

# Oil Market Review in Japan No. 47/2022

March 17, 2023, Friday Released every Friday

**Publisher: Oil Information Center, Institute of Energy Economics, Japan**

Inui Bldg. Kachidoki, 10th Floor, 13-1, Kachidoki 1-chome, Chuo-ku, Tokyo, 104-8581 Japan  
[https://eneken.ieej.or.jp/en/weekly\\_oil/index.php](https://eneken.ieej.or.jp/en/weekly_oil/index.php)

## Overview

The key WTI (West Texas Intermediate) crude oil futures contract on NYMEX (New York Mercantile Exchange) in the February 23 - March 1 week moved within a range of \$75.39 per barrel and \$77.69/bbl.

On March 2, the key contract rose further for the third straight trading day to the strengthened expectations for China's economic recovery. China announced its robust Business Conditions Index for February 2023 on the previous day. The April contract closed at \$78.16/bbl up \$0.47/bbl from the previous trading day.

On March 3, the key contract rose further for the fourth straight trading day due to the continued expectations for China's economic recovery and bull trend in the U.S. stock market. However, the key contract temporarily turned down by the announcement that the UAE was considering withdrawal from OPEC (Organization of the Petroleum Exporting Countries). The April contract closed at \$79.68/bbl up \$1.52/bbl from the previous trading day.

On March 6, the key contract rose further for the fifth straight trading day, reaching beyond the milestone of \$80/bbl as the end price due to a sense of undervalued crude oil futures price by the ongoing depreciation of the U.S. dollar and the appreciation of the Euro and the announcement of adjustment price hike of Saudi Arabia's crude oil shipment bound for Asia for April 2023. However, the oil price rise was restricted by a downward revision of China's economic growth target for 2023 in the National People's Congress. The April contract closed at \$80.46/bbl up \$0.78/bbl from the previous trading day.

On March 7, the key contract turned down for the first time in sixth trading day due to strengthened concerns about recession in the future and the ongoing appreciation of the U.S. dollar. Mr. Powell, Chairman of the U.S. FRB (Federal Reserve Board) stated a continuation and strengthening active interest rate rise in the U.S. congressional testimony. Furthermore, China announced a decrease of nearly 10% for both export and import in its trade statistics for January and February 2023. Some of the market players recognized that it would take much time for economic recovery, which was one of the factors for oil price decline. The April contract closed at \$77.58/bbl down \$2.88/bbl from the previous trading day.

On March 8, the key contract turned down further due to strengthened concerns about recession caused by a continuation of interest rate rise (Mr. Powell's statement on the previous day). In addition, the U.S. announced its robust Employment Statistics on this day. However, according to the U.S. EIA (Energy Information Administration), the U.S. domestic inventory decreased as of the last weekend from the previous week against the market expectations, decreasing for the first time in 11th week. The market players recognized robust oil demand, which supported oil price level. The April contract closed at \$76.66/bbl down \$0.92/bbl from the previous trading day.

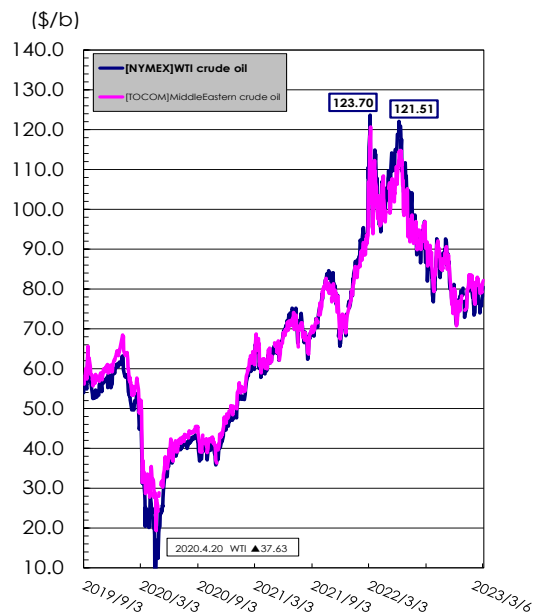
The Asian benchmark crude oil of Dubai for April delivery on the Tokyo market ranged from \$81.10/bbl to \$81.90/bbl on February 24 - March 1 week. It closed at \$82.50/bbl on March 2, at \$83.10/bbl on March 3, at \$83.80/bbl on March 6, at \$84.80/bbl on March 7, at \$81.80/bbl on March 8.

On the foreign exchange market in the February 24- March 1 week, the dollar moved within a range of 134.19 yen and 136.41 yen. It changed hands at 136.15 yen in late trading on March 2, at 136.70 yen on March 3, at 135.92 yen on March 6, at 136.13 yen on March 8, at 137.35 yen on March 9.

According to preliminary 10-day trade statistics released by the Ministry of Finance on March 7, the average crude oil import CIF price for Japan in the mid-February period stood at 71,789 yen/kl (kiloliter), up 1,077 yen/kl from the previous 10-day period. In dollars, the price was \$87.80/bbl, up \$0.84/bbl. The average exchange rate was 129.98 yen to the dollar.

Japan's average retail price on March 6 leveled off from a week earlier for gasoline, increased by 0.1 yen/l for diesel oil, and increased by 2 yen/l for kerosene on an 18-liter tank basis. The gasoline price leveled off for the third straight week. Diesel oil price increased for the first time in two weeks. Kerosene price increased for the first time in eight weeks. The national average gasoline price was 167.4 yen/l and mitigation measures against the extreme change in fuel oil were invoked again. The subsidy for the next week was 18.1 yen/l.

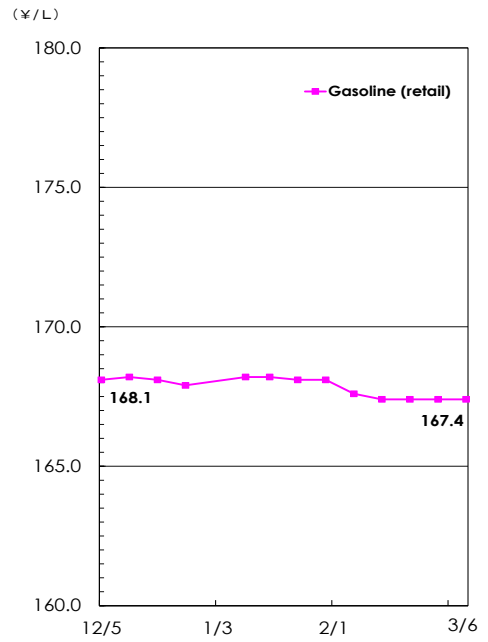
Crude oil			This week	From a week earlier	From a year earlier
Supply/ Demand	Crude oil runs (1,000 kl)	2/26 ~ 3/4	2,927	▼ -169	▼ -
	Topper capacity utilization rate (%)	"	79.0	▼ -4.5	▼ -
	Crude oil inventories (1,000 kl)	3/4	10,531	▼ -58	▲ -
Prices	Middle Eastern crude oil (TOCOM) (\$/bbl)	3/6	82.19	▲ 2.72	▼ -36.0
	WTI crude oil (NYMEX) (\$/bbl)	3/6	80.46	▲ 4.78	▼ -38.9
	Crude oil import CIF price (\$/bbl)	Mid Feb	87.80	▲ 0.84	▲ 1.05
	①Crude oil import CIF price (yen/kl)	"	71,789	▲ 1,077	▲ 9,129
	②Yen-dollar exchange rate (yen/dollar)	"	129.98	▼ -0.70	▼ -15.15
	TTS exchange rate (yen/dollar)	3/6	136.92	▲ 0.35	▼ -20.90



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

Gasoline		This week		From a week earlier	From a year earlier	
Supply/ Demand	Production	2/26 ~ 3/4	912	▼ -57	▼ -	
	Imports	"	n.d.	n.d.	n.d.	
	Shipments	"	836	▼ -6	▲ -	
	Exports	"	120	▼ -21	▼ -	
	Inventories	3/4	1,647	▼ -45	▲ -	
Prices	Gyoten (spot) [4-district average lorry rack price] (RIM)	2/28 ~ 3/6	72.6	▲ 0.8	▼ -9.5	
	Futures [front-month contract/closing price]	(TOCOM/ Tokyo Bay)	2/28 ~ 3/6	73.0	➡ 0.0	▼ -10.6
		(TOCOM/ Chubu)	3/6	73.6	➡ 0.0	▼ -11.4
	Retail prices [weekly trend] (published by ANRE)	3/6	167.4	➡ 0.0	▼ -7.2	

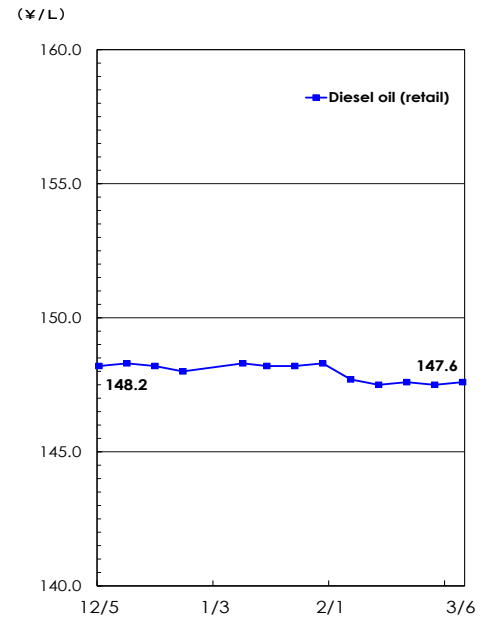
\*Gyoten and futures prices are before tax



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

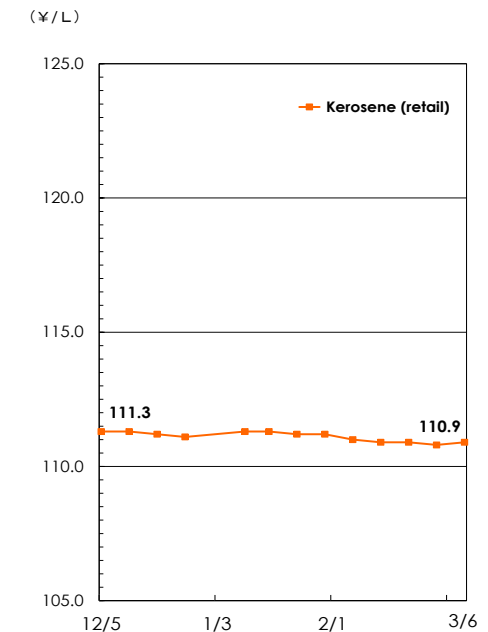
Diesel oil		This week		From a week earlier	From a year earlier	
Supply/ Demand	Production	2/26 ~ 3/4	769	▼ -47	▼ -	
	Imports	"	n.d.	n.d.	n.d.	
	Shipments	"	651	▼ -12	▼ -	
	Exports	"	173	▼ -41	▲ -	
	Inventories	3/4	1,185	▼ -54	▼ -	
Prices	Gyoten (spot) [4-district average lorry rack price] (RIM)	2/28 ~ 3/6	74.6	➡ 0.0	▼ -9.0	
	Futures [front-month contract/closing price]	(TOCOM/ Tokyo Bay)	2/28 ~ 3/6	76.4	▲ 0.3	▼ -12.8
		(TOCOM/ Chubu)	3/6	-	-	-
	Retail prices [weekly trend] (published by ANRE)	3/6	147.6	▲ 0.1	▼ -6.6	

\*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	2/26 ~ 3/4	291	▼ -28	▼ -	
	Imports	"	n.d.	n.d.	n.d.	
	Shipments	"	402	▼ -9	▼ -	
	Exports	"	0	▼ -31	▲ -	
	Inventories	3/4	1,227	▼ -112	▲ -	
Prices	Gyoten (spot) [4-district average lorry rack price] (RIM)	2/28 ~ 3/6	75.3	▼ -0.3	▼ -7.9	
	Futures [front-month contract/closing price]	(TOCOM/ Tokyo Bay)	2/28 ~ 3/6	75.0	▼ -0.3	▼ -8.3
		(TOCOM/ Chubu)	3/6	76.3	➡ 0.0	▼ -5.7
	Retail prices [weekly trend] (published by ANRE)	3/6	110.9	▲ 0.1	▼ -3.5	



## Relevant Information

### 1 Overseas crude oil prices

On the crude oil futures market for this week (from March 2 to March 8), WTI end price logged \$78.16/bbl on March 2 and rose until March 6, reaching the milestone of \$80.46/bbl mainly by the expectations for China's economic recovery. However, WTI end price turned down further due to the statement of a continuation and prolongation of active interest rate rise made by Mr. Powell, Chairman of the U.S. FRB. WTI end price logged \$76.66/bbl on March 8.

According to the U.S. EIA Weekly Report announced on March 8, the U.S. domestic inventory as of March 3 decreased by 1.7 million bbl for crude oil from the previous week, which was against than the market expectations, decreasing for the first time in 11<sup>th</sup> weeks. The market players recognized the robust oil demand in the U.S.

According to the EIA, the average U.S. retail price of gasoline as of March 6 increased by 4.7 cents per gallon from a week earlier to \$3.389/gal (122.4 yen/l), increasing for the first time in five weeks. The average U.S. retail price of diesel oil decreased by 1.2 cents per gallon from a week earlier to \$4.282/gal (154.7 yen/l), decreasing for the fifth straight week.

Baker Hughes reported on March 3 that the number of operating U.S. oil-drilling rigs decreased by eight units from a week earlier to 592 units, decreasing for the third straight week.

### 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 February 26 - March 4 week in 2023 stood at 105,000 barrels per day, decreasing by 0 bpd from the previous week (total capacity remained at 3,331,000 bpd).

Crude oil throughput in the week decreased by 169,000 kl from the previous week to 2,927,000 kl. From a year earlier, it decreased by 123,000 kl. The topper capacity utilization rate stood at 79.0%, down 4.5 points from the previous week and down 0.3 points from a year earlier.

Production increased from the previous week for Fuel Oil A and decreased for other petroleum products. Output was down 5.9% for gasoline, down 10.5% for jet fuel, down 8.9% for kerosene, down 5.8% for diesel oil, up 5.1% for Fuel Oil A, and down 21.7% for Fuel Oil C. Fuel Oil C imports in the week totaled 89,000 kl, up 89,000 kl from the previous week. Diesel oil exports aggregated 173,000 kl, down 41,000 kl from the previous week.

Shipments (excluding imports) in the week increased from the previous week for jet fuel, Fuel Oil A, and Fuel Oil C and decreased for other oil products. From a year earlier, shipments expanded for gasoline and Fuel Oil A and declined for other oil products. Gasoline shipments decreased by 0.7% from the previous week to 836,000 kl, decreasing for the first time in two weeks. Shipments totaled 44,000 kl for jet fuel (up 72,000 kl

from minus 28,000 kl in the previous week), 402,000 kl for kerosene (down 2.3% from the previous week), 651,000 kl for diesel oil (down 1.8% from the previous week), 260,000 kl for Fuel Oil A (up 10.9% from the previous week), and 185,000 kl for Fuel Oil C (up 0.9% from the previous week).

	(Unit: 1,000 kl)		
	This week (2/26 ~ 3/4)	Previous week (2/19 ~ 2/25)	From a week earlier
Gasoline	836	842	▼ -6 (-1%)
Jet fuel	44	-28	▲ 72 (-257%)
Kerosene (heating Oil)	402	411	▼ -9 (-2%)
Diesel oil	651	663	▼ -12 (-2%)
Fuel oil A	260	234	▲ 26 (11%)
Fuel Oil C	185	183	▲ 2 (1%)
<b>Total</b>	<b>2,378</b>	<b>2,305</b>	<b>▲ 73 (3%)</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 March 4 increased for Fuel Oil C and decreased for other petroleum products. From a year earlier, inventories decreased for diesel oil and Fuel Oil A and increased for other petroleum products.

Gasoline inventories totaled 1,647,000 kl, down 45,000 kl from a week earlier and up 11,000 kl from a year earlier.

Kerosene inventories totaled 1,227,000 kl, down 112,000 kl from a week earlier and up 38,000 kl from a year earlier.

Diesel oil inventories totaled 1,185,000 kl, down 54,000 kl from a week earlier and down 170,000 kl from a year earlier.

Fuel Oil A inventories totaled 659,000 kl, down 22,000 kl from a week earlier and down 2,000 kl from a year earlier.

Fuel Oil C inventories totaled 1,787,000 kl, up 124,000 kl from a week earlier and up 195,000 kl from a year earlier.

	(Unit: 1,000 kl)		
	This week (3/4)	Previous week (2/25)	From a week earlier
Gasoline	1,647	1,692	▼ -45 (-3%)
Jet fuel	745	771	▼ -26 (-3%)
Kerosene (heating Oil)	1,227	1,339	▼ -112 (-8%)
Diesel oil	1,185	1,239	▼ -54 (-4%)
Fuel oil A	659	681	▼ -22 (-3%)
Fuel Oil C	1,787	1,663	▲ 124 (7%)
<b>Total</b>	<b>7,250</b>	<b>7,385</b>	<b>▼ -135 (-1.8%)</b>

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

During February 28 – March 6, crude oil cost in yen increased by 2.0 yen/l from a week earlier with an increase in crude oil price and the depreciation of the yen to the U.S. dollar.

For the next week of March 9– March 15, Motouri companies increased their real wholesale prices for gasoline, kerosene, and diesel oil by 0.9 yen/l from a week earlier, because a subsidy of 18.1 yen/l from this week was added to an increase in the cost of 19.0 yen/l including the previous week's subsidy of 17.0 yen/l.

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

Spot petroleum products prices in the February 28– March 6 week increased for all oil products in all trading except for the leveled off gasoline futures, offshore kerosene, and onshore diesel oil prices, and the decreased onshore kerosene and kerosene futures prices compared to the period of February 21– February 27.

The latest onshore cargo spot price (the average onshore rack price for four districts -- Chiba, Kawasaki, Chukyo, and Hanshin -- for February 28– March 6) increased by 0.8 yen/l from the previous week for gasoline and decreased by 0.3 yen/l for kerosene and leveled off for diesel oil.

The average offshore barge spot price in Tokyo Bay increased by 0.7 yen/l for gasoline, leveled off for kerosene and increased by 0.1 yen/l for diesel oil on February 28– March 6 week from the previous week. The key average futures price leveled off for gasoline and decreased by 0.3 yen/l for kerosene and increased by 0.3 yen/l for diesel oil from a week earlier.

(RIM) [4-district average lorry rack price]		(Unit: yen/l)		
		This week (2/28 ~ 3/6)	Previous week (2/21 ~ 2/27)	From a week earlier
Spot Prices	Regular	72.6	71.8	▲ 0.8
	Kerosene	75.3	75.6	▼ -0.3
	Diesel oil	74.6	74.6	➡ 0.0

(TOCOM) [Front-month contract/closing price] [Average]		(Unit: yen/l)		
		This week (2/28 ~ 3/6)	Previous week (2/21 ~ 2/27)	From a week earlier
Futures Price	Regular	73.0	73.0	➡ 0.0
	Kerosene	75.0	75.3	▼ -0.3
	Diesel oil	76.4	76.1	▲ 0.3

Above prices are before tax.

Reference (February 28 - March 6 actual data)

(Unit: yen/l)			
Products	Spot	Futures	Average
Gasoline	▲ 0.8	➡ 0.0	▲ 0.4
Kerosene	▼ -0.3	▼ -0.3	▼ -0.3
Diesel oil	➡ 0.0	▲ 0.3	▲ 0.1
Fuel Oil A	▼ -0.1		

(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 March 6 leveled off from a week earlier at 167.4 yen/l for gasoline, increased by 0.1 yen/l to 147.6 yen/l for diesel oil and increased by 2 yen to 1,997 yen for kerosene on an 18-liter tank basis (increased by 0.1 yen/l to 110.9 yen/l) from a week earlier. The gasoline price leveled off for the third straight week. Diesel oil price increased for the first time in two weeks. Kerosene price increased for the first time in eight weeks.

Gasoline prices increased in 15 prefectures, leveled off in nine prefectures, and decreased in 23 prefectures. The lowest gasoline price among the prefectures was 160.2 yen/l in Tokushima. The second lowest was 160.4 yen/l in Miyagi. The highest price was 180.7 yen/l in Nagasaki. Wakayama logged the largest price hike of 1.2 yen/l from the previous week. The price leveled off in Tottori and eight other prefectures. Aichi logged the largest price fall of 1.0 yen/l.

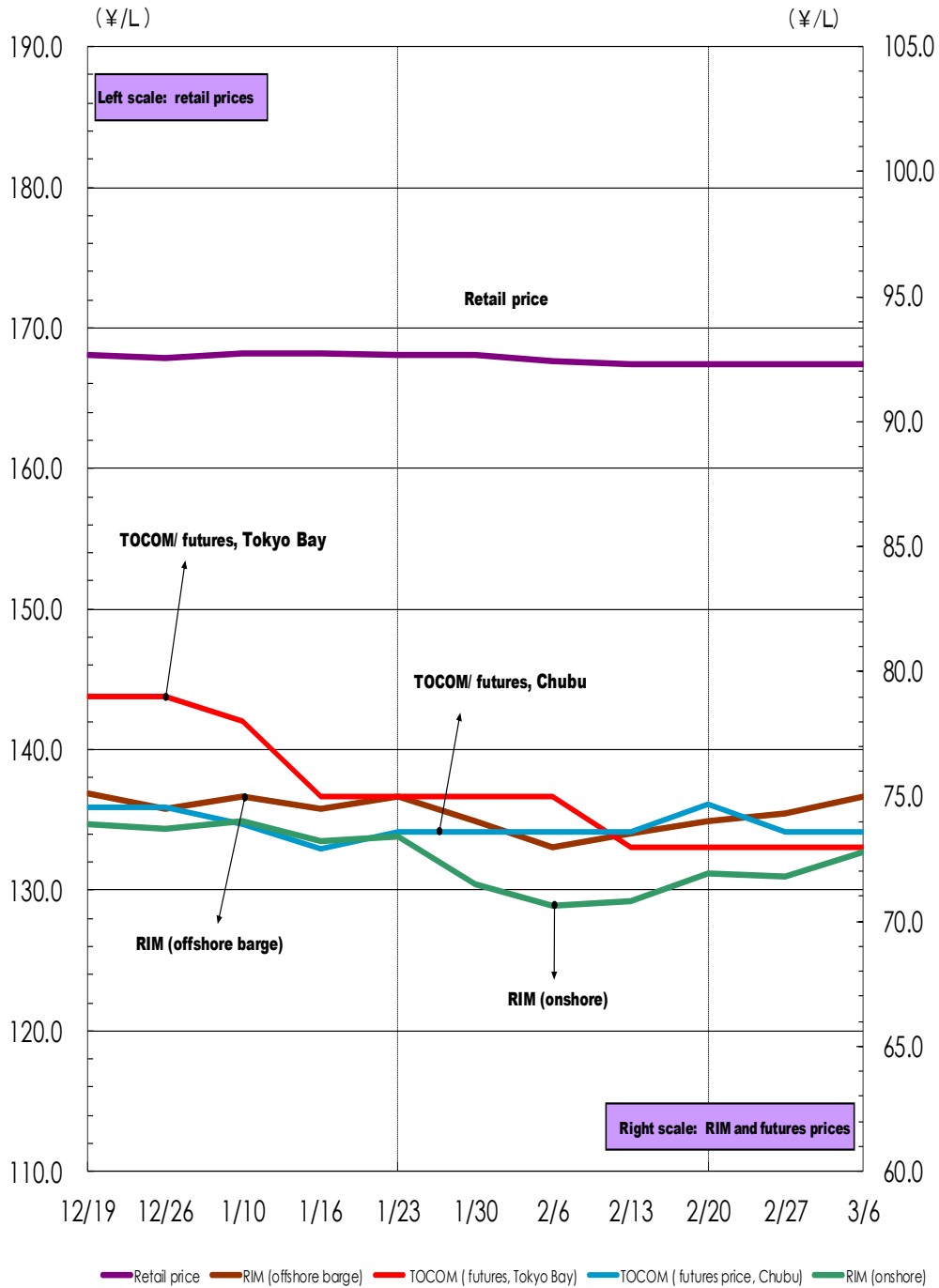
Retail gasoline price on the next price survey day March 13 is expected to level off or fluctuate slightly from a week earlier.

(Published by ANRE)[Weekly trend]		(Unit: yen/l)			
		This week (3/6)	Previous week (2/27)	From a week earlier	Latest high
Retail Price	Regular	167.4	167.4	➡ 0.0	08/8/4 185.1
	Kerosene	110.9	110.8	▲ 0.1	08/8/11 132.1
	Diesel oil	147.6	147.5	▲ 0.1	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

(2022/12/19 ~ 2023/3/6)



(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. 48 for 2022) will be announced on March 24.

## On use of this report

The copyrights to texts, graphics and other information (hereinafter combined into "documents") in this report belong to the Oil Information Center of the Institute of Energy Economics, Japan (hereinafter referred to as this Center), or to third parties contributing the documents to this Center. This Center forbids the documents from being repurposed, duplicated or altered without approval by this Center.

This Center has made the documents comprehensive but no guarantee is made as to accuracy or safety.

## 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 MUFG Bank 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).