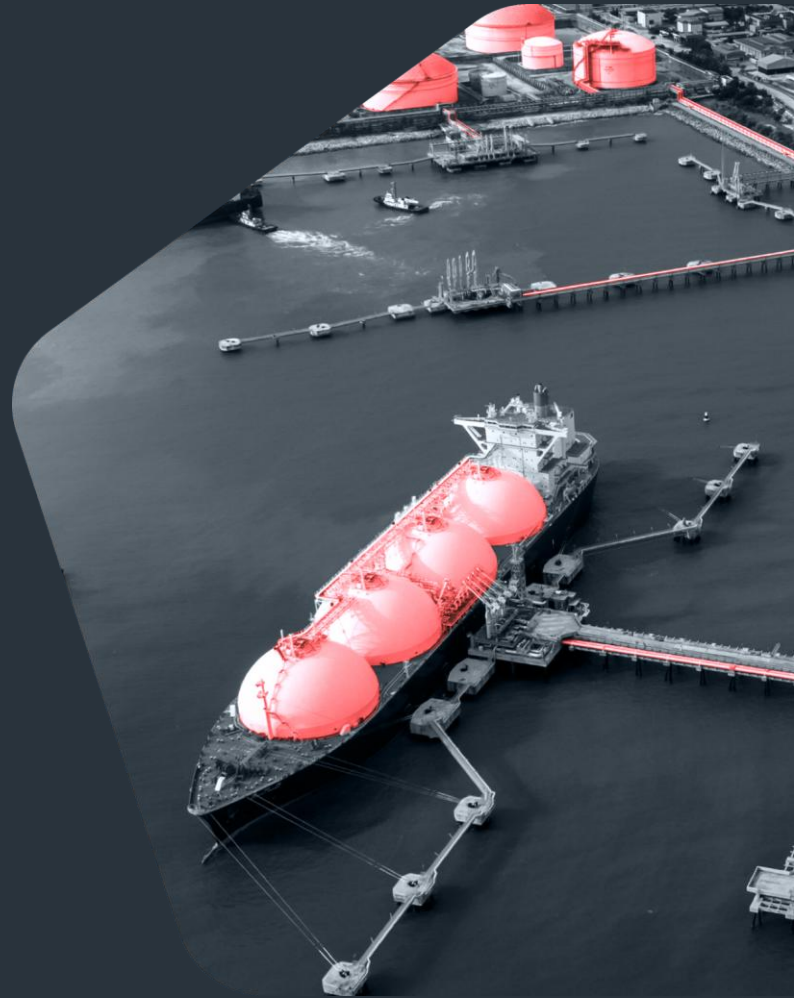


Source: Kpler

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Gasoline

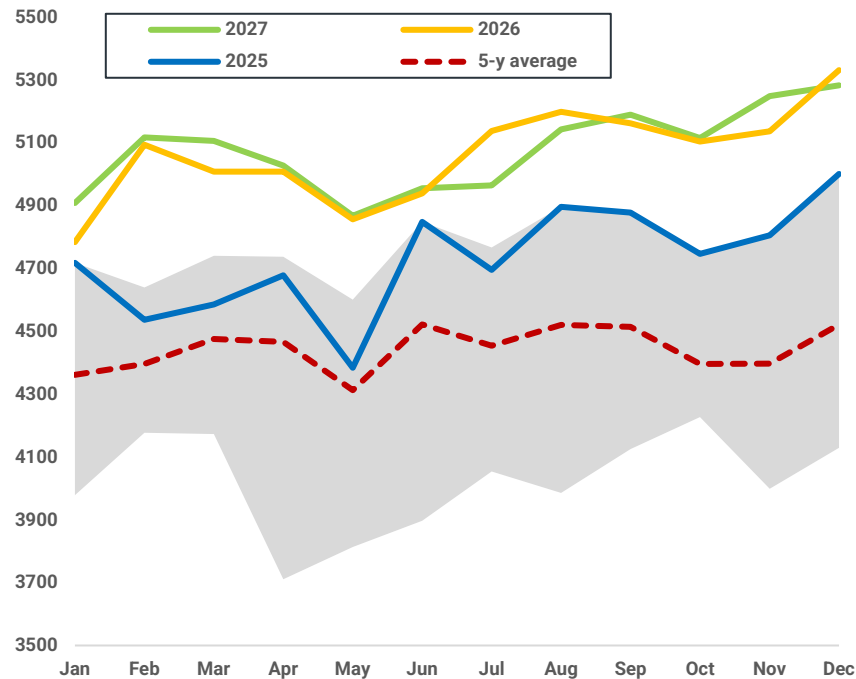
Ines Goncalves, Lead Research Analyst



Regional refinery runs to remain strong going into next year

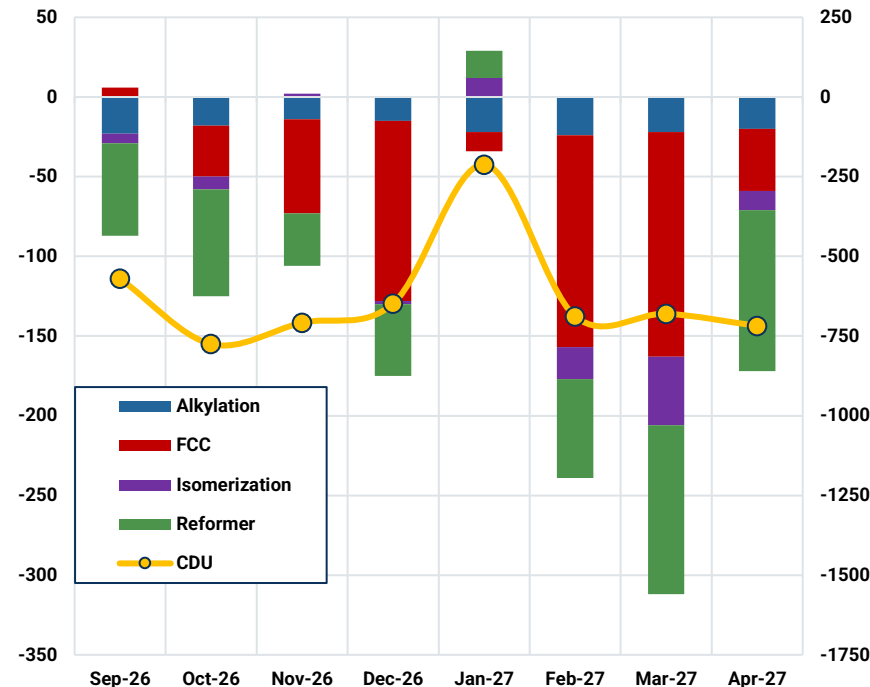
Growing crude supply, combined light maintenance amid healthy margins, sustain strong refinery intake going forward

LATAM refinery runs (kbd)



Source: Kpler

LATAM gasoline unit maintenance (LHS), CDU maintenance(RHS) y/y (kbd)



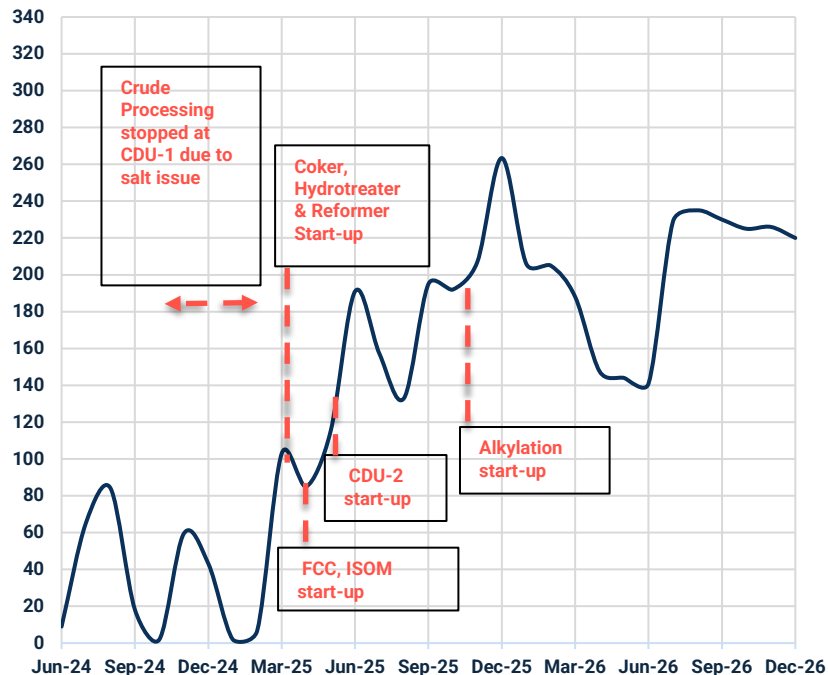
Source: Kpler based on IIR

Progress at Mexico's Dos Bocas constrained

But the refinery staged a stronger-than-expected recovery over the summer

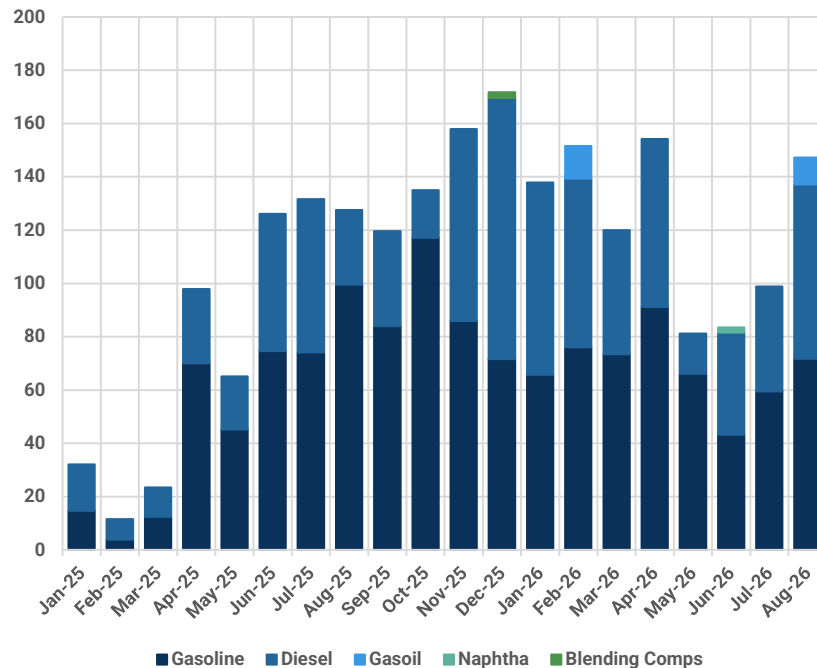
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Dos Bocas refinery outlook (kbd)



Source: Kpler

Dos Bocas monthly exports (kbd)

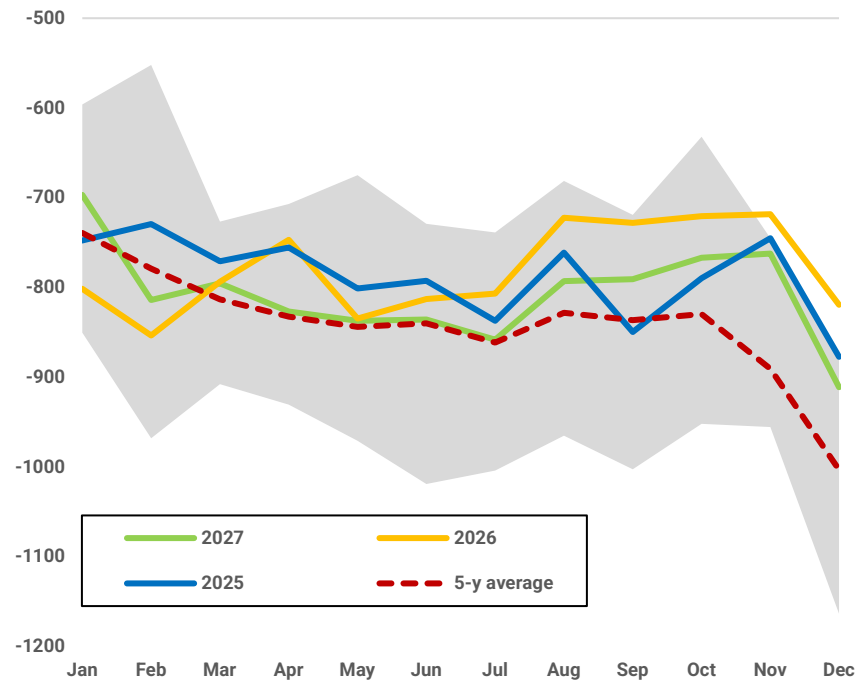


Source: Kpler

LATAM gasoline balances (incl. ethanol) becoming less negative

Ethanol playing an important role

LATAM total gasoline and ethanol balance (kbd)



Source: Kpler

Ethanol blending across LATAM

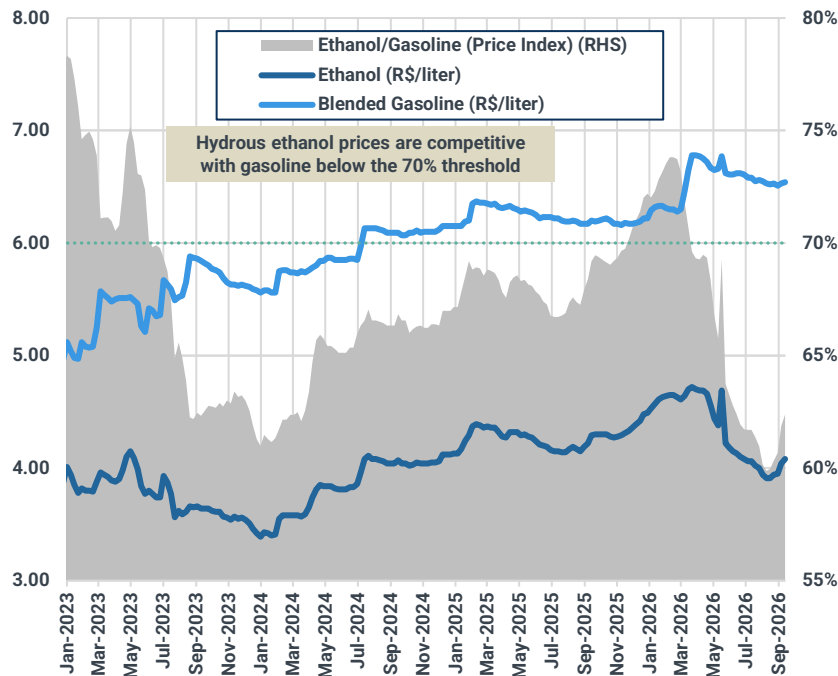
Country	Current Mandate	Recent Changes
Brazil	E32	Raised from E30 for 180 days from 01/08/26; legal ceiling 35%
Paraguay	E18-E24	Stable
Guatemala	E10	New national mandate launched July
Panama	E10	E10 reached April as per schedule (E5 April 2024)
Colombia	E10	Pressure to rise
Uruguay	E8.5-E10	Stable
Costa Rica	E7	Stable
Mexico	E5.8	Discussions are ongoing to rise to 10%, possibly 15-20%; ethanol banned in major urban areas
Chile	No mandate (MTBE)	Draft proposal (Sept 2026) to introduce E10

Source: Kpler based on several industry sources

Brazil leading the way

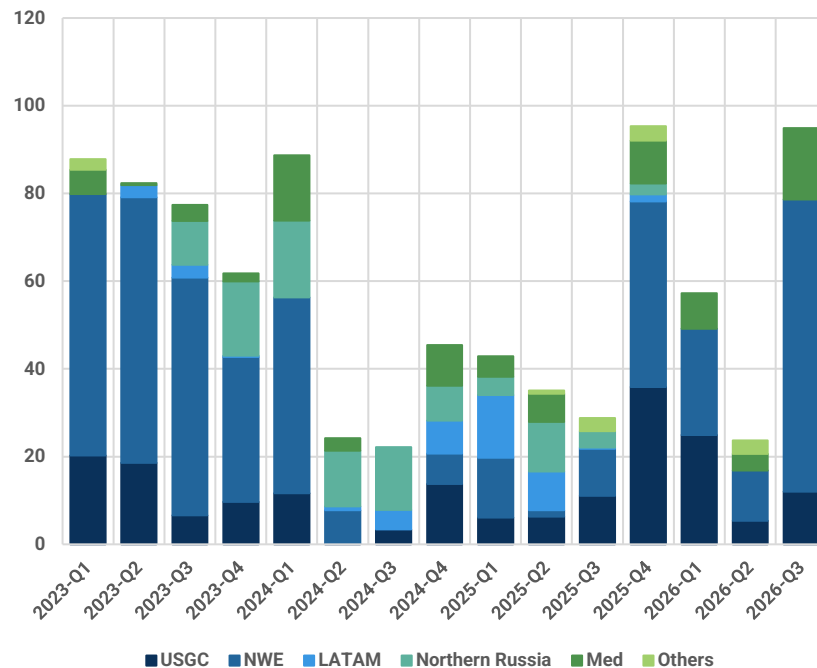
Flex-fuel fleet and domestic ethanol production make it more attractive for consumers

Brazil gasoline and ethanol prices (R\$/l)



Source: Brazilian National Agency of Petroleum, Natural Gas and Biofuels (ANP)

Brazil gasoline imports (kbd)

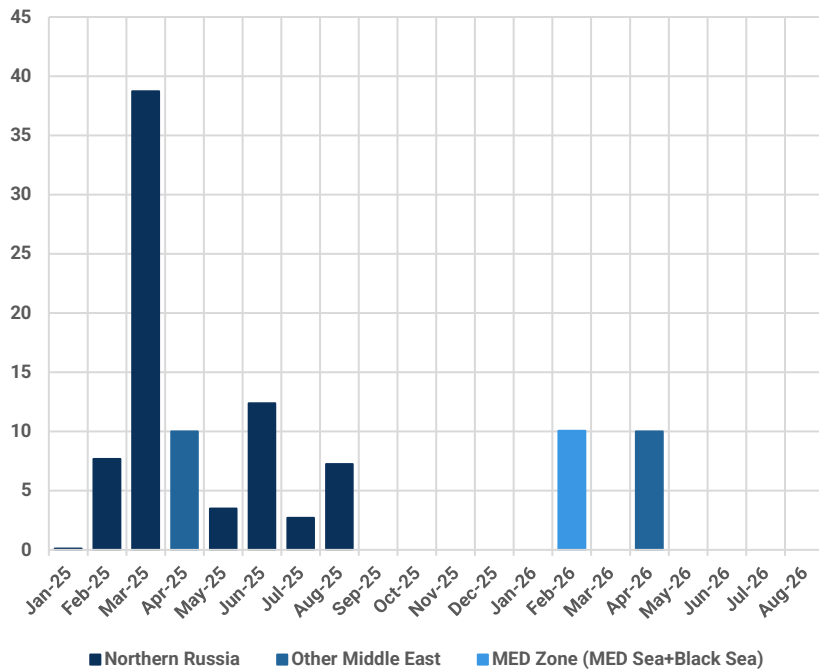


Source: Kpler

LATAM gasoline relatively insulated from two major geopolitical crisis

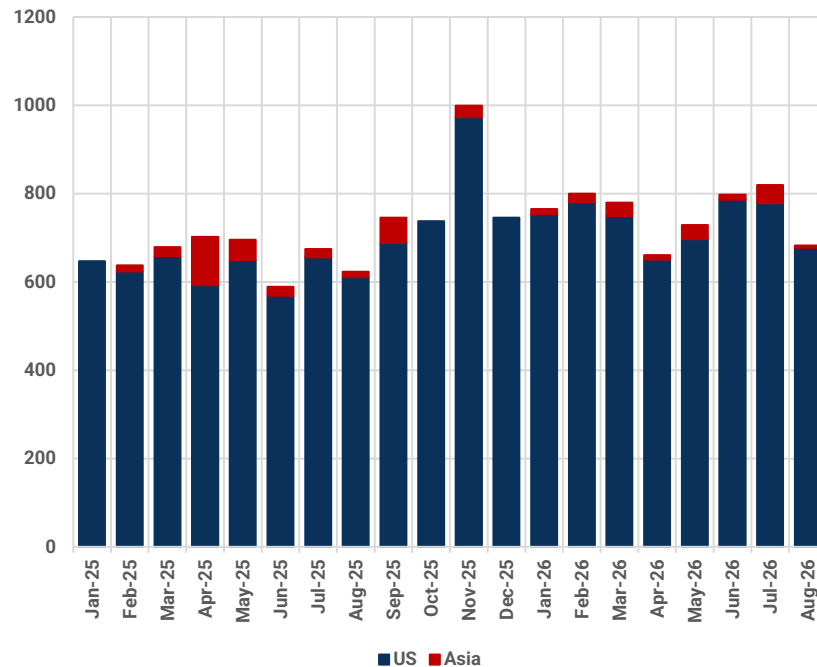
But indirect effects via transpacific route and US are of note

Middle East, Russian Federation monthly gasoline exports to Latin America (kbd)



Source: Kpler

US, Asia monthly gasoline exports to Latin America (kbd)

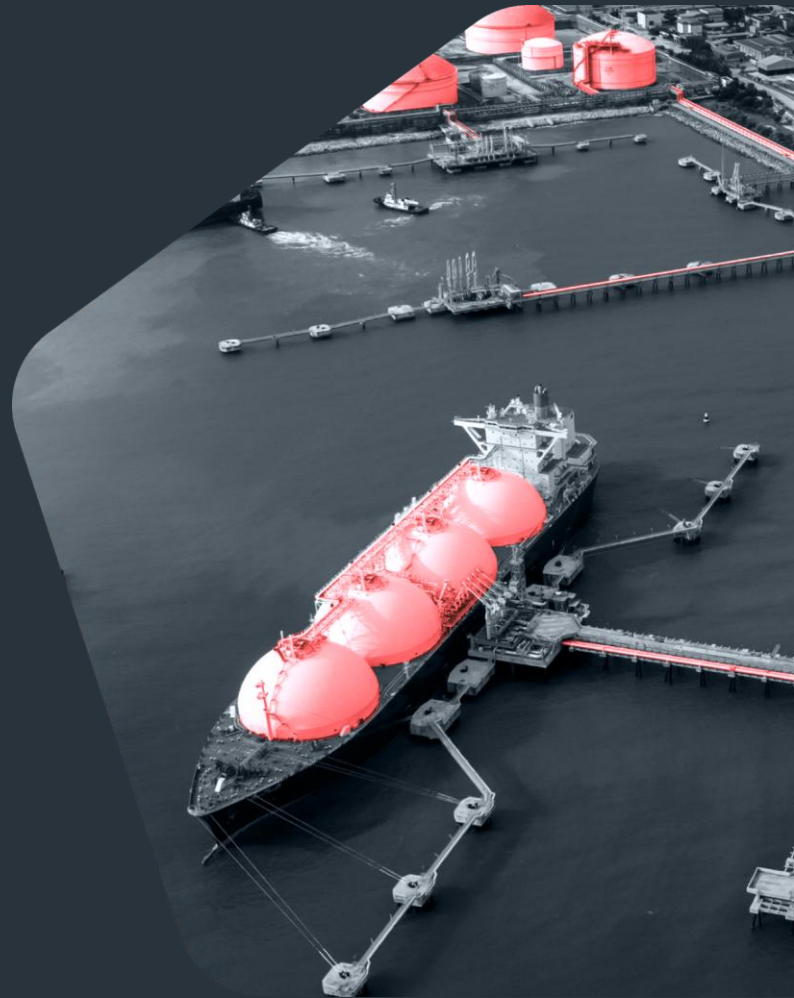


Source: Kpler

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Middle Distillates

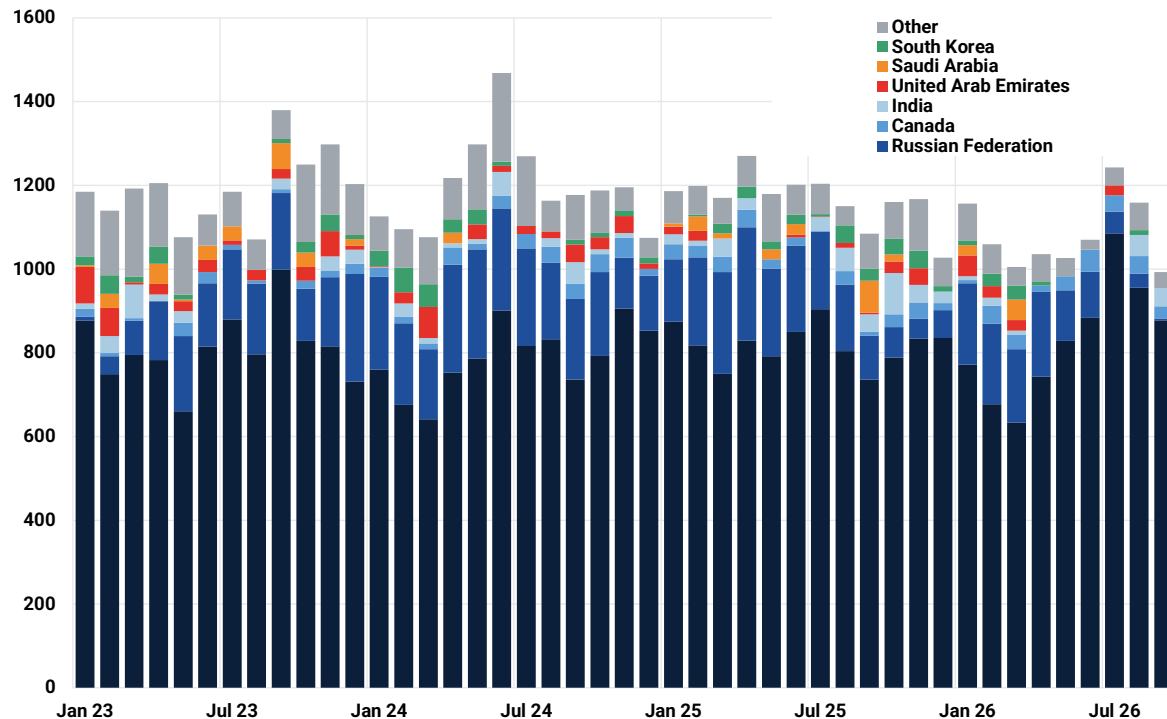
David Tonyan, Senior Research Analyst



Latin America Diesel: a 1.2 mbd import market that runs on the USGC

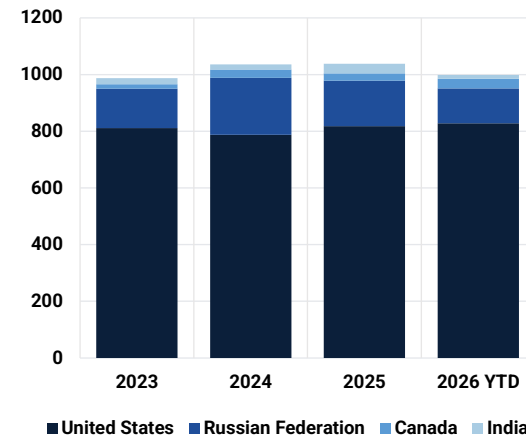
US share has risen from ~70% to ~85% in Q3 2026 as Russian and Gulf barrels disappeared

Latin America gasoil/diesel imports by origin (kbd, extra-regional)



Source: Kpler

Annual average by origin (kbd)



Source: Kpler

Q3 2026 so far

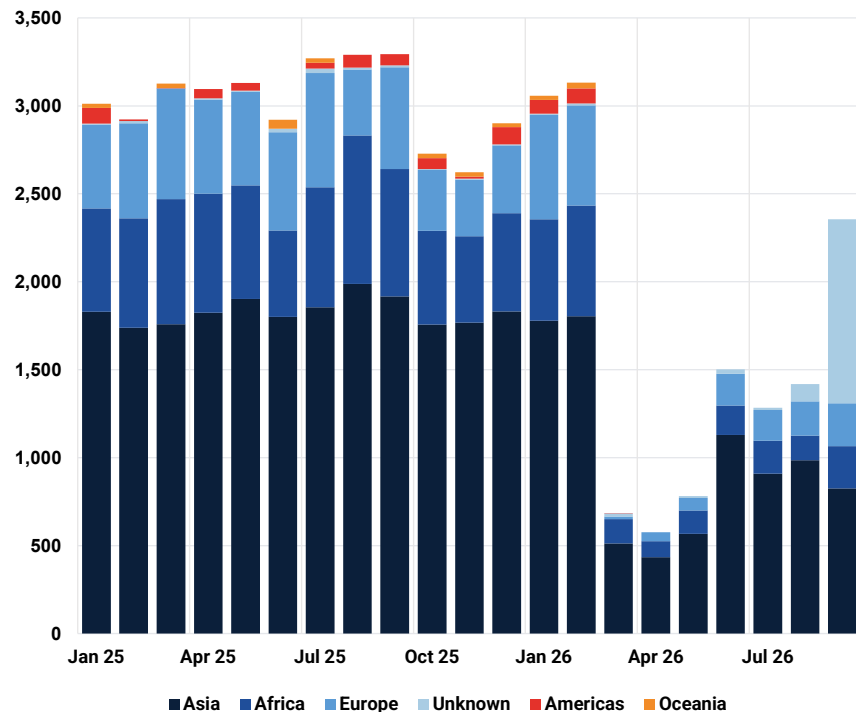
~1.1 mbd

Jul-Sep imports; US 1,085 kbd in Jul — a record

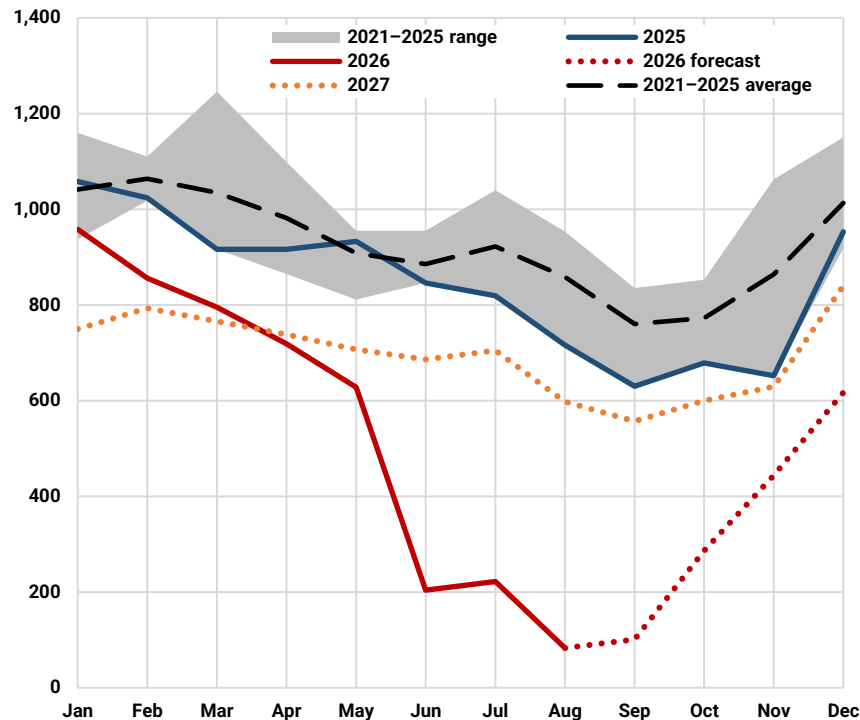
Middle East, Russia's refinery woes remove US alternatives

Russian gasoil exports fell from ~800 kbd (2025) to below 200 kbd since July; Brazil, ~90% of Russia's LatAm diesel

Mideast Gulf clean products exports by destination (kbd)



Russia gasoil balance (kbd)



Source: Kpler

Source: Kpler

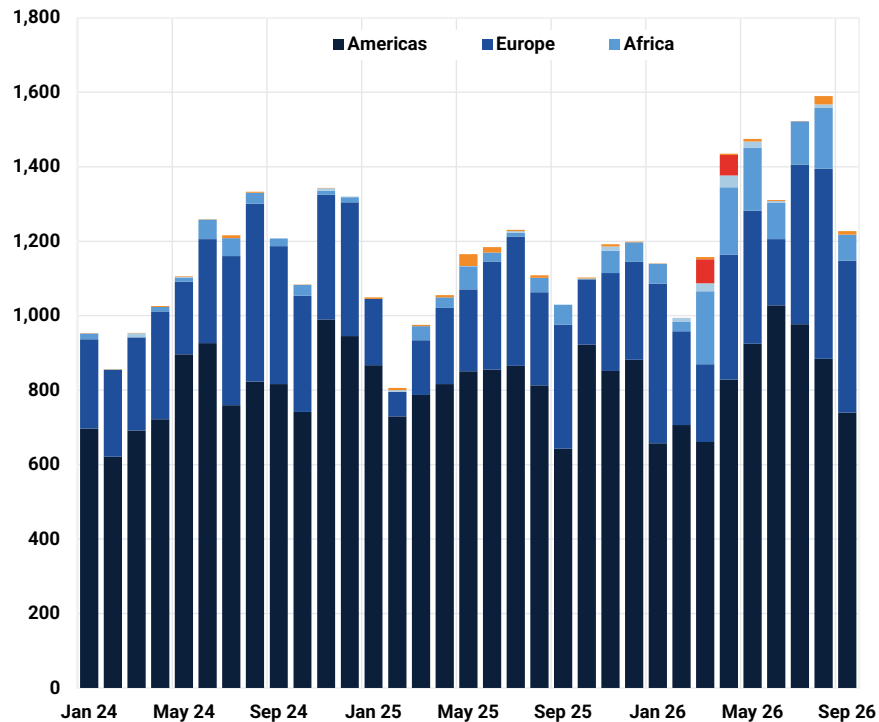
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The US Gulf Coast supply blanket is spreading thin

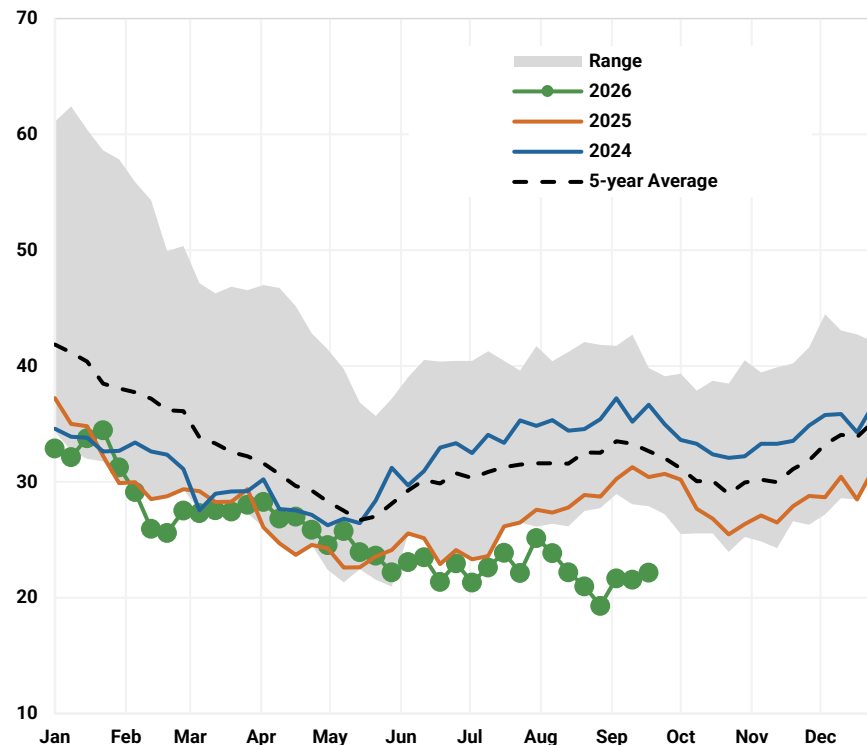
US exports at ~1.32 mbd in 2026 YTD; PADD 3 supplies ~90% of Latin America's US barrels facing rising domestic pull

US gasoil/diesel exports by destination (kbd)



Source: Kpler

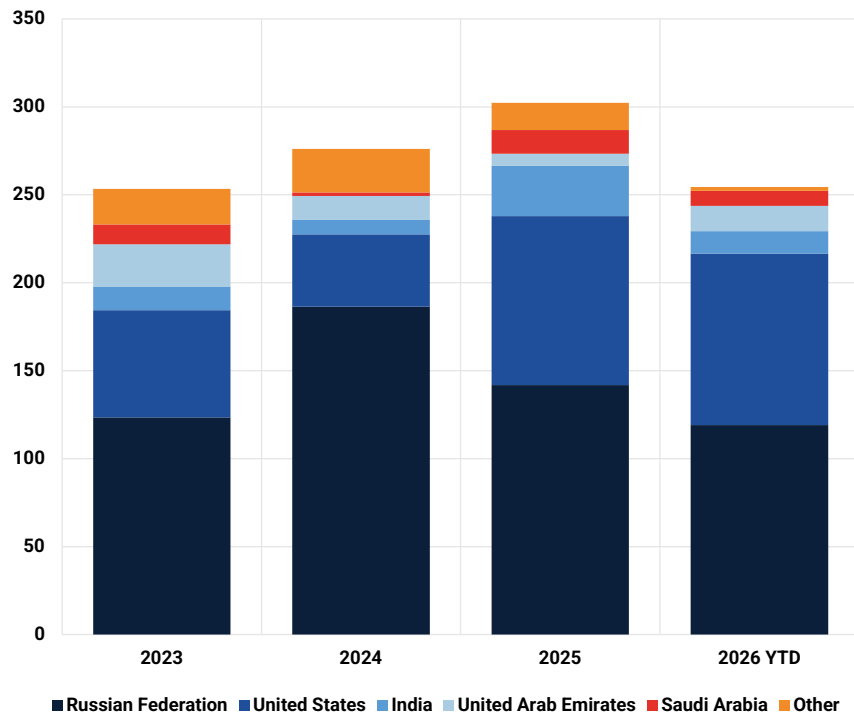
US PADD 1 diesel inventories (kbd)



Brazil takes more US barrels now, but fewer overall imports by 2028

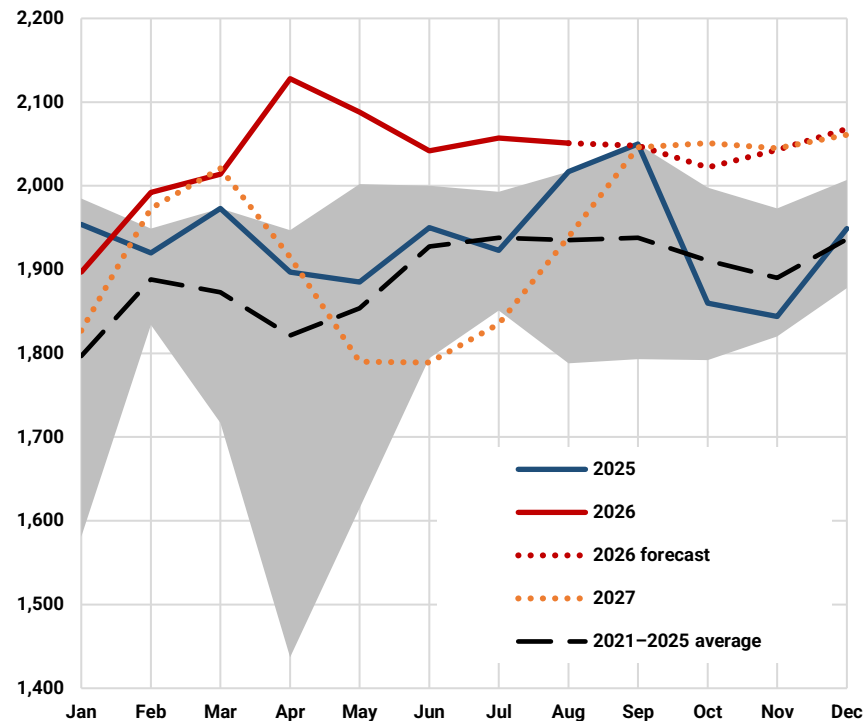
Petrobras targets diesel self-sufficiency by 2031 and record runs are already trimming the deficit

Brazil gasoil/diesel imports, annual average by origin (kbd)



Source: Kpler

Brazil refinery runs (kbd)

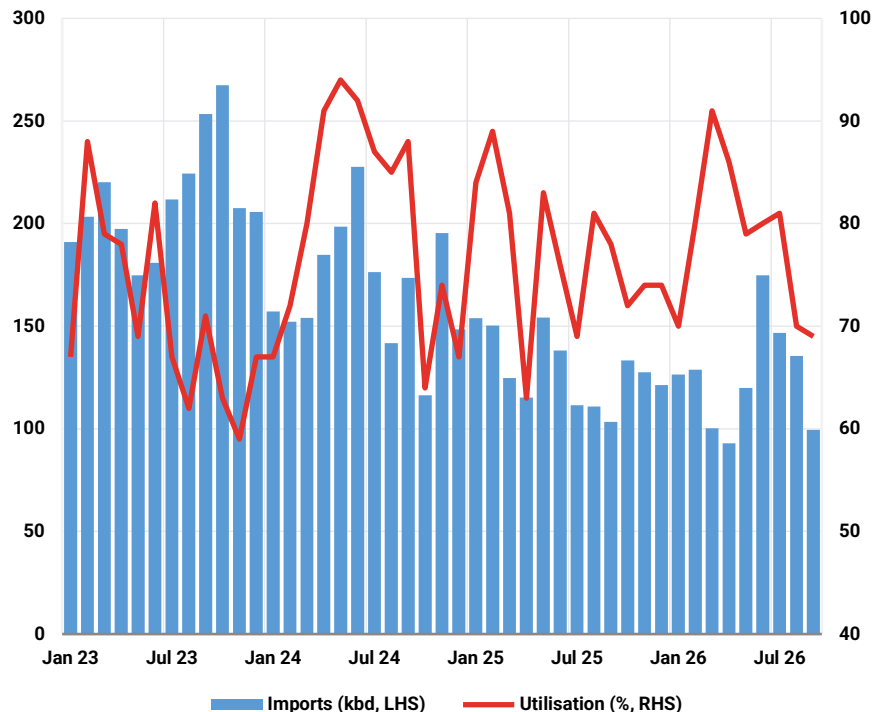


Source: Kpler

Mexico outlook: import dependence falls only as fast as Pemex reliability rises

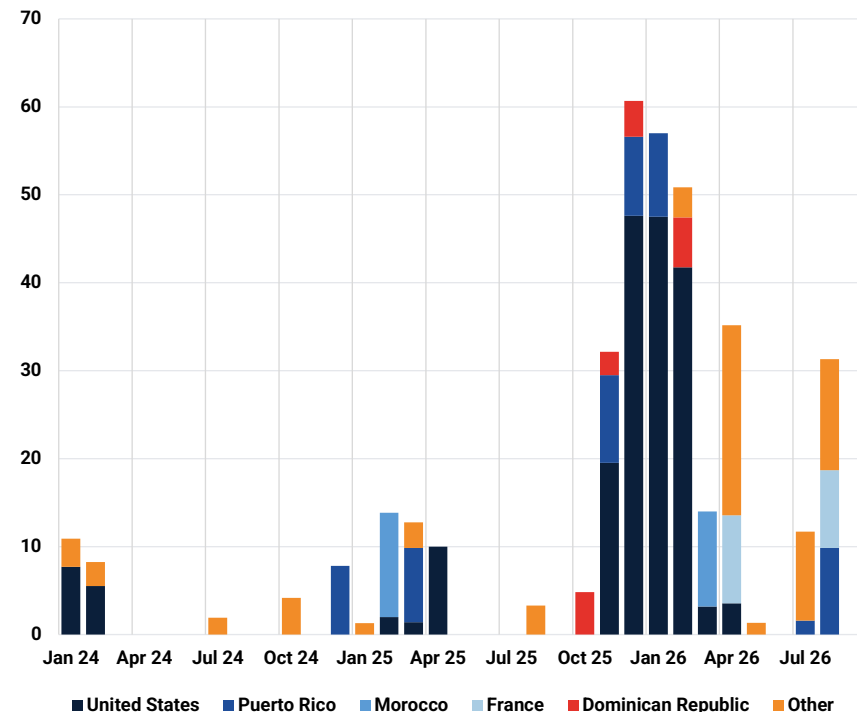
Every 10 points of utilisation is worth ~80 kbd of diesel; any US export curbs have significant impact

Mexico: refinery utilisation (%) vs gasoil/diesel imports (kbd)



Source: Kpler, Kpler Refinery Intelligence

Mexico gasoil/diesel exports (kbd)

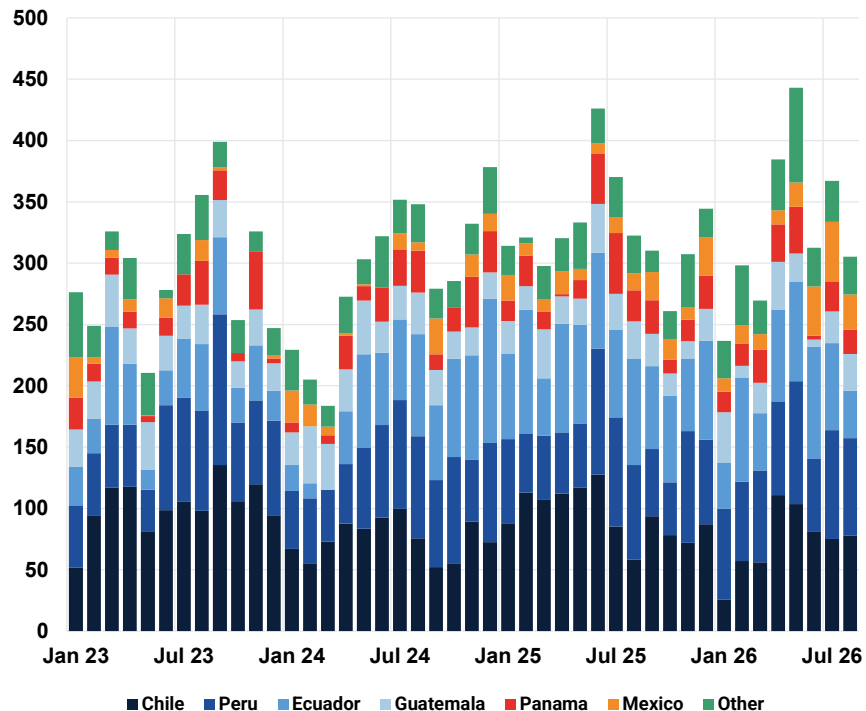


Source: Kpler

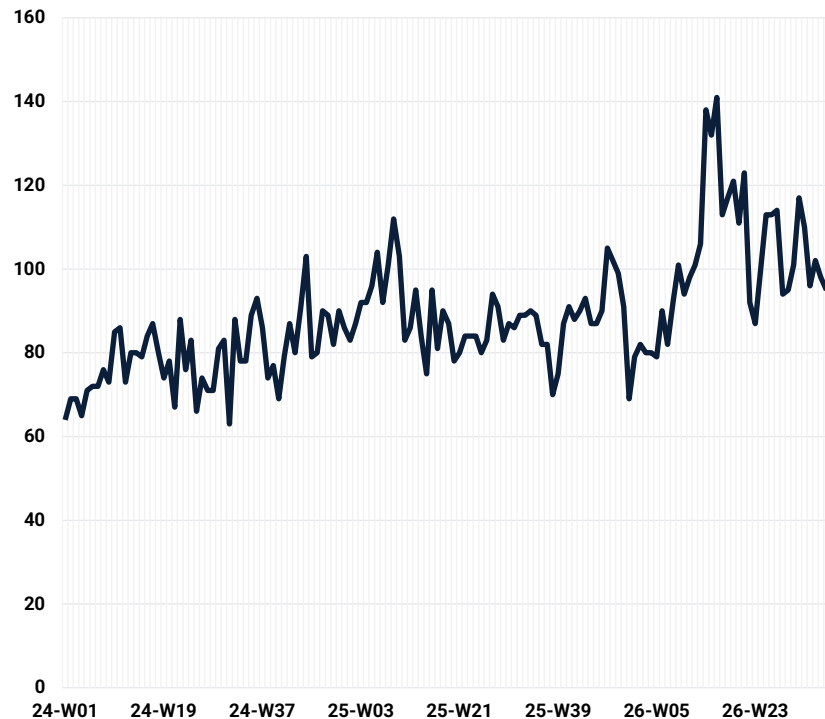
Panama Canal: the West Coast's lifeline is narrowing again

Transits cut from 36 to 32/day in mid-Sep; ~350 kbd of diesel moves through the canal

Gasoil/diesel transiting the Panama Canal by destination (kbd) Liquids tankers waiting at the Panama Canal (vessel count)



Source: Kpler



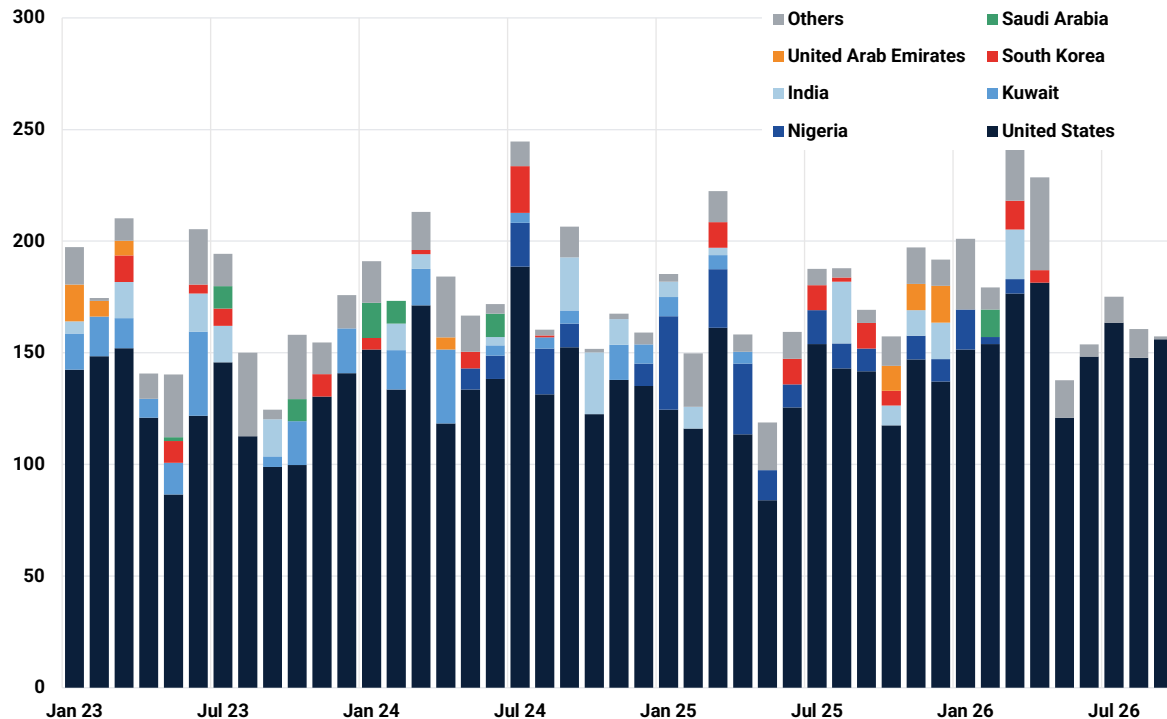
Source: Kpler

Jet demand rises in 2027 while supply stable on continued high yields

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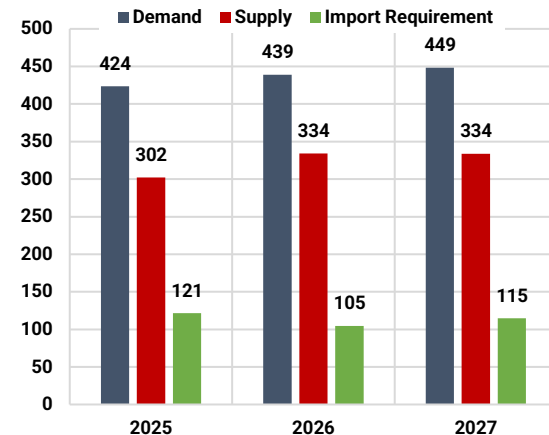
US share of imports rose from ~75% to over 90% in H2 2026

Latin America jet fuel imports by origin (kbd, extra-regional)



Source: Kpler

Latin America forecasted balance (kbd)



Source: Kpler

Q3 2026 so far

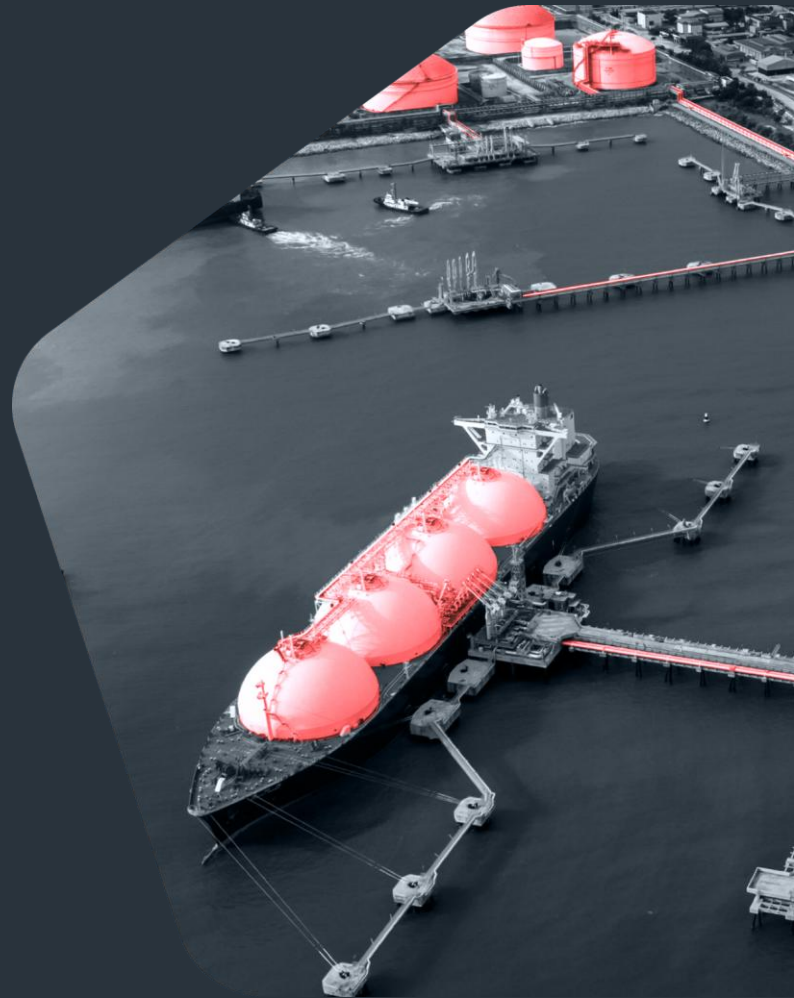
~165 kbd

US all but 9 kbd of supply with high US run rates and tight global markets.

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Tanker Freight

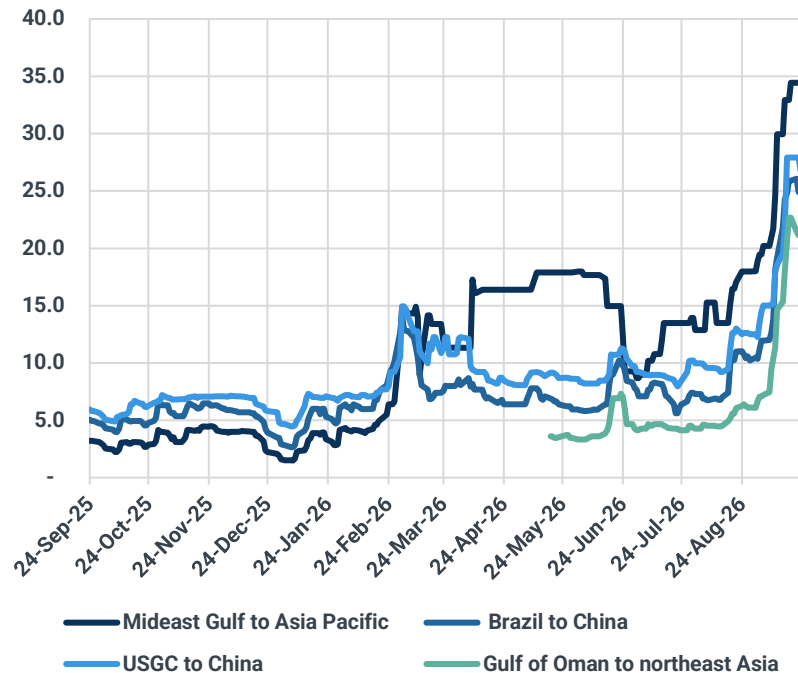
Matt Wright, Lead Tanker Analyst



Middle East crisis has lifted dirty tanker freight globally

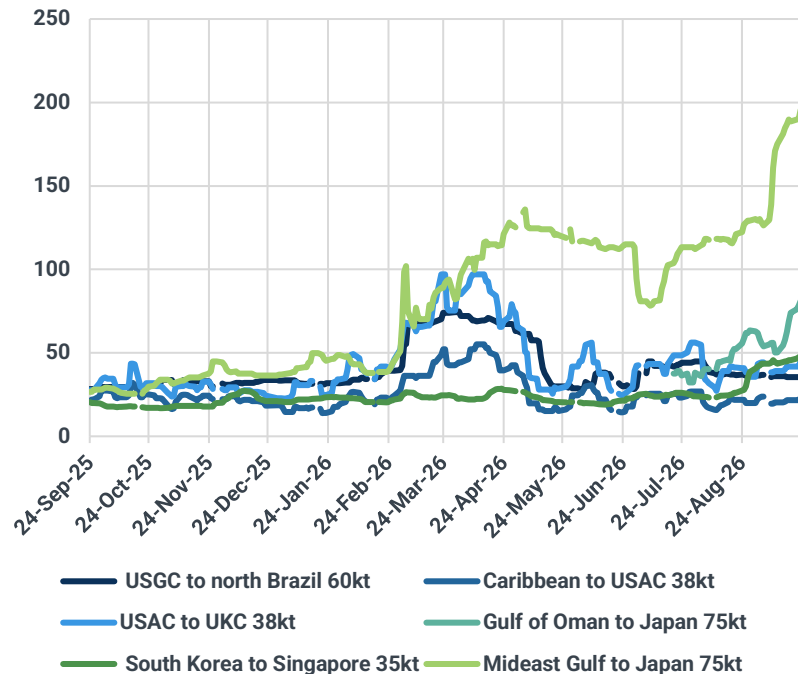
Clean rates have seen less of a boost

VLCC rates (\$/bbl)



Source: Baltic Exchange, Argus Media, Kpler

Clean Tanker rates (\$/t)

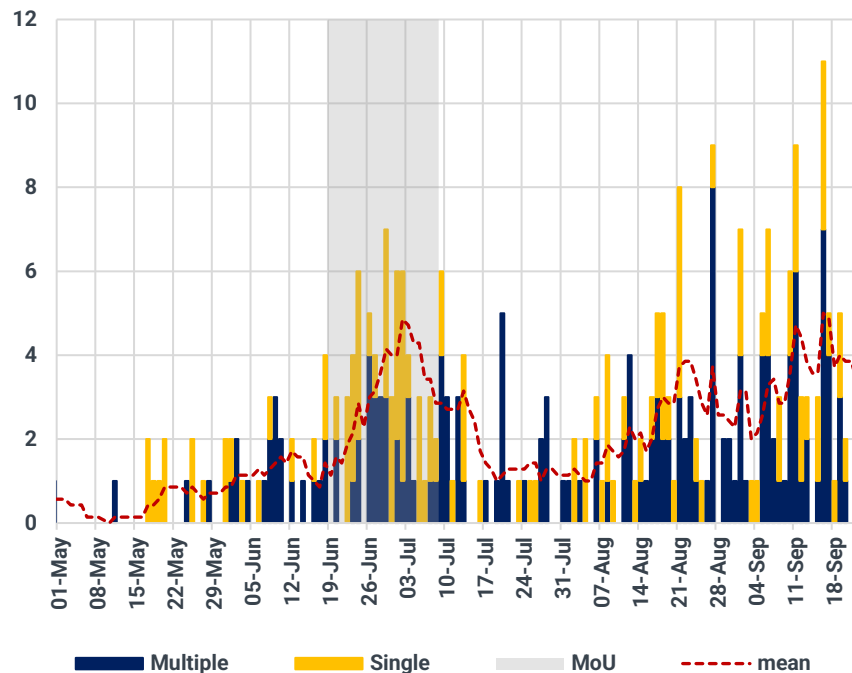


Source: Baltic Exchange, Kpler

Shuttle tankers are a critical element in maintaining transits

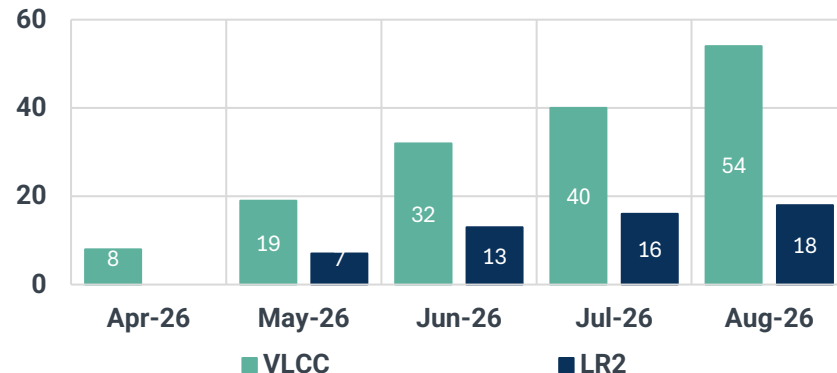
Shuttle fleet grown to 54 VLCCs, accounting for 8% of the compliant VLCC fleet

Gulf of Oman crude shuttle loads



Source: Kpler

Shuttle VLCC fleet growth



Shuttle VLCC fleet Stats

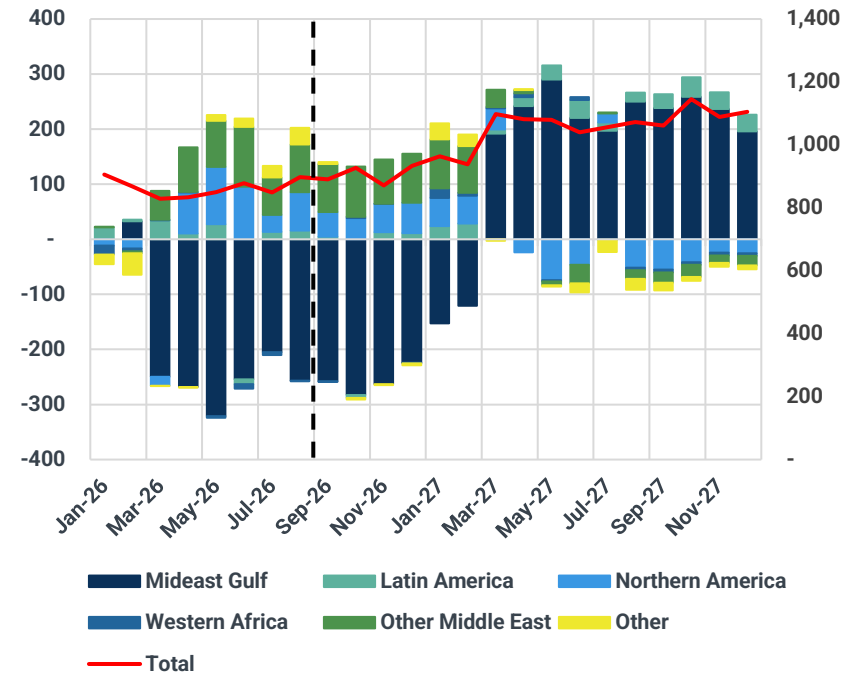
Producer	"Shuttle" VLCC count	Turnaround time (days)	Transits/month/ vessel	Implied transits per month	Implied monthly export capacity (mbd)	Implied monthly export capacity per vessel (mbd)	Age
Iraq	15	14.7	2.1	31	2.02	0.13	16.5
Kuwait	10	17.3	1.8	18	1.15	0.11	14.0
Qatar	4	15.8	1.9	8	0.50	0.13	15.1
Saudi Arabia	9	17.3	1.8	16	1.03	0.11	15.0
United Arab Emirates	19	17.6	1.7	33	2.14	0.11	13.3
GoO Total - observed	57	16.6	1.8	105	6.80	0.12	14.8

Source: Kpler

Outside of the Middle East, Latam accounts for the bulk of demand growth in 2027

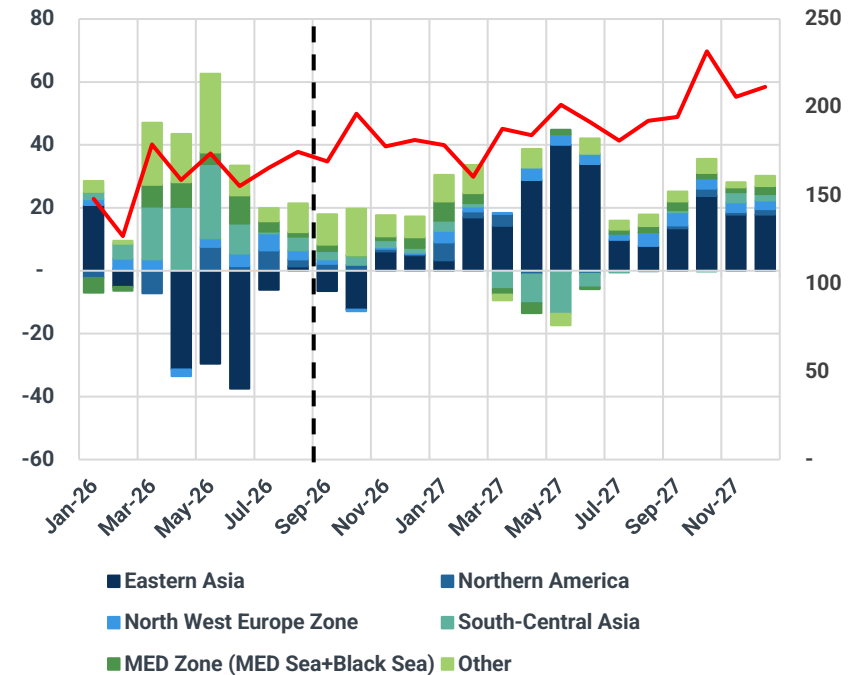
Long haul flows to Eastern Asia are expected to make up the largest share, driving VLCC demand

Crude tanker ton-miles forecast y/y growth (Bn TM)



Source: Kpler

Latam crude tanker ton-miles by destination y/y growth (Bn TM)



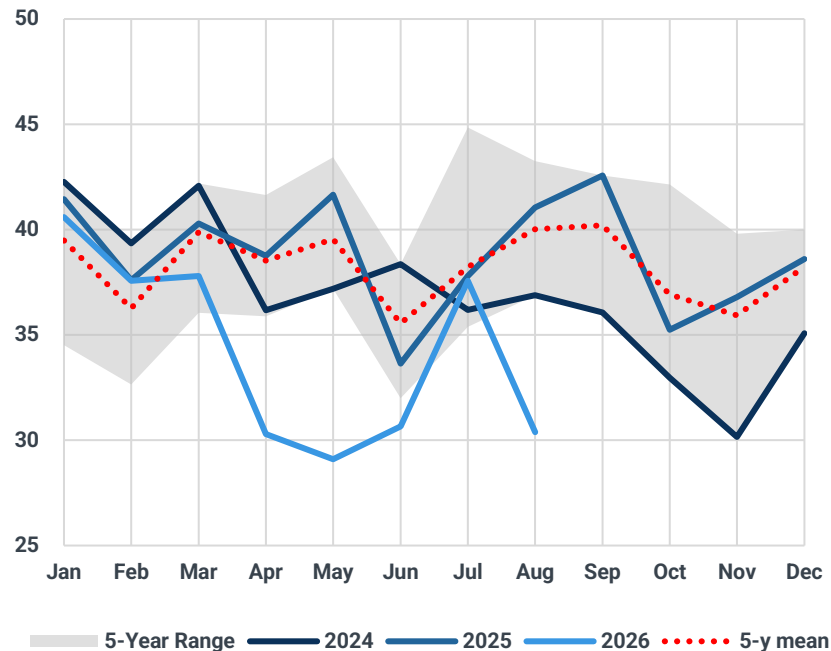
Source: Kpler

Reduction in imports from Russia has cut clean tanker ton-miles

26

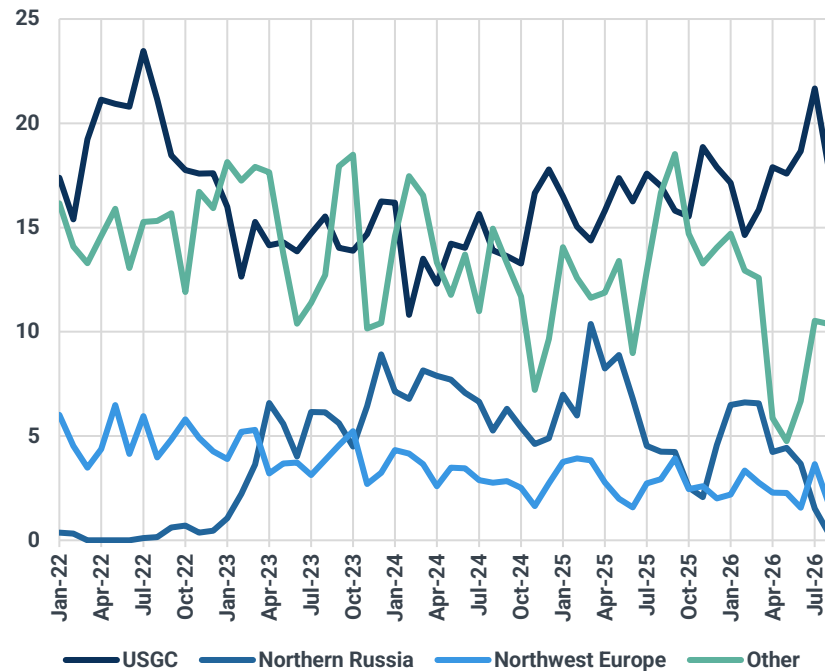
US share of exports to Latam rose to 59% in recent months up from an average of 42%

Clean ton-miles to Latin America (Bn)



Source: Kpler

Clean ton-miles to Latin America by origin (Bn)

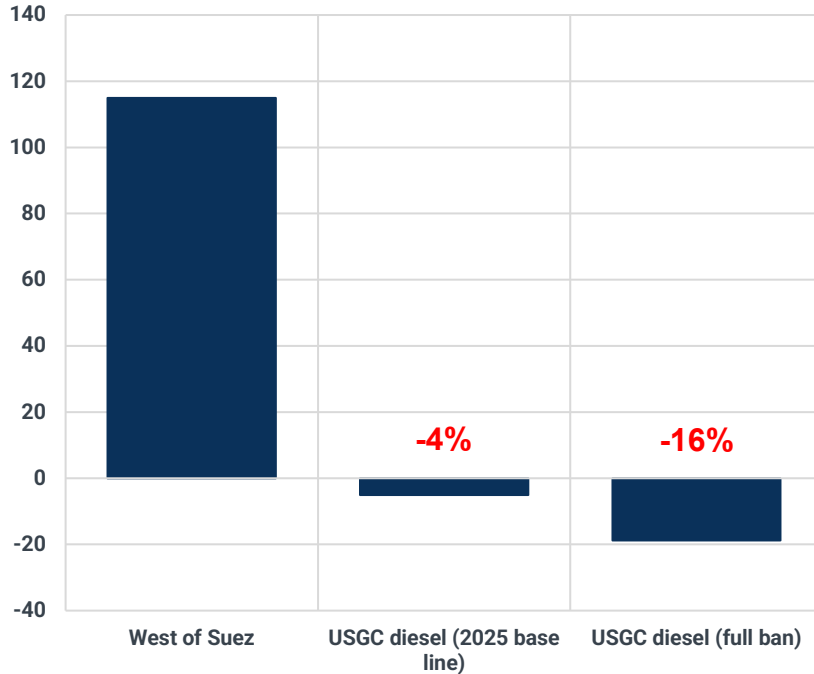


Source: Kpler

US diesel ban and restriction to Panama transits present upside and downside risks

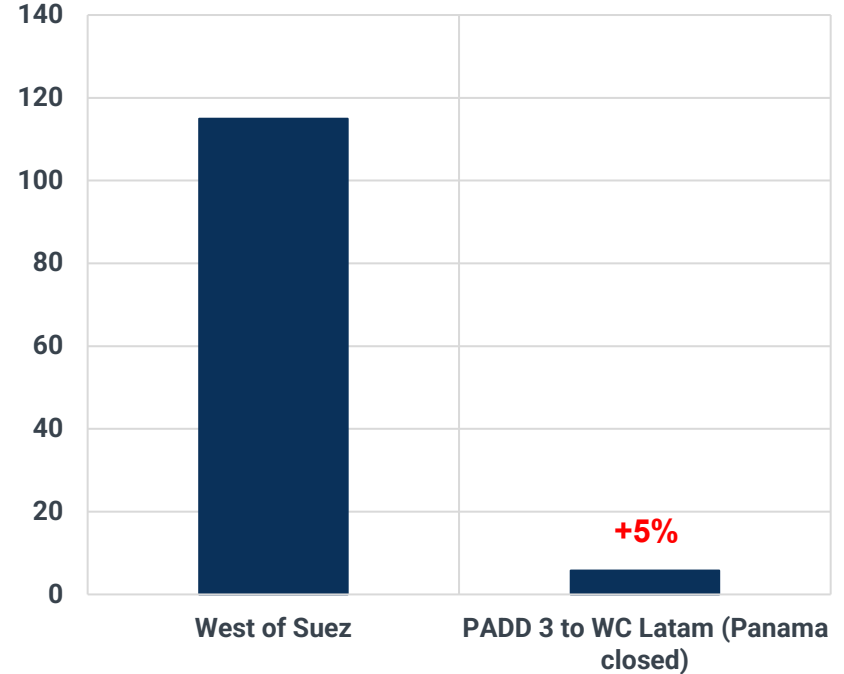
A full ban on US diesel exports would cut WoS tanker demand by 16%

Ton-mile impact from US diesel export ban (Bn TM)



Source: Kpler

Ton-mile impact on USG-WC Latam clean flows from Panama Canal closure (Bn TM)



Source: Kpler

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Q&A

