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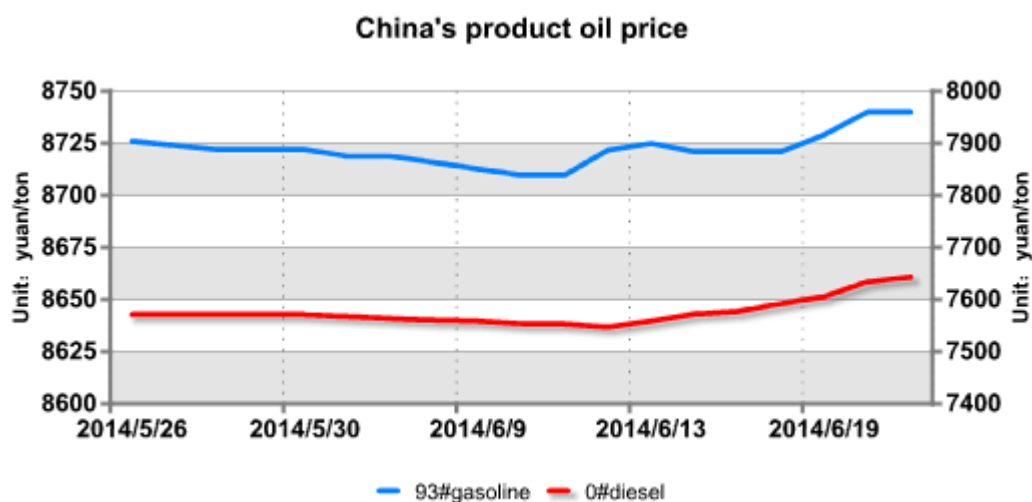
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The Overview of China's Product oil market

DAQING, June 24 (IPI) -- The International crude oil prices fell in the previous day, the moving average of the basket of crude oil prices turned negative, NDRC raised gasoline, diesel prices by 165 and 160 yuan/tonne from June 24. The wholesale price of gasoline and diesel of main unit rose. But the demand of domestic market was weakness, the market resources was oversupply, the supporting factors of higher price was limited.



On the first day of price adjustment, most areas have announced incentives, the actual transaction price rose limitedly, where eastern and southern China's market transaction price of gasoline was almost flat, and the diesel price rose about 50-60 yuan / ton. It is predicted that the main unit incentives will come out.

Product oil price of regions in China

| Jun.23.2014 | diesel 0# | gasoline 93# | gasoline 97# |
|---------------|-----------|--------------|--------------|
| East China | 8093 | 8849 | 10324 |
| South China | 8025 | 8825 | 9888 |
| Northeast | 7991 | 9655 | 10441 |
| Central China | 7750 | 8717 | 10449 |
| North China | 7900 | 9297 | 10313 |
| Southwest | 8083 | 9326 | 10644 |
| Northwest | 8277 | 9711 | 10214 |

NDRC raises gasoline, diesel prices by 165 and 160 yuan/tonne from June 24

DAQING, June 23 (IPI) -- The National Development and Reform Commission (NDRC), China's top price regulator, announced on Monday that the country's benchmark prices of gasoline and

diesel would be raised by 165 yuan/tonne and 160 yuan/tonne respectively, effective from Tuesday.

The price rise could be translated into 0.12 yuan and 0.14 yuan added to the current retail prices of 90# gasoline and 0# diesel, the NDRC said.

This would be the fourth time to hike gasoline and diesel oil prices this year.

Prices of gasoline and diesel in China are tightly controlled by the government, which sets the upper limit for retail prices.

Under the current fuel pricing mechanism, introduced in March 2013, retail prices of gasoline and diesel are capped below benchmark prices, which are pegged to crude oil prices on international markets and changed every 10 working days. The price adjustment will be called off when the calculated adjustment is less than 50 yuan/tonne.

CNPC unveils new board, 5 outside directors appointed

DAQING, June 23 (IPI) – China National Petroleum Corporation (CNPC), parent of China's top oil and gas producer PetroChina, saw the establishment of its new board on last Friday with the appointment of five outside directors and one employee director.

The establishment of new board was overseen by the State-owned Assets Supervision and Administration Commission (SASAC) and the Organization Department of China Communist Party Central Committee in a bid to optimize modern enterprise system and corporate governance structure.

Meng Jianmin, vice chairman of SASAC, urged directors of the board to get used to the new system and require CNPC to frame out various rules in order to ensure the standard and effective operation of the board.

Now, the board of CNPC has eight directors with chairman Zhou Jiping and general manager Liao Yongyuan as insider directors. Wang Shihong, assistant general manager of CNPC, was appointed as employee director of the CNPC.

CNOOC Marketing Jiangsu Co. opens gas station franchising to private sector

DAQING, June 23 (IPI) -- CNOOC Marketing Jiangsu Co. has recently signed a gas station cooperation and operating management agreement with the CNPC&TAFO Company in Beijing, marking that the company has officially opened its gas station franchising to social capital.

CNPC&TAFO Company is a privately-owned oil company in eastern China.

Under the agreement, nine gas stations under CNPC&TAFO Company will be included in the franchise gas stations of CNOOC and adopt the management requirements of CNOOC, including unified logo and name, oil delivery, oil quality, oil price, service standards and HSE management system.

CNOOC's opening of its gas station franchise rights is expected to further accelerate the development of its weak oil sales terminals, said Lin Boqiang, director of China Center for Energy Economics Research at Xiamen University.

