Price assessment and Asian benchmarks

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Market on Close and the Singapore window

Oil products in Asia are rarely sold at a fixed price. Most term contracts and many spot deals set the price by reference to published assessments, usually averaged over a pricing period. The dominant assessments for Asia are those of Platts, a business that Warren C. Platt founded in Cleveland in 1909 and that now forms part of S&P Global. Platts first applied its Market on Close methodology in Asia in 1992.[1]

The methodology works as follows. Throughout the day Platts editors collect bids, offers and completed trades from market participants. During a final period of 30 to 45 minutes before the close, which traders call the window, participants may enter firm bids and offers that Platts publishes in real time. Platts then assesses the value of each product at the closing time, based on the trades, bids and offers that survived the window and on spreads to related products where no trade took place. In Singapore the window closes at 16:30 local time, the time at which the Asian assessments are struck.[2] The design aims to capture the value of a real cargo traded

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between real counterparties at a known moment. Participants who are prepared to trade in the window can influence the price, but they must also stand behind their bids and offers.

The assessments describe specific cargoes. A typical Singapore assessment relates to a cargo of a stated size and specification, loading free on board in Singapore within a stated period in the coming weeks. Separate assessments exist for gasoline of different octanes, naphtha, jet fuel and kerosene, gasoil with different sulphur levels, fuel oil of different viscosities and marine fuel with a sulphur content of 0.5 per cent.[3] Each assessment thus fixes a value for a defined commodity at a defined place and time, which allows contracts to refer to it with precision.

MOPS in contracts across Asia

The Mean of Platts Singapore, known as MOPS, is the average of a set of these Singapore assessments over an agreed period. Platts assessments fix the value of physical cargoes loading in Singapore between 15 and 30 days ahead, and the averaging period can be a week, a month or any other period agreed by the parties.[4] A contract may provide that a cargo of gasoil delivered in Manila or Sydney is priced at the average MOPS gasoil assessment over the five days around the bill of lading date, plus a premium for freight, quality and the seller's margin. The premium is negotiated, while the reference price comes from Singapore.

The reach of MOPS extends beyond traders and refiners. Fuel importers, airlines, power producers and shipowners across Southeast Asia, Australia and South Asia buy products on MOPS-linked terms. Several governments in the region use Singapore product prices as the basis for regulated retail fuel prices or subsidy calculations.[5] A movement in a Singapore assessment therefore affects consumer prices and public budgets far beyond the city. This influence gives Singapore a role in the economic life of the region that has no equivalent in its size and explains why the integrity of the assessment process is a matter of public interest.

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The reason for Singapore's role lies in liquidity. A benchmark is useful only if enough trades take place at the location it describes for the price to reflect the market. Singapore combines refineries, storage, blending, bunkering and a deep pool of traders in one place, so that cargoes are bought and sold there every day. Other Asian locations have larger refineries or larger domestic markets, but none has the same density of independent trading. Once contracts across the region refer to Singapore prices, every participant who wants to hedge or arbitrage has an incentive to trade there too, which reinforces the benchmark.

Crude benchmarks: Dubai, Oman and Murban

Crude oil for Asia is priced by a different set of benchmarks. Most crude from the Persian Gulf sold to Asian refiners is priced against Dubai and Oman, medium sour grades that reflect the quality of most Gulf crudes. Platts assesses Dubai through its Singapore-based Market on Close process. As production of Dubai crude fell from about 400,000 barrels per day in the early 1990s to below 120,000 by 2004, Platts allowed delivery of Oman crude against Dubai trades from 2001 and introduced partial cargoes of 25,000 barrels from 2004.[6] Saudi Aramco priced its Asian official selling prices against the average of Dubai and Oman until October 2018, when it replaced the Oman assessment with the Oman futures contract of the Dubai Mercantile Exchange. The basket of deliverable grades was later widened further to keep the benchmark liquid.[7]

Competing benchmarks have appeared. The Shanghai International Energy Exchange, a subsidiary of the Shanghai Futures Exchange established in 2013, trades crude oil futures denominated in yuan.[8] The contract was launched on 26 March 2018.[9] In Abu Dhabi, ICE Futures Abu Dhabi began trading futures on Murban crude on 29 March 2021. The national oil company ADNOC has since set the official selling price of Murban on the basis of the futures contract, from June 2021 onwards.[10] These developments are examined from the perspective of competition between centres in Chapter III of Part K. For Singapore, they mean that its dominance of product pricing does not extend automatically to crude.

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The Hormuz crisis of 2026 tested these benchmarks severely. After the United States and Israel began strikes on Iran on 28 February 2026, shipping through the Strait of Hormuz was largely blocked. Brent rose above US$100 per barrel on 8 March. On 19 March Dubai crude reached US$166 per barrel, its highest price on record.[11] The gap between Dubai and Brent showed how directly the Asian crude benchmark reflects the supply of the Gulf. It also confirmed that a benchmark assessed in Singapore remains tied to the physical availability of the barrels it describes, wherever they are produced.

Governance of price reporting

Price reporting agencies were long regarded as publishers. Their assessments became a matter of regulatory concern only when policymakers realised how many contracts, taxes and derivatives depended on them. At the request of the G20, the International Organization of Securities Commissions published Principles for Oil Price Reporting Agencies in 2012. Platts has since commissioned annual reviews of its compliance from Ernst & Young. The principles require agencies to publish their methodologies, to apply them consistently, to manage conflicts of interest and to handle complaints.[12]

In May 2013 the European Commission inspected the premises of several oil companies and of Platts on suspicion of collusion in the reporting of prices to Platts.[13] No infringement was established. The episode nonetheless showed that a market built on voluntarily reported trades depends on the willingness of participants to report honestly and on the vigilance of the agency in excluding trades that cannot be verified.

