

# Oil Market Review in Japan No. 4/2022

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## Overview

The key WTI (West Texas Intermediate) crude oil futures contract on NYMEX (New York Mercantile Exchange) in the April 7-April 13 week moved within a range of \$94.29 per barrel and \$104.25/bbl.

On April 14, the key contract rose further due to concerns about tight oil demand and supply in the future. Position adjustment of selling and buying preceded ahead of three consecutive holidays from tomorrow. However, market players were concerned about tight oil demand and supply in the future by the announcement that EU (European Union) considered the step-by-step ban on crude oil import from Russia amid the expected prolongation of conflicts in Ukraine. Baker Hughes reported that the number of operating U.S. oil-drilling rigs increased by two units from a week earlier to 548 units, increasing for the fourth straight week. The May contract closed at \$106.95/bbl up \$2.70/bbl from the previous trading day.

On April 15, the market was closed due to Good Friday.

On April 18, the key contract rose further due to concerns about crude oil supply from Libya. The Libyan NOC (National Oil Company) declared force majeure on crude oil export from Sharara Oil Field, the biggest one in Libya, caused by intensified protest requesting Prime Minister's resignation. Another factor for supporting crude oil futures price was the expected intensification and prolongation of conflict in Ukraine. The May contract closed at \$108.21/bbl up \$1.26/bbl from the previous trading day.

On April 19, the key contract turned down for the first time in five trading days due to concerns about slowdown of oil demand. The IMF (International Monetary Fund) made a downward forecast of the world economic growth rate for 2022 by 0.8 percentage points to 3.6% in its World Economic Outlook. The expectation for an increase in the U.S. domestic crude oil inventory to be announced on the following day was another factor for declining crude oil futures price. The May contract closed at \$102.56/bbl down \$5.65/bbl from the previous day.

On April 20, the key contract rebounded slightly. The U.S. domestic crude oil inventory at the previous weekend decreased against the market expectation amid increasing uncertainties about the situation in Ukraine. The May contract closed at \$102.75/bbl up \$0.19/bbl from the previous trading day.

The Asian benchmark crude oil of Dubai for June delivery on the Tokyo market ranged from \$97.20/bbl to \$102.60/bbl on April 7-April 13 week. It closed at \$105.30/bbl on April 14, at \$108.00/bbl on April 15, at \$108.90/bbl on April 18, at \$108.90/bbl on April 19, at \$105.60/bbl on April 20.

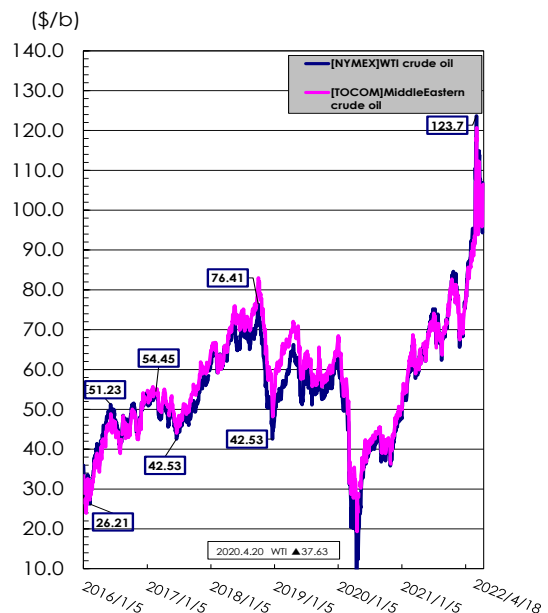
On the foreign exchange market in the April 7-April 13 week, the dollar moved within a range of 123.66 yen and 125.62 yen. It changed hands at 125.58 yen in late trading on April 14, at 126.37 yen on April 15, at 126.68 yen on April 18, at 127.36 yen on April 19, at 129.43 yen on April 20.

According to preliminary 10-day trade statistics released by the Ministry of Finance on April 20, the average crude oil import CIF price for Japan in the late March period stood at 68,466 yen/kl (kiloliter), up 1,825 yen/kl from the previous 10-day period. In dollars, the price was \$93.10/bbl, up \$1.25/bbl. The average exchange rate was 116.92 yen to the dollar.

