

After Three-year Hiatus, Gunvor Said to Land Major Rosneft Contract

By [The Moscow Times](#)

March 17, 2015



Traders say that Gunvor may have returned to take part in tenders due to oil price volatility.

Swiss-based trading house Gunvor, which had been trying to cut asset exposure to the Russian market, is among the winners of a large Rosneft tender, traders said on Tuesday.

Geneva-based Gunvor, which at one point handled as much as 40 percent of Russia's seaborne exports and was a regular in term deals with companies such as Rosneft and Surgutneftegaz, abruptly halted its participation in major Russian crude oil tenders in 2012.

Gunvor said at the time its decision was purely commercial.

Traders say that Gunvor may have returned to take part in tenders due to oil price volatility, which offers scope to make money even during a prolonged period of weak prices.

"There is huge volatility on the market and traders are very effective," a trader said. State-

owned Rosneft rarely discloses the results of its tenders to the public.

Traders also said Gunvor would lift up to 400,000 tons of Russian Urals crude per month from the Baltic Sea port of Primorsk in April–September after it won the tender from Rosneft for the first time in three years.

Russia-originated crude oil now makes up only about 4 percent of Gunvor's overall trading.

Industry sources have said another trader, Trafigura, is set to become the largest exporter of oil from Rosneft under a deal it is negotiating with the sanctions-hit company.

Trafigura also may ship all the CPC Blend cargoes from Novorossiysk as part of the deal.

Rosneft has postponed the announcement of the tender results to traders, significantly cut volumes on offer and asked buyers to agree to "zero optionality," meaning it can nominate no cargoes to a winner in a given month if it decides to place volumes elsewhere.

Overall maximum volumes on offer for April–September have been cut by around 2.5 million tons versus the previous six-month tender.

Other companies that obtained rights to lift cargoes from Rosneft are Trafigura, Unipet, BP, Shell and Total.

Shell has the right to lift one cargo maximum from Primorsk, while BP has the rights for one tanker from Ust-Luga, respectively. France's Total, which was called a "reserve buyer" in the tender, may lift from zero to three parcels from the Baltic Sea ports.

Shell may export 80,000 tons of Urals crude from Novorossiysk, while China's Unipet can ship a 140,000-ton parcel from the Black Sea port.

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