Singapore regulates trading in benchmark-related derivatives but does not license price reporting agencies as such. Since 2018 the Securities and Futures Act has contained a regime for financial benchmarks, which applies to benchmarks designated by MAS.[14] The oil product assessments that drive regional contracts are produced by private agencies under their own methodologies and international

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principles. Manipulation of those assessments through false trades or misleading bids could nevertheless fall within the market misconduct provisions of the Act when it affects derivatives that MAS supervises, as the next section explains.

Notes

1. Wikipedia, "Platts" (accessed November 2026): Warren C. Platt "started the magazine *National Petroleum News* in Cleveland, Ohio in 1909"; Platts "stops accepting new bids and offers 30 to 45 minutes before the close", a period known as the "window"; "Platts first used the process in Asia in 1992"; Dubai output fell from about 400,000 b/d in the early 1990s to below 120,000 b/d by 2004; Oman deliverable against Dubai from 2001; partials of 25,000 barrels from 2004; Saudi Aramco used Dubai and Oman "until October 2018, when it replaced Platts Oman with the Oman futures contract of the Dubai Mercantile Exchange"; IOSCO Principles for Oil Price Reporting Agencies (2012) "at the request of the G20"; annual compliance reviews by Ernst & Young. ↩
2. S&P Global Platts, *Specifications Guide: Asia Pacific and Middle East Refined Oil Products*, current edition: Singapore assessments reflect the market at the 16:30 Singapore time close. ↩
3. S&P Global Platts, *Specifications Guide: Asia Pacific and Middle East Refined Oil Products*, current edition: Singapore FOB assessments for gasoline (92, 95 and 97 RON), naphtha, jet/kerosene, gasoil (10 ppm, 500 ppm and others), 180 cst and 380 cst fuel oil and marine fuel 0.5% sulphur. ↩
4. Wikipedia, "Mean of Platts Singapore" (accessed November 2026): MOPS is the average of a set of Singapore-based oil product price assessments published by Platts; the term refers to any contract mechanism that derives its value from that average; assessments set values for physical commodities "15–30 days forward"; averaging period of a week, a month or any agreed period. ↩
5. Malaysia's Automatic Pricing Mechanism and Indonesia's fuel price formulas have used MOPS as the reference for product costs. ↩

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6. Wikipedia, "Platts" (accessed November 2026), as cited above in the subsection on Market on Close: Dubai output, Oman deliverability from 2001, partials of 25,000 barrels from 2004, Saudi Aramco's change of October 2018. ↩
7. Platts added Upper Zakum, Al-Shaheen and Murban to the deliverable grades of its Dubai basis. ↩
8. Wikipedia, "Shanghai Futures Exchange" (accessed November 2026): the Shanghai International Energy Exchange, a subsidiary established in 2013, trades crude oil futures and options and low sulphur fuel oil; the exchange is supervised by the China Securities Regulatory Commission. ↩
9. "Three years on, Shanghai futures ride reform to enrich oil market", *China Daily*, 27 March 2021: "the crude futures started trading at the Shanghai International Energy Exchange on March 26, 2018"; "yuan-denominated crude oil futures contracts". ↩
10. "Murban crude futures start trading at new ICE, Abu Dhabi exchange", *Arab News*, 29 March 2021: the contract "launched on Monday" on ICE Futures Abu Dhabi; "ADNOC will set the monthly official selling price (OSP) for Murban based on the futures contract". – Intercontinental Exchange, "ICE Announces Update on Murban Crude Oil Futures Ahead of Launch on March 29, 2021" (ir.theice.com): ADNOC OSPs "to be based on the ICE Murban Futures Contract from June 2021". ↩
11. Wikipedia, "2026 Strait of Hormuz crisis" (accessed November 2026): "On 28 February 2026, the United States and Israel initiated coordinated airstrikes on Iran"; the strait "has been largely blocked by Iran since 28 February 2026"; Brent "surpassed US$100 per barrel on 8 March", peaking at US$126; "Dubai crude oil prices reached US$166, their highest on record"; regional oil exports "were 25 million barrels per day before the war, dropping 60% to around 10 million by 15 March"; preliminary estimates of late October 2026 put Hormuz flows at "approximately 14 million barrels per day, or 82% of pre-war levels". ↩

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12. IOSCO, *Principles for Oil Price Reporting Agencies*, Final Report FR06/12, October 2012: methodology, quality and integrity of the assessment, conflicts of interest, complaints and external audit. ↩

13. European Commission, MEMO/13/435, 14 May 2013: unannounced inspections in the oil and biofuels sector concerning possible collusion in the reporting of prices to Platts and the possible exclusion of others from the price assessment process; the investigation was later closed without a decision. ↩

14. Clifford Chance, "Major Changes to Singapore Capital Markets Regulatory Framework Implemented", October 2018, pp. 1–2: the Securities and Futures (Amendment) Act 2017 "introduces a new Part VIAA which provides for the regulatory framework for financial benchmarks"; "MAS may designate a financial benchmark as a designated benchmark" if it has systemic importance; most amendments "operative from 1 and 8 October 2018". See also Part E, Chapter I. ↩

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