Coal stocks at 4 Bohai-Rim ports up 4.86pct on wk to 20.473mln t by June 22

DAQING, June 23 (IPI) - The combined coal stocks at the four major ports along north China's Bohai Sea hiked 4.86 percent or 949,000 metric tons (tonnes) week on week to 20.473 million tonnes in the week till June 22.

The combined coal stocks at the four major ports along north China's Bohai Sea have increased for eight weeks now after decreasing for eleven consecutive weeks.

According to the data published at the cqcoal.com on Monday, coal stocks decreased at Jingtang port but increased at other three ports during the week.

Specifically, coal stocks increased 10.65 percent on week to 7.165 million tonnes at Qinhuangdao port by June 22, up 7.17 percent on week to 5.38 million tonnes at Caofeidian port, up 6.49 percent on week to 3.428 million tonnes at Tianjin port, but down 6.44 percent on week to 4.5 million tonnes at Jingtang port.

Meanwhile, the ship anchorages decreased at all four ports last week. Until June 22, ship anchorages were 27 vessels at Qinhuangdao port, 7 vessels at Jingtang port, 8 vessels at Caofeidian port, and 4 vessels at Tianjin port.

Investment banks revise up China growth forecast after upbeat PMI

DAQING, June 23 (IPI) – Investment banks have raised their forecasts for China's gross domestic product growth after a preliminary HSBC survey showed that manufacturing activities in the country expanded for the first time in six months.

On Monday, JPMorgan revised its growth projection for China's second-quarter GDP to 7.2 percent from previous 6.8 percent. Barclays made a similar move by upgrading China's GDP forecast for 2014 to 7.4 percent from earlier 7.2 percent.

In a report by Bank of America Merrill Lynch on Monday, the house predicted that China's GDP

would increase by 7.5 percent year-on-year in the second quarter, after the economy's GDP growth rate dipped to 7.4 percent in the first quarter.

HSBC survey showed Monday that a preview reading of China's manufacturing purchasing managers' index rose to a seven-month high of 50.8 in June, compared with a final reading of 49.4 in May.

NDRC announces Jan.-May energy conservation performance barometer

DAQING, June 23 (IPI) – The National Development and Reform Commission (NDRC) has released the energy conservation performance barometer for the first five months of 2014.

Making comparisons between energy conservation performance and the annual energy conservation tasks set for 2011-2015 period, the NDRC gave first degree warning which means serious energy conservation situation for Fujian, Hainan, Qinghai, Ningxia and Xinjiang.

Meanwhile, Beijing, Tianjin, Hebei, Shanxi, Inner Mongolia, Liaoning, Jilin, Heilongjiang, Shanghai, Jiangsu, Zhejiang, Anhui, Jiangxi, Shandong, Henan, Hubei, Hunan, Guangdong, Guangxi, Chongqing, Sichuan, Guizhou, Yunnan, Shaanxi, and Gansu are given third degree warning which means energy conservation work went smooth during the first five months.

China end-May crude oil stocks gain 4 pct, product oil stocks down 5.48 pct m-o-m

DAQING, June 24 (IPI) -- China's commercial crude oil inventories grew 4 percent in May, while product oil stocks dropped 5.48 percent month-on-month, according to monthly data product the China Petroleum Stockpile Statistics (CPSS), released on Tuesday.

The commercial crude oil inventory data excludes the stockholdings of the national Strategic Petroleum Reserves (SPR).

With regards to product oil stocks, diesel stocks slumped 11.4 percent from a month earlier. Gasoline stocks and kerosene stocks gained 0.93 percent and 0.16 percent, respectively.

China's crude oil imports in May stayed at relatively high level of 26.08 million tonnes despite month-on-month decline. China's domestic crude oil supply was sufficient in May with monthly output at 17.76 million tonnes. Chinese crude oil throughput increased to 40.33 million tonnes in May.

As for product oil, higher crude runs in May resulted in increase of product oil output from the previous month. Summer harvest starting from May provided the best chance for main refineries to sell diesel oil and was seen as the main cause for the drop of diesel stocks. Meanwhile, gasoline demand remained stable in the month. Narrow-band adjustment of product oil prices in May had limited impacts on the stocks of gasoline and diesel.

Raw material gas price of LNG plant may be adjusted to 2.05 yuan/m³

DAQING, June 24(IPI)—According to the information published in June, 23, it is known that new scheme for raw material gas price of LNG plant will be introduced. Then raw material gas price of main regions in China will be adjusted to 2.05 yuan/m³

Be introduced by Inner Mongolia LNG plant, its raw material gas price is likely to be carried out by 2.05 yuan/m³; the price will also be carried out by Shaanxi Province.

As analyzed, gas price adjustment will bring benefits to LNG plant in Shaanxi Province. If the raw material gas price is 2.05 yuan/m³; the processing price is 0.55 yuan/m³; and gasification rate is 1450 m³/ton, the cost of manufacture will be about 3770 yuan/ton, while at present, the factory price of LNG plant in Shaanxi Province is about 3800 yuan/ton to 4000 yuan/ton.

Sinopec Guangxi Produces GuoV Gasoline

DAQING, June 24(IPI) —In Jun 23rd, Sinopec Guangxi has successfully produced a first can of seven thousand tons of GuoV gasoline, which marked the upgrade quality of gasoline products. GuoV gasoline, including 92# and 95#, will replace GuangdongIV gasoline.

92# and 95# gasoline requires Olefin indicator smaller than 24%, sulfur content less than 10ppm. In order to strengthen quality supervision, Sinopec Guangxi developed a scheme to enhancing quality control.

In the end of June, the first batch of 10 thousand of GuoV gasoline will be transported from a 10 thousand-ton dock to Guangdong province.