According to preliminary 10-day trade statistics released by the Ministry of Finance on April 20, the average crude oil import CIF price for Japan in March period stood at 66,887 yen/kl (kiloliter), up 4,276 yen/kl from the previous 10-day period. In dollars, the price was \$91.79/bbl, up \$5.10/bbl. The average exchange rate was 115.85 yen to the dollar.

Japan's average retail price on April 18 lost by 0.5 yen/l from a week earlier for gasoline and lost by 0.5 yen/l for diesel oil and lost by 4.0 yen/l for kerosene on an 18-liter tank basis. The gasoline price decreased for the second straight week. Diesel oil price decreased for the second straight week. Kerosene price decreased for the first time in three weeks. The national average gasoline price was 173.5 yen/l and mitigation measures against the extreme change in fuel oil were invoked again. The subsidy was the upper limit of 25.0 yen/l.

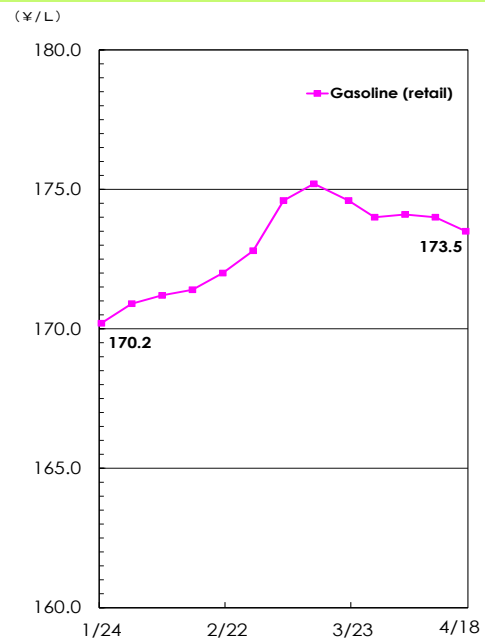
Crude oil			This week	From a week earlier	From a year earlier
Supply/ Demand	Crude oil runs (1,000 kl)	4/10 ~ 4/16	2,978	▲ 114	▲ —
	Topper capacity utilization rate (%)	"	77.4	▲ 3.0	▲ —
	Crude oil inventories (1,000 kl)	4/16	9,628	▼ -468	▼ —
Prices	Middle Eastern crude oil (TOCOM) (\$/bbl)	4/18	106.53	▲ 10.33	▲ 42.6
	WTI crude oil (NYMEX) (\$/bbl)	4/18	108.21	▲ 13.92	▲ 44.8
	Crude oil import CIF price (\$/bbl)	Late Mar	93.10	▲ 1.25	▲ 31.45
	① Crude oil import CIF price (yen/kl)	"	68,466	▲ 1,825	▲ 26,941
	② Yen-dollar exchange rate (yen/dollar)	"	116.92	▼ -1.58	▼ -9.84
	TTS exchange rate (yen/dollar)	4/18	127.68	▼ -2.05	▼ -18.02



(Unit: 1,000 kl, yen/l)

Gasoline		This week	From a week earlier	From a year earlier	
Supply/ Demand	Production	4/10 ~ 4/16	856 ▲ 40	▲ —	
	Imports	"	n.d.	n.d.	
	Shipments	"	752 ▲ 4	▲ —	
	Exports	"	33 ▼ -34	▼ —	
	Inventories	4/16	1,598 ▲ 70	▼ —	
Prices	Gyoten (spot) [4-district average lorry rack price] (RIM)	4/12 ~ 4/18	78.8 ▼ -1.6	▲ 19.9	
	Futures [front-month contract/closing price]	(TOCOM/ Tokyo Bay)	4/12 ~ 4/18	79.3 ▲ 3.3	▲ 20.8
		(TOCOM/ Chubu)	4/18	80.2 ➡ 0.0	▲ 20.8
	Retail prices [weekly trend] (published by ANRE)	4/18	173.5 ▼ -0.5	▲ 23.1	

