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ENERGY MARKETS OUTLOOK

S&P Global Commodity Insights

PLATTS REDEFINES THE EAST-OF-SUEZ OIL BENCHMARK
Murban to be Assessed Freely in Dubai Basket from 2026

CONTRIBUTORS:

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For more than four decades, the Platts Dubai benchmark has stood as the cornerstone of Middle East crude pricing — the anchor against which official selling prices (OSPs) are set and Asian refiners hedge their exposure. Now, in one of the most significant methodological changes since Murban and Al Shaheen were added to the basket in 2016, S&P Global Commodity Insights, plans to give Murban the freedom to be assesed without a floor to Dubai from January 2026.

The Dubai benchmark has continually evolved to mirror the realities of the market it serves. What began as a single-grade assessment has expanded into a five-grade basket encompassing Dubai, Oman, Upper Zakum, Al Shaheen, and Murban. Each cargo traded under the "partials" system — 20 lots of 25,000 barrels each — delivers unparalleled price granularity and transparency. When 20 partials converge between the same buyer and seller, a full half-million-barrel cargo is declared, giving the process a uniquely physical backbone rarely seen in global oil pricing.

Until now, all five deliverable grades were prevented from pricing below Dubai. That will change come January 2026. Platts' forthcoming adjustment will allow Murban to be assessed either at a premium, parity or a discount to Dubai, depending on market dynamics. The methodology change reflects important shifts in sweet and sour crude dynamics over the past two years. The combination of OPEC+ production cuts, booming US shale exports, and some key refinery upgrades in the Middle East and beyond have at times inverted the traditional relationship between sweet and sour crudes.

The 2026 methodology change marks the most significant evolution of the Platts Dubai/Oman benchmark in a decade—integrating Murban more dynamically to mirror shifting market economics.

An update to the quality adjustment mechanism will accompany this shift. If Murban assessments averaged below Platts Oman over the five days prior, Platts will publish a quality adjustment for Murban based on 100% of the net price difference between the two grades over the five prior days. There will be no threshