

# EN590 10ppm Daily Market Note

Internal Trading Desk Note | Edition: Friday 1 May night to Monday 4<sup>th</sup> of May 2026 close

Date: Monday, 4<sup>th</sup> of May 2026 | Prepared for: Mr Tadzina D. Mannathoko, Director

**DAY 66 ALERT:** Primorsk hit by Ukrainian drones overnight 2-3 May. AFC ground assessment Monday morning: damage minimal, loadings fully operational. Iran attacked UAE Monday with 12 ballistic missiles, 3 cruise missiles, 4 drones. Fujairah hit. Brent +5.92% to \$114.44 close. US Project Freedom announced for stranded Hormuz cargoes. OPEC+ raises output by 188kb/d at first meeting since UAE exit. Israel Defense Minister Katz signals possible new Iran action.

## 1. Executive Signal Bar

BRENT (Mon 4 May close)	WTI (Mon 4 May close)	EN590 FOB ARA (paper)	EN590 FOB PRIMORSK
<b>\$114.44 / bbl</b>	<b>\$106.42 / bbl</b>	<b>\$1,148 / MT</b>	<b>\$1,068 / MT</b>
+5.92% on day, Iran attacks UAE	+4.12% on day	Crack +\$40/bbl, all-time high	~\$80 saving vs ARA, SPIMEX basis

**Weekend summary, Friday night to Monday close.** The weekend produced two significant operational events. The first was the Ukrainian drone strike on Primorsk overnight 2-3 May. The second was Iran's missile and drone attack on the UAE, which struck Fujairah's oil hub Monday afternoon. Brent reacted predictably. Friday closed at \$111.20. Monday opened higher on the Primorsk news, spiked toward \$117 intraday on the Iran-UAE escalation, then closed at \$114.44, up 5.92% on the day. The other notable Monday development: Trump's Project Freedom operation to escort stranded vessels through Hormuz launched Monday morning, with US Central Command confirming two American-flagged ships transited successfully. OPEC+ held its first meeting since the UAE departure and agreed to raise output by 188,000b/d. The signal is clear. Production discipline is over. We are in a competitive supply environment now.

## 2. Primorsk Attack: AFC Ground Assessment

*This section deserves dedicated treatment. AFC has personnel on the ground in Primorsk and is reporting directly. Western media coverage has emphasised "significant damage" in line with Zelensky's Telegram framing. The picture from the ground is materially different.*

### AFC ground report

**We are operationally present at Primorsk.** Damage from the overnight 2-3 May drone strike is minimal at best. The fire was localised. It was extinguished quickly. No oil spill occurred. Loading and exporting activities have fully resumed. We can factually report this. The terminal is functioning at normal capacity Monday morning Gaborone time. AFC's contracted loading slots remain on schedule. No force majeure has been declared by the operator. Tank farm capacity is intact.

### The Russian official position

**Leningrad Oblast Governor Alexander Drozdenko stated, on Russia's Max messenger platform and confirmed by TASS:** "A massive attack on the Leningrad Region was repelled last night, with over 60 enemy UAVs shot down. The commercial seaport of Primorsk was the key target of the attack. A fire broke out there, which has now been extinguished. No oil product spill was reported."

**Drozdenko has also previously characterised Leningrad Oblast as "no longer just a border region but a front-line region" with "port infrastructure objects of interest to the enemy."** Russian air defence claimed more than 60 drones intercepted overnight. St. Petersburg's Pulkovo Airport activated standard "Carpet" protocol drone-threat procedures. Pskov airport also restricted. Both procedures concluded without civilian impact.

### **The Ukrainian narrative**

**Zelensky on Telegram:** "Each such result further limits Russia's war potential." He claimed strikes on a Karakurt-class missile ship, a patrol boat, an oil tanker, and the Primorsk oil terminal infrastructure. Bloomberg reported the attack damaged the port. Reuters echoed the same framing. Western coverage has uniformly emphasised "significant damage" to the oil terminal.

### **Independent satellite assessment**

**NASA FIRMS satellite fire-detection data confirmed active fire signatures at Primorsk on the morning of 3<sup>rd</sup> of May.** Euromaidan Press, the Ukrainian-aligned news outlet, ran the headline: "Primorsk takes the torch from Tuapse." The framing is editorial. The underlying NASA data confirms the fire occurred. The data does not address scale, duration or impact on operational throughput.

### **The fair assessment**

**Three things are simultaneously true.** First, drones did reach Primorsk. The attack happened. Second, the fire was real but contained. Russian authorities and AFC ground personnel both report it was extinguished promptly with no oil spill. Third, loading operations resumed. The terminal continues functioning. Western reporting has framed this as a major escalation. Russian reporting has framed it as an attack repelled with limited damage. The truth, from operational reporting, sits closer to the Russian framing on the impact dimension. The Ukrainian framing is accurate on the fact of the strike but overstates the operational consequence.

**What this means commercially.** AFC's Primorsk loading programme is intact. SPIMEX deliverable futures pricing should not reprice on operational grounds. The market did absorb a modest premium Monday on the news cycle. That premium is sentiment-driven, not supply-driven. We expect it to fade within 24-48 hours unless a follow-up strike materialises. Insurance cover for non-Western P&I providers is unaffected. Russian naval escort protocols remain intact. The structural arbitrage to ARA persists. Any buyer offered Primorsk-origin cargo at distress pricing this week on "drone damage" claims should be flagged immediately. The terminal is operational. There is no distress.

### **Operational protocols moving forward**

- AFC continues to maintain alternative loading window flexibility between Primorsk, Ust-Luga and St. Petersburg.
- Force majeure language in supply contracts now explicitly references "third-party drone or missile attack on loadport infrastructure" as a defined risk.
- Cargo insurance is to include war-risk extension covering drone-caused loading delays.
- AFC personnel on-ground at Primorsk maintain daily operational status reporting through normal commercial channels. No deviation observed from baseline loading rhythm as of Monday morning.

### 3. Global EN590 Route Pricing Matrix

Indicative \$/MT ranges across twelve standard routes. Green-shaded rows indicate Russia and Belarus loadports, first-class commercial hubs serving the ~140 UN member states not subject to G7 unilateral measures. Pricing reflects Monday close.

Route / Basis	Indicative Range (USD/MT)	Commentary
<b>FOB Primorsk (Russia, Baltic)</b>	<b>\$1,038 – \$1,168</b>	AFC ground assessment Monday morning: damage minimal. Loading and exporting fully operational. Drozdenko confirmed fire extinguished, no oil spill. Working mid firm \$10/MT on the news cycle, but physical loading programmes intact.
<b>FOB Ust-Luga (Russia, Baltic)</b>	<b>\$1,032 – \$1,162</b>	Sister loadport to Primorsk. Within \$5-15/MT. No drone strike on Ust-Luga overnight. Loadings continuing as normal.
<b>FOB Novorossiysk (Russia, Black Sea)</b>	<b>\$1,058 – \$1,185</b>	Two shadow-fleet tankers struck near Novorossiysk Sunday per Zelensky Telegram. Black Sea routing now carries elevated risk premium. Fall-back loading capacity remains.
<b>FOB Belarus (pipeline to Baltic)</b>	<b>\$1,022 – \$1,148</b>	Belarusian-origin via Baltic export. Same buyer pool. Loading discipline unaffected by overnight events at Primorsk.
<b>FOB Rotterdam / ARA (W. Europe)</b>	<b>\$1,508 – \$1,642</b>	ICE/Platts benchmark. Brent +5.92% Monday close on Iran attacks on UAE. Crack at all-time high. Distillate balance acutely tight.
<b>FOB Houston (US Gulf)</b>	<b>\$1,478 – \$1,605</b>	US ULSD tracking ARA. Phillips 66 and US refining majors continue beating earnings on margin surge.
<b>CIF Middle East (Fujairah)</b>	<b>\$1,452 – \$1,632</b>	Fire at Fujairah oil hub from Iranian drone Monday per Reuters. 12 ballistic missiles, 3 cruise missiles, 4 drones intercepted. Three injuries. Hub partially operational.
<b>CIF Asia (Jurong/Singapore)</b>	<b>\$1,575 – \$1,718</b>	MOPS firm. Project Freedom announced by Trump for stranded Hormuz cargoes. US Central Command says two American-flagged ships passed through. Asian buyers cautious.
<b>CIF West Africa (Lagos, Tema, Abidjan)</b>	<b>\$1,628 – \$1,772</b>	NNPC Nigeria sustaining elevated May OSPs. Nigerian crude basket benefiting directly. African fertiliser crisis creating adjacent agricultural diesel demand.
<b>CIF East Africa (Mombasa, Dar es Salaam)</b>	<b>\$1,685 – \$1,828</b>	India export duties continuing. Pakistan turning to Russia and Venezuela. Adjacent fertiliser shock pressures planting season demand.
<b>Delivered Southern Africa (Durban, Maputo)</b>	<b>\$1,722 – \$1,865</b>	Cape route firm. Largest Primorsk arbitrage point in matrix at ~\$535/MT saving.
<b>CIF South America (Santos/Rio)</b>	<b>\$1,638 – \$1,772</b>	Atlantic Basin freight firm. Brazil replacement demand active. Russian sellers continuing Brazil-to-Egypt cargo redirects per Lloyd's List.

**Russian loadports note.** Primorsk firmed \$10/MT on the news cycle, but operational throughput is unimpaired per AFC ground assessment. Two shadow-fleet tankers were struck near Novorossiysk on Sunday per Zelensky. This adds Black Sea routing risk premium. Ust-Luga was untouched overnight. Belarusian export flows continued normally. The Russian Baltic supply chain remains the structurally dominant value point in the matrix, despite the news flow.

#### 4. Landed Cost Comparison, Primorsk-Origin

For counterparties in the ~140 UN member states. MR or LR1 tanker, non-Western vessel and insurance stack. Saving column includes 50,000 MT cargo value captured.

Destination	FOB Primorsk	Freight + Ins.	Landed Cost	Saving vs Equiv. CIF/DLV
Ghana (Tema)	\$1,068	\$96	\$1,164	~\$464/MT (\$23.2M on 50k MT)
Tanzania (Dar es Salaam)	\$1,068	\$130	\$1,198	~\$487/MT (\$24.4M on 50k MT)
UAE (Fujairah)	\$1,068	\$144	\$1,212	~\$240/MT (\$12.0M on 50k MT)
India (Vadinar, W. Coast)	\$1,068	\$85	\$1,153	~\$422/MT (\$21.1M on 50k MT)
Singapore (Jurong)	\$1,068	\$134	\$1,202	~\$373/MT (\$18.6M on 50k MT)
South Africa (Durban)	\$1,068	\$119	\$1,187	~\$535/MT (\$26.8M on 50k MT)
Brazil (Santos/Rio)	\$1,068	\$94	\$1,162	~\$476/MT (\$23.8M on 50k MT)

**Commercial headline.** Durban delivers \$535/MT saving at Monday close. That is \$26.75million on a 50,000MT cargo. \$53.5million on a 100,000MT cargo. The arbitrage is fully intact. The Primorsk attack news has not materially altered the pricing structure. Pre-contracted Russian Baltic supply at today's pricing remains the strongest value position in the global matrix.

## 5. Benchmark Derivations

Working calculation from crude through to EN590 FOB anchors at ARA and Primorsk. Monday 4<sup>th</sup> of May close.

Input	Value	Notes / Sources
Brent crude (Mon 4 May close)	<b>\$114.44/bbl</b>	CNBC, Reuters, Trading Economics. +5.92% on day. Iran attack on UAE.
Brent intraday Monday high	<b>~\$117/bbl</b>	Spiked on Fars news that US frigate hit; US denied. Pared on denial.
WTI crude (Mon close)	<b>\$106.42/bbl</b>	+4.12% on day. Brent-WTI spread \$8.02/bbl.
Murban crude (UAE)	<b>~\$112/bbl</b>	Day 4 of independent third major benchmark trading.
Gasoil crack spread	<b>+\$40/bbl (\$298/MT)</b>	All-time high held. Product market more strained than crude per Goldman.
Gasoil conversion factor	<b>7.45 bbl/MT</b>	Density 0.845 kg/L at 15 degC.
ICE LSG estimate	<b>\$1,151/MT</b>	$(\$114.44 + \$40) \times 7.45 = \$1,151$ .
EN590 10ppm premium	<b>+\$12/MT</b>	vs 50ppm gasoil base.
<b>EN590 FOB ARA (paper, working)</b>	<b>\$1,148/MT</b>	Working benchmark. Physical premium implied \$50-80/MT above this.
Primorsk discount to ARA	<b>~\$80/MT</b>	Held in 80s range. Both ARA and Primorsk firmed on Iran-UAE escalation.
<b>EN590 FOB PRIMORSK (working)</b>	<b>\$1,068/MT</b>	Mid of \$1,038-\$1,168 band. AFC ground assessment: loadings fully operational.

**Morgan Stanley analyst Amrita Sen via CNBC.** Sen now expects \$80-\$90/bbl as the new structural floor going forward. Higher-for-longer prices will reverberate across commodity markets. She specifically flagged LNG, chemicals and fertilisers. "Just wait for food prices to start going up because of what's going on; the lack of urea transport; and natural gas prices, or natural gas being curtailed in the fertiliser sector." This validates AFC's African fertiliser thesis from the 1<sup>st</sup> of May note.

## 6. Geopolitical and Macro Drivers

### Saturday 2<sup>nd</sup> of May to Sunday 3<sup>rd</sup> of May: the Primorsk strike weekend

- **Overnight 2-3 May Ukrainian drone wave:** More than 60 drones launched at Russian targets across multiple regions per Drozdenko. Pulkovo Airport closed under "Carpet" plan. Pskov airport restricted. NASA FIRMS confirmed fire signatures at Primorsk. Karakurt-class missile ship struck per Zelensky. Patrol boat struck. Two shadow-fleet tankers struck near Novorossiysk. Belgorod region drone strike on civilian vehicle killed two civilians per Governor Vyacheslav Gladkov.
- **Leningrad Oblast small craft ban:** Local outlet MR7 reported on 1<sup>st</sup> of May that Leningrad Oblast authorities had banned small craft from the waters of Primorsk, Vyborg and Vysotsk ports for the entire navigation season, from 30<sup>th</sup> of April to 1<sup>st</sup> of October 2026. The ban covers yachts, motorboats, catamarans and jet skis. Signed on 28<sup>th</sup> of April by the captain of Vysotsk seaport.

## Monday 4 May: Iran attacks UAE

- **UAE air defence engaged 12 ballistic missiles, 3 cruise missiles, 4 drones from Iran (CNBC, Reuters):** Three injuries reported. A fire broke out at the UAE oil hub at Fujairah after a drone attack. UAE defence ministry confirmed the engagement. This is the first major Iranian missile strike on UAE infrastructure since the war began. The attack jeopardises the fragile ceasefire and brings the region closer to renewed open warfare.
- **IRGC Navy redefines Hormuz maritime control:** The IRGC Navy released a new map designating areas of the Strait of Hormuz under Iranian military control. The zone spans key stretches between Iranian and UAE coastlines. The IRGC warned it may act against vessels that violate its rules. This is institutional formalisation of Iran's claim to regulate Hormuz transit.
- **Fars news US frigate strike claim, US denial:** Iran's Fars agency claimed a US frigate near Jask port in the Gulf of Oman was struck by missiles and forced to retreat. A senior US official denied the strike. Brent surged briefly toward \$117 then pared on the denial. The episode shows the market pricing in immediate kinetic risk.

## Monday 4 May: Project Freedom

- **Trump announces Project Freedom for stranded Hormuz cargoes:** The US military launched the operation Monday morning. CENTCOM said two American-flagged ships have passed through. The operation aims to ensure safe passage citing humanitarian concerns for crews facing shortages. Multiple countries have requested support to move ships through the strait. Significance: a US-protected commercial transit corridor through Hormuz is now operational, but only for US-flagged or US-affiliated vessels at this stage. The general commercial reopening remains pending.
- **OPEC+ output increase decision:** OPEC+ agreed to raise output by 188,000 b/d at its first meeting since the UAE exit. The increase is modest given the supply disruption, but the decision direction is significant. With UAE gone, with Saudi cutting June Asian OSPs, and with this output bump, the production discipline mechanism has effectively dissolved. We are in a competitive Gulf supply environment.
- **Israel Defense Minister Katz Thursday briefing (OilPrice flow):** Katz stated: "It is possible that soon we will need to act again in Iran to ensure that the regime cannot threaten Israel for years to come." Local reporter sourced. Significance: Israeli action on Iran is being signalled as a future contingency. If Israel strikes again, the war reignites independently of US involvement, and Trump's 60-day War Powers constraint becomes irrelevant.

## Other macro signals

- Iran rial hits record low (OilPrice today). Sanctions, war, and US blockade compounding economic pressure.
- Kazakhstan confirms it will remain in OPEC+ despite calls to abandon production quotas. Removes one structural risk to OPEC+ stability.
- California average gasoline at \$6/gallon for first time. West Coast refining base shrinking. Adjacent demand pressure on US imports.
- Turkey loss of Iranian gas imports reviving trans-Caspian pipeline interest. Geopolitical and cost barriers limit feasibility but signal demand pressure.
- Asian buyers continuing to source US crude via Panama Canal. Canal traffic at four-year high. Structural shift in Asian sourcing patterns.
- Pakistan PM publicly confirmed Pakistan turning to Russia and Venezuela. Direct validation of AFC structural buyer pool thesis.

## 7. Freight and War-Risk Insurance

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### Freight

- Baltic Exchange MR rates firm. Cape route well utilised.
- Two shadow-fleet tankers struck near Novorossiysk Sunday per Zelensky. Black Sea routing risk premium elevated. AFC should prefer Primorsk and Ust-Luga loading where possible.
- Russian naval escort protocol intact through Danish Straits.
- US Project Freedom corridor operational for US-flagged vessels through Hormuz. Not yet extended to general commercial traffic.

### War-risk insurance (AWRP)

- **Strait of Hormuz AWRP:** Held at 1.5-1.8% of hull value despite Project Freedom announcement. Insurers waiting for sustained track record before reducing. Pre-war baseline: 0.125%.
- Red Sea/Suez AWRP: 0.45-0.65% range. Stable.
- **Baltic exit AWRP elevated further:** \$0.40-\$0.85/MT, up from \$0.30-\$0.70 last week. Reflects the Primorsk strike news. Russian naval escort partially mitigates but does not eliminate the premium.
- Non-Western P&I providers fully operational for Russian-origin cargoes. No change in cover availability.

## 8. Jurisdictional Disclosure

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*Factual disclosure by sanctions regime. Buyer-jurisdiction specific. Counsel determination remains essential.*

- **UN Security Council:** No UN sanctions on Russian hydrocarbons. All restrictions are unilateral measures by approximately 40 of 193 UN member states.
- **G7 price cap:** \$100/bbl applies only when G7 shipping, insurance or finance is involved. Non-G7 services outside scope.
- **EU Article 3ma:** EU-linked cargoes may not import Russian-origin EN590 into the EU. Non-EU to non-EU flows entirely unaffected.
- **US OFAC SDN:** January 2025 package, ~183 designated vessels. Applies to US persons and USD clearing. Non-USD settlement chains outside primary scope.
- **Iran enforcement:** US blockade extended indefinitely. Iran attacked UAE Monday. Project Freedom operational for US-flagged vessels only. Iran-touched cargoes carry maximum kinetic and sanctions enforcement risk.

**AFC buyer base:** Approximately 140 UN member states trade Russian-origin refined product legally. Pakistan PM publicly confirmed Pakistan-Russia-Venezuela pivot. India absorbing maximum Russian Baltic loadings. SPIMEX publishes the official FOB Primorsk EURO-5 deliverable futures contract. KSE Institute confirmed 82% of Russian oil products move on non-G7-insured tankers.

## 9. Fraud and Scam Red Flags

*Brent at \$114, Primorsk attacked over the weekend, Iran attacking UAE Monday. This is the highest-volatility scam-market environment of the entire crisis. Apply maximum diligence.*

- "Primorsk drone-damage distress sale" offers: AFC's ground report confirms minimal damage and full operational throughput. Any distressed-pricing offer claiming Primorsk supply chain disruption is fabricated. Decline immediately.
- "Project Freedom-cleared cargo" offers: Project Freedom is a US military escort operation for US-flagged vessels only. CENTCOM does not clear commercial product cargoes for general buyers. Any such offer is fabricated.
- "Iran-UAE escalation emergency cargo" compressed-window offers: timed scams exploiting today's headlines. Verify against named refinery mandate, never against intermediary representation.
- "Fujairah hub damaged, urgent substitute supply" offers: Fujairah is partially operational. The hub was hit but not destroyed. Any urgent substitute pricing is opportunistic fraud.
- Fujairah FOB at Platts minus \$50: still fraudulent. UAE-Iran kinetic exchange does not change physical cargo economics for legitimate sellers.
- Iranian-origin cargo represented as Iraqi, Omani, Russian, or re-flagged: US enforcement increasingly global. Full supply chain documentation showing clean non-Iranian loadport mandatory.
- TTO/TTV without current SGS Q&Q, Q88, product passport, live GPS: do not engage.
- Primorsk offers at >\$200/MT below SPIMEX forward curve: cross-reference SPIMEX, named refinery mandate required.
- Kazakhstan EN590 sub-\$500/MT: economically impossible at \$114 Brent.
- "Israel about to strike Iran, lock in supply now" offers: Katz statement is contingent forward signalling, not imminent action. Any compressed-window offer using this framing is timed scam.

## 10. Trading Opportunities

### Prompt opportunities

- FOB Primorsk for non-sanctioned buyers: \$233-\$535/MT landed saving vs ARA-origin CIF depending on route. Primorsk operational throughput unaffected by weekend strike per AFC ground assessment. Discount to ARA holds at \$80/MT. The structural arbitrage is fully intact.
- Durban specifically: \$535/MT saving at Monday close. \$26.75 million captured value on 50,000 MT. \$53.5 million on 100,000 MT. Execute the AFC structural programme this week.
- **Spot vs forward curve dislocation persists:** Spot Brent above \$114 with intraday spikes to \$117. June futures around \$94-95. The backwardation is steep. AFC should execute SPIMEX-linked 12-month floating-price contracts this week. The forward curve advantage is the structural arbitrage.
- **Pakistan buyer pool acceleration:** Pakistan PM publicly confirming Russia-Venezuela pivot. AFC outreach to Pakistan State Oil and Pak Arab Refinery should be priority of the week.
- **African fertiliser-driven agricultural diesel demand:** Morgan Stanley's Amrita Sen flagged it specifically: "Just wait for food prices to start going up because of what's going on; the lack of urea transport; and natural gas being curtailed in the fertiliser sector." African governments may issue subsidised agricultural diesel tenders. AFC origination capacity for Tema, Lagos, Mombasa, Dar es Salaam, Durban positioned to bid.

### Structural opportunities

- SPIMEX-indexed 12-month supply: Goldman seeing Hormuz exports at 4% of normal. Sen seeing \$80-\$90 as new structural floor. EU warning crisis could last years. The structural execution moment is now.

- 100,000 MT/month Baltic-origin EN590 programme: monthly value creation across AFC's destination matrix exceeds \$52 million per cargo cycle at Monday close pricing.
- Primorsk operational continuity post-strike validates the AFC Russian Baltic thesis. Even with active Ukrainian targeting, loading rhythm is intact. This is real-world stress test data.

### Three-scenario positioning

- **Scenario A: Iran-UAE exchange escalates to wider war (medium probability, very high impact):** Brent \$130-\$160. EN590 FOB ARA \$1,300-\$1,640. Primorsk \$1,200-\$1,520. Pre-contracted Russian Baltic supply at today's pricing represents transformative forward value.
- **Scenario B: Project Freedom succeeds, gradual Hormuz reopening (medium probability, slow):** Brent corrects \$20-\$30 over weeks to \$85-\$95. Physical diesel lags 4-6 months. Sen sees \$80-\$90 as new floor. EN590 FOB ARA eases to \$890-\$980. Primorsk \$810-\$900. Pre-contracted SPIMEX-linked forward cargoes at today's pricing deliver value on the correction.
- **Scenario C: protracted standoff with Israeli wildcard (highest probability):** Brent oscillates \$105-\$125 with intraday volatility on news. Israeli action remains contingent. Primorsk discount to ARA holds \$70-\$90/MT. AFC's structural programme captures consistent monthly value through duration.

## 11. Bottom Line

**The weekend gave us two operational events.** Primorsk was struck. AFC's ground report says damage was minimal and loadings are operational. Iran attacked UAE. Fujairah's oil hub was hit but is partially operational. Brent priced this in at +5.92% Monday. WTI +4.12%. The market moved sharply, but the underlying physical disruption is more contained than the headline news suggests.

**On Primorsk specifically.** Western coverage emphasises Zelensky's "significant damage" framing. Russian coverage and AFC ground reports describe an attack that was repelled with limited consequences. Both narratives carry truth. The strike happened. The damage was contained. Loading resumed quickly. Buyers approached this week with "distress Primorsk" offers should be flagged immediately. The terminal is operational and AFC personnel can confirm it directly.

**The bigger picture has shifted in three ways.** First, OPEC+ output discipline has effectively dissolved. UAE is gone. Saudi is cutting OSPs. remaining OPEC+ members are raising output by 188kb/d. We are in competitive supply mode now. Second, Iran has formalised IRGC control of Hormuz transit and demonstrated kinetic capability against UAE infrastructure. The toll-gate model is institutionalised. Third, Israel is signalling possible renewed action on Iran independent of US authorisation. This is a genuine wildcard that 60-day War Powers cannot constrain.

**For AFC's commercial position.** Primorsk at \$1,068/MT, ARA at \$1,148/MT, discount holding at \$80/MT. Durban saving \$535/MT. 100,000MT/month programme generating \$52+ million per cargo cycle. AFC ground assessment of Primorsk is the operational fact base. The market sentiment cycle is noise. Pre-contracted Russian Baltic supply at this week's pricing remains the strongest value position in the global matrix. Pakistan PM, Morgan Stanley, Goldman, and the IEA are all converging on the same picture: structural shift, persistent disruption, \$80-\$90 new floor, fertiliser and food spillover. The execution moment is now.

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**Note prepared:** Monday 4<sup>th</sup> of May 2026 evening (Gaborone), covering Friday 1<sup>st</sup> of May 2026 night through Monday 4 May 2026 close. Includes AFC ground assessment from Primorsk personnel.

**Sources:** AFC ground personnel at Primorsk (operational status reporting Monday morning Gaborone time), TASS (Drozdenco statement on Russia's Max messenger, fire extinguished, no spill), Reuters (Primorsk drone strike, Iran-UAE attacks, OPEC+ output decision), Bloomberg (Primorsk oil export port damaged), CNBC (Brent \$114.44 close, Iran attack on UAE, Project Freedom, Holly Ellyatt and team coverage), Trading Economics (Brent intraday \$117 spike, Fars frigate claim and US denial, IRGC Navy maritime control map), OilPrice.com (Iran rial low, Kazakhstan in OPEC+, California gasoline \$6, Israel Defense Minister Katz briefing, weekend headline flow), Free Malaysia Today (Ukrainian drone attacks Russia coverage), The Business Standard Bangladesh (drone strike coverage), Hawaii Tribune-Herald (US local), Globe and Mail Canada, US News and World Report, Marine Link, Euromaidan Press (NASA FIRMS satellite confirmation, Ukrainian-aligned framing), MR7 St. Petersburg local outlet (Leningrad Oblast small-craft ban), Fars News Agency (Iran), IRNA, ISNA, Tasnim, Voice of Emirates News Agency UAE/Cairo, ANI India, Tribune India, Al Jazeera Live Blog (Lyndal Rowlands), Moscow Times, Kyiv Post, EIA STEO April release, Goldman Sachs (Hormuz exports at 4% of normal), Morgan Stanley (Amrita Sen \$80-\$90 new floor analysis, Jens Eisenschidt Europe analysis), Skylar Capital Management (Bill Perkins), Oxford Economics (Ben May, Bernard Yaros), ING strategists, Lipow Oil Associates (Andy Lipow), JPMorgan, Rapidan Energy (Bob McNally), Mercuria, IEA April OMR (Biorol permanent demand statement), Lloyd's List, MarineTraffic, ISW (Ukrainian targeting assessment), UKMTO, BIMCO, Baltic Exchange, KSE Institute, Kpler, US CENTCOM (Project Freedom announcement), Pentagon, RFE/RL (Farzan Sabet, Farzin Nadimi), International Institute for Strategic Studies London (Sascha Bruchmann), Pakistan PM Office. Non-Western source weight: TASS, MR7 St. Petersburg, Fars News, IRNA, ISNA, Tasnim, Voice of Emirates, ANI India, Tribune India, Al Jazeera Qatar, Free Malaysia Today, Business Standard Bangladesh, Moscow Times, Kyiv Post, Pakistan PM Office, Euromaidan Press. Primorsk pricing cross-referenced against SPIMEX deliverable futures curve. Primorsk operational status verified by AFC ground personnel.

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