

Shares in Italian Refiner Saras Jump on Talk of Interest From Russia's Rosneft

By [The Moscow Times](#)

March 24, 2015



The logo of Russia's top crude producer Rosneft is seen at the company's headquarters, behind the Kremlin wall, in central Moscow.

MILAN — Saras shares have jumped to a 42-month high on speculation that Rosneft might raise its stake in the Italian refiner, lured by rising margins in the industry and after cashing in on another investment in Italy.

"There's speculation Rosneft could use part of a cash-out in the Pirelli deal to increase its stake in Saras," a Milan trader said Monday, asking not to be named.

On Sunday, China National Chemical Corp agreed to buy into Pirelli in a deal that could see Russia's Rosneft cut its stake in the Italian tyre maker.

Shares in Saras closed up 4.8 percent on Monday, against a 0.4 percent fall in Italy's all-share index. The European oil and gas index was down 0.6 percent.

Saras was not immediately available for a comment. Rosneft declined to comment.

Rosneft, currently subject to Western sanctions and heavily indebted, owns half of the vehicle that controls Pirelli. It also has a 21 percent stake in Saras and said last year, before sanctions hit, it could increase its stake.

The Moratti family, which controls Saras, has traditionally had close ties with Pirelli head Marco Tronchetti Provera, a key player in the deal with the Chinese.

But a marked improvement in refining margins also makes Saras a more attractive investment, the trader said.

Saras said on its web page on Monday its weekly EMC benchmark margin had risen to around \$6 per barrel, up from the \$0.9 per barrel seen in the fourth quarter.

Profits at Europe's battered oil majors from processing crude oil into products such as diesel, gasoline and aviation fuel more than doubled in the last quarter as the rapid decline in oil prices since June boost margins.

"Saras is a complex refiner and buys non-conventional crudes which carry much higher discounts," a Milan analyst said.

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