



Shanghai International Energy Market Snapshot

June 23, 2020

INE Low-Sulfur Fuel Oil (LU)

As of the close of June 22, the total trading volume of Shanghai low-sulfur fuel oil futures on its launch day was 134,400 lots, total turnover RMB3.541 billion, total open position 25,900 lots. The volume and turnover on the lead month contract LU2101 was 134,400 lots and RMB3.441 billion, respectively. The closing price of LU2101 was RMB2,599/ton, up 9.76% from the listed benchmark price.

INE Crude Oil (SC)

On June 22nd, the CEO of Shanghai Futures Exchange (“SHFE”) Wang Fenghai introduced from 2020 Shanghai Derivatives Market Forum that Shanghai crude oil futures reached an average daily trading volume of 300,000 lots in June and an average daily position of more than 150,000 lots, an increase of 3 times and 4 times respectively from the beginning of the year. The daily trading volume accounted for from 25% to 50%, and the liquidity of Asian trading hours on some trading days has exceeded that of Brent.

According to the data of SHFE, from January to May this year, the average daily volatility of Shanghai crude lead month contract was about 3.7%, far lower than the volatility of the international markets. As of the end of May, the number of institutional account trading Shanghai crude, excluding the private funds, has increased by 36% compared with last year, and the average daily position rose to about 50%. Among them, the average daily position of hedging accounted for 38.5%, which was three times the same period last year. From January to June, nearly 27 million barrels were delivered, accounting for about 57% of the total delivery volume since listing, an increase of about 1.5 times compared with the same period last year. Since this year, the average daily trading volume of foreign investors has accounted for about 16%, and the average daily positions have accounted for about 28%.

Reference:

1. <https://mp.weixin.qq.com/s/wEU1zYN7LHs9FZbyhB9tIQ>
2. https://mp.weixin.qq.com/s/pTgnhZ_LnEkJ3Q-QFpdzrg