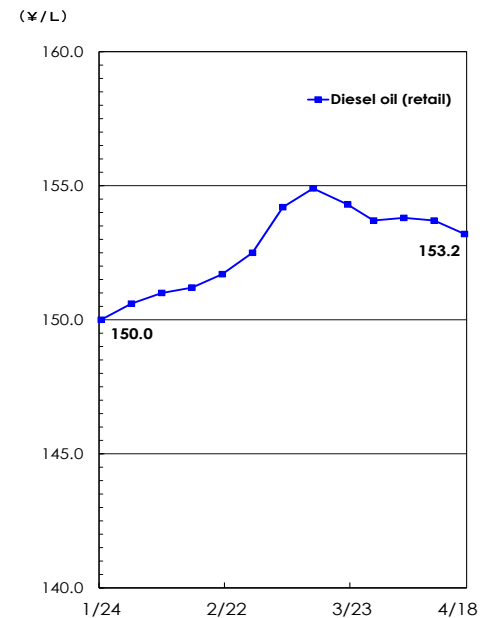
\*Gyoten and futures prices are before tax



(Unit: 1,000 kl, yen/l)

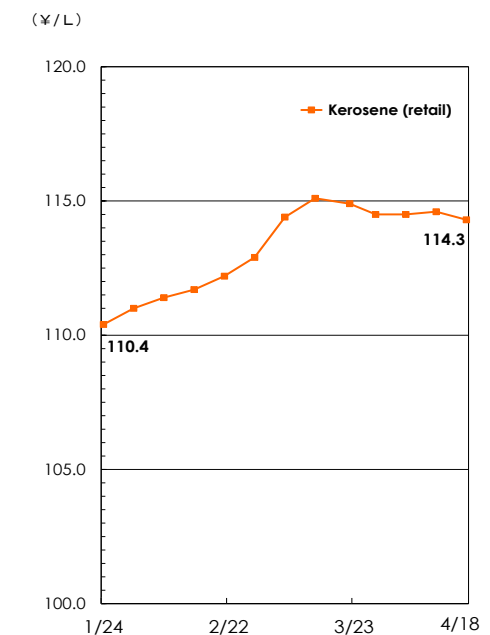
Diesel oil		This week	From a week earlier	From a year earlier	
Supply/ Demand	Production	4/10 ~ 4/16	694 ▲ 6	▲ —	
	Imports	"	n.d.	n.d.	
	Shipments	"	680 ▲ 67	▲ —	
	Exports	"	93 ▲ 45	▲ —	
	Inventories	4/16	1,116 ▼ -79	▼ —	
Prices	Gyoten (spot) [4-district average lorry rack price] (RIM)	4/12 ~ 4/18	79.0 ▼ -2.0	▲ 18.1	
	Futures [front-month contract/closing price]	(TOCOM/ Tokyo Bay)	4/12 ~ 4/18	91.3 ▼ -0.6	▲ 28.6
		(TOCOM/ Chubu)	4/18	—	—
	Retail prices [weekly trend] (published by ANRE)	4/18	153.2 ▼ -0.5	▲ 22.7	

\*Gyoten and futures prices are before tax



(Unit: 1,000 kl, yen/l)

Kerosene		This week	From a week earlier	From a year earlier	
Supply/ Demand	Production	4/10 ~ 4/16	191 ▼ -36	▲ —	
	Imports	"	n.d.	n.d.	
	Shipments	"	144 ▼ -35	▼ —	
	Exports	"	0 ➡ 0	➡ —	
	Inventories	4/16	1,120 ▲ 46	▼ —	
Prices	Gyoten (spot) [4-district average lorry rack price] (RIM)	4/12 ~ 4/18	78.8 ▼ -1.7	▲ 18.5	
	Futures [front-month contract/closing price]	(TOCOM/ Tokyo Bay)	4/12 ~ 4/18	79.3 ▼ -1.2	▲ 22.7
		(TOCOM/ Chubu)	4/18	79.8 ▼ -0.2	▲ 20.3
	Retail prices [weekly trend] (published by ANRE)	4/18	114.3 ▼ -0.3	▲ 22.5	



## Relevant Information

### 1 Overseas crude oil prices

On April 20, WTI crude oil futures price on NYMEX rebounded slightly. The market players took wait-and-see attitude amid intensified Russia's attack on the eastern part of Ukraine and uncertainties for the future.

According to the U.S. EIA (Energy Information Administration) Weekly Report announced on this day, the U.S. domestic crude oil inventory at the previous weekend decreased by 8 million bbl against the market expectations of an increase by 2.5 million bbl. However, the decrease in the U.S. domestic crude oil inventory was caused by an increase in crude oil export to Europe as compensation for its shortage of crude oil. The U.S. domestic inventory decreased both for gasoline and the middle distillates. The May contract closed at \$102.75/bbl up \$0.19/bbl from the previous trading day. The June contract closed at \$102.19/bbl up \$0.14/bbl from the previous trading day.

According to the EIA, the average U.S. retail price of gasoline as of April 18 decreased by 2.5 cents per gallon from a week earlier to \$4.066/gal (137.0 yen/l). The average diesel oil price increased by 2.8 cents per gallon to \$5.101/gal (171.8 yen/l). The gasoline price decreased for the fifth straight week. Diesel oil price increased for the first time in two weeks.

### 2 Petroleum products supply and demand in Japan (1) Shipments

According to a weekly report by the PAJ (Petroleum Association of Japan), inactive topper capacity in the April 10-April 16 week in 2022 stood at 347,000 barrels per day, decreasing by 54,000 bpd from the previous week (total capacity remained at 3,458,000 bpd).

Crude oil throughput in the week increased by 114,000 kl from the previous week to 2,978,000 kl. From a year earlier, it increased by 383,000 kl. The topper capacity utilization rate stood at 77.4%, up 3.0 points from the previous week and up 9.9 points from a year earlier.

Production decreased from the previous week for kerosene and increased for other petroleum products. Output was up 5.0% for gasoline, up 13.2% for jet fuel, down 15.8% for kerosene, up 0.9% for diesel oil, up 0.8% for Fuel Oil A, and up 6.2% for Fuel Oil C. Fuel Oil C imports in the week totaled 56,000 kl, up 51,000 kl from the previous week. Diesel oil exports aggregated 93,000 kl, up 45,000 kl from the previous week.

Shipments (excluding imports) in the week decreased from the previous week for jet fuel and kerosene, and increased for other oil products. From a year earlier, shipments declined for jet fuel and kerosene, and expanded for other petroleum products. Gasoline shipments increased by 0.5% from the previous week to 752,000 kl, increasing for the first time in two weeks. Shipments totaled 41,000 kl for jet fuel (down 29.9% from the previous

week), 144,000 kl for kerosene (down 19.3% from the previous week), 680,000 kl for diesel oil (up 11.0% from the previous week), 192,000 kl for Fuel Oil A (up 18.7% from the previous week), and 205,000 kl for Fuel Oil C (up 94.3% from the previous week).

(Unit: 1,000 kl)

	This week (4/10 ~ 4/16)	Previous week (4/3 ~ 4/9)	From a week earlier
Gasoline	752	748	▲ 4 (1%)
Jet fuel	41	58	▼ -17 (-29%)
Kerosene (heating Oil)	144	179	▼ -35 (-20%)
Diesel oil	680	613	▲ 67 (11%)
Fuel oil A	192	162	▲ 30 (19%)
Fuel Oil C	205	105	▲ 100 (95%)
<b>Total</b>	<b>2,014</b>	<b>1,865</b>	<b>▲ 149 (8%)</b>

This week's shipments = (Previous weekend inventories + This week's production + This week's imports) - (This week's exports + This weekend inventories)

### 2 Petroleum products supply and demand in Japan (2) Inventories

Inventories as of April 16 decreased for kerosene and increased for other petroleum products. From a year earlier, inventories declined for all petroleum products.

Gasoline inventories totaled 1,598,000 kl, up 70,000 kl from a week earlier and down 248,000 kl from a year earlier.

Kerosene inventories totaled 1,120,000 kl, up 46,000 kl from a week earlier and down 342,000 kl from a year earlier.

Diesel oil inventories totaled 1,116,000 kl, down 79,000 kl from a week earlier and down 489,000 kl from a year earlier.

Fuel Oil A inventories totaled 682,000 kl, up 9,000 kl from a week earlier and down 92,000 kl from a year earlier.

Fuel Oil C inventories totaled 1,518,000 kl, up 55,000 kl from a week earlier and down 350,000 kl from a year earlier.

(Unit: 1,000 kl)

	This week (4/16)	Previous week (4/9)	From a week earlier
Gasoline	1,598	1,528	▲ 70 (5%)
Jet fuel	742	691	▲ 51 (7%)
Kerosene (heating Oil)	1,120	1,074	▲ 46 (4%)
Diesel oil	1,116	1,195	▼ -79 (-7%)
Fuel oil A	682	673	▲ 9 (1%)
Fuel Oil C	1,518	1,463	▲ 55 (4%)
<b>Total</b>	<b>6,776</b>	<b>6,624</b>	<b>▲ 152 (2.3%)</b>

### 3 Petroleum products wholesale prices in Japan (1) Wholesale price revision trend

During April 12-April 18, crude oil cost in yen increased by 4.0 yen/l from a week earlier with an increase in crude oil price and the depreciation of the yen to the US dollar.

For the next week of April 14-April 20, Motouri companies decreased their real wholesale prices by 0.7 yen/l for gasoline, kerosene, and diesel oil from a week earlier, because subsidy of 25.0 yen/l from this week was added to an increase in cost of 24.3 yen/l including the previous week's subsidy of 20.3 yen/l.

### 3 Petroleum products wholesale prices in Japan (2) Spot (Gyoten) and futures price trend

Spot petroleum products prices in the April 12-April 18 week decreased for all oil products in all trading except for a leveled off in offshore gasoline and an increase in gasoline futures compared to the period of April 5- April 11.

The latest onshore cargo spot price (the average onshore rack price for four districts -- Chiba, Kawasaki, Chukyo, and Hanshin -- for the April 12-April 18) decreased by 1.6 yen/l from a week earlier (April 5-April 11) for gasoline, decreased by 1.7 yen/l for kerosene and decreased by 2.0 yen/l for diesel oil.

The average offshore barge spot price in Tokyo Bay leveled off for gasoline, decreased by 0.7 yen/l for kerosene and decreased by 1.0 yen/l for diesel oil for April 12-April 18 week from a week earlier.

The key average futures price increased by 3.3 yen/l for gasoline, decreased by 1.2 yen/l for kerosene and decreased by 0.6 yen/l for diesel oil from a week earlier.

(RIM) (Unit: yen/l)  
[4-district average lorry rack price]

	This week (4/12 ~ 4/18)	Previous week (4/5 ~ 4/11)	From a week earlier
<b>Spot Prices</b> Regular	78.8	80.4	▼ -1.6
Kerosene	78.8	80.5	▼ -1.7
Diesel oil	79.0	81.0	▼ -2.0

(TOCOM) (Unit: yen/l)  
[Front-month contract/closing price] [Average]

	This week (4/12 ~ 4/18)	Previous week (4/5 ~ 4/11)	From a week earlier
<b>Futures Price</b> Regular	79.3	76.0	▲ 3.3
Kerosene	79.3	80.5	▼ -1.2
Diesel oil	91.3	91.9	▼ -0.6

Above prices are before tax.

Reference (April 12 - April 18 actual data)

(Unit: yen/l)

Products	Spot	Futures	Average
Gasoline	▼ -1.6	▲ 3.3	▲ 0.9
Kerosene	▼ -1.7	▼ -1.2	▼ -1.4
Diesel oil	▼ -2.0	▼ -0.6	▼ -1.3
Fuel Oil A	▼ -2.0		

(Source) Spot: RIM 4-district average lorry rack price (Chiba, Kawasaki, Chukyo, Hanshin)

Futures: TOCOM average offshore barge spot price for Keihin District

### 4 Retail prices of petroleum products in Japan

The average retail service station price as of April 18 decreased by 0.5 yen from a week earlier to 173.5 yen/l for gasoline, decreased by 0.8 yen to 153.2 yen/l for diesel oil and decreased by 4.0 yen/l to 2,058 yen for kerosene on an 18-liter tank basis (decreased by 0.3 yen/l to 114.3 yen/l) from a week earlier. The gasoline price decreased for the second straight week. Diesel oil price decreased for the second straight week. Kerosene price decreased for the first time in three weeks.

Gasoline prices increased in 10 prefectures, leveled off in three prefectures and decreased in 34 prefectures. The lowest gasoline price among the prefectures was 167.5 yen/l in Miyagi. The second lowest was 168.5 yen/l in Aichi. The highest price was 182.7 yen/l in Nagasaki. Tokushima logged the largest price gain of 0.8 yen/l. The price leveled off in Hiroshima and three other prefectures. Gunma logged the largest price fall of 2.3 yen/l.

Retail gasoline price on the next price survey day (April 25) is expected to decrease from a week earlier.

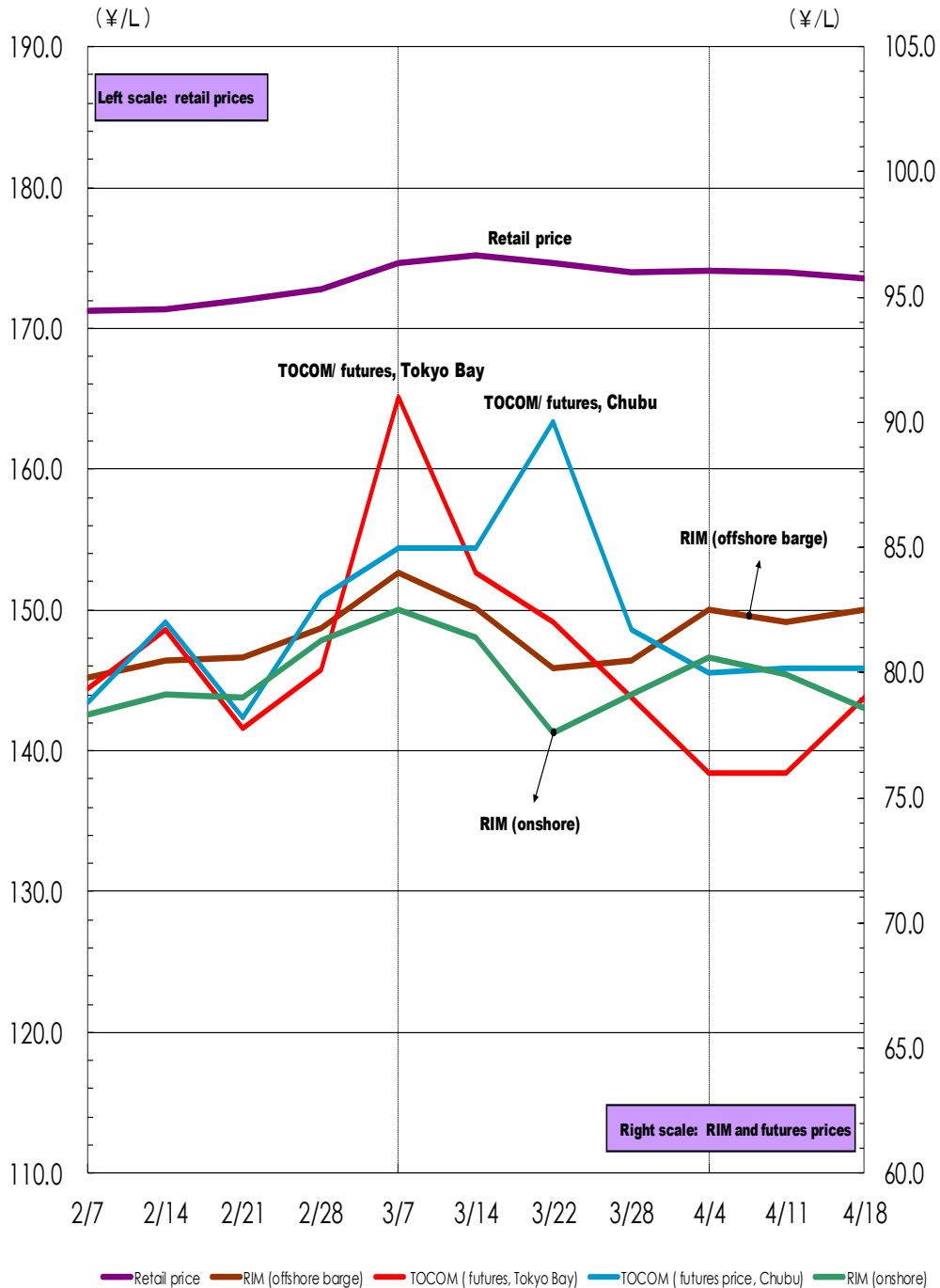
(Published by ANRE)[Weekly trend] (Unit: yen/l)

	This week (4/18)	Previous week (4/11)	From a week earlier	Latest high
<b>Retail Price</b> Regular	173.5	174.0	▼ -0.5	08/8/4 185.1
Kerosene	114.3	114.6	▼ -0.3	08/8/11 132.1
Diesel oil	153.2	153.7	▼ -0.5	08/8/4 167.4

Nationwide average cash retail price (including consumption tax)  
Since April 2007, 2,000 service stations have been covered.  
Latest highs are highest levels since October 2003.

# Gasoline price trend

(2022/2/7 ~ 2022/4/18)



(Note) ① Retail price includes consumption Tax, RIM, TOCOM prices are before tax.  
 ② RIM (onshore) is the average of four district .

## Announcement

This report is available at the center's website (<https://eneken.ieej.or.jp/en/>).  
The next issue (No. 5 for 2022) will be announced on May 13.

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## Weekly Oil Market Review

In an interim report compiled in May 2004 by a petroleum products market trend study panel sponsored by the Petroleum Distribution and Retail Division of the Natural Resources and Fuel Department at the Agency for Natural Resources and Energy, the panel stated, "We hope that the Japanese oil industry will solidify its market and price-finding functions and that the oil industry as a mainstay industry in Japan will further enhance its rationality and vitality over a medium term as industry people deepen their understanding of the need for rational price recognition based on market and price-finding functions to be established in the oil industry and for business decisions based on recognition under the principle of self-responsibility."

In response to the report, this Center has published the Weekly Oil Market Review as a tool for oil-related people, business administrators (particularly service station managers) and ordinary consumers to accurately understand crude oil and petroleum products supply and demand and price trends, in cooperation with relevant organizations such as the Petroleum Association of Japan and the Zensekiren (Japan's Dealers Association) since May 2005.

## Sources of data provided in this report

① [Crude oil and petroleum products supply and demand] (weekly PAJ report)

Data in weekly statistics on crude oil and petroleum product supply by the Petroleum Association of Japan are calculated in terms of 1,000 kiloliters. Shipments are estimated by this Center.

② [Crude oil and futures prices] (WTI crude and Middle Eastern crude)

For the WTI crude, the front-month WTI crude futures contract's daily closing price on the New York Mercantile Exchange (NYMEX) is adopted.

For the Middle Eastern crude, the front-month Middle Eastern crude futures contract's closing price on the Tokyo Commodity Exchange (TOCOM) is adopted. \* "Second-month (next-month) contract"

Underlying the Middle Eastern crude price is the average price for the Dubai and Oman crude oil. The telegraphic transfer middle rate (TTM) released by the Bank of Tokyo-Mitsubishi UFJ is adopted as the foreign exchange rate.

The crude oil import CIF price is a dollar-denominated reference price estimated by the PAJ based on the average crude oil price (on a 10-day basis) in the Ministry of Finance trade statistics.

③ [Motouri wholesale prices of petroleum products in Japan]

Motouri wholesale prices are prices for transactions between Motouri petroleum products wholesalers (primary wholesalers) and their affiliates (secondary wholesalers).

Motouri companies modified their new pricing system in April 2010 to decide specific policies in comprehensive consideration of crude oil and petroleum products market prices, each other's prices and other data. In June 2014, they modified the system further to give greater priority to crude oil cost.

④ [Gyoten spot prices of petroleum products in Japan] (RIM gyoten)

Onshore cargo spot prices are the average onshore lorry rack prices for the four districts of Tokyo, Kawasaki, Chukyo and Hanshin in the Lorry Rack Report of RIM Intelligence Co.

⑤ [Futures prices of petroleum products in Japan] (TOCOM)

Front-month petroleum products futures contracts' daily closing prices for TOCOM Tokyo Bay and Chubu are adopted.

TOCOM Tokyo Bay prices are the average offshore barge prices for the Keihin district. TOCOM Chubu prices are the average lorry rack prices in the Chubu district.

⑥ [Retail prices of petroleum products in Japan] (Weekly trend survey)

Average cash retail prices at some 2,000 service stations subject to a weekly nationwide survey are adopted (as released by the Agency for Natural Resources and Energy). The survey covers prices on Monday and is released at 14:00 on Wednesday (available on the website of the Agency for Natural Resources and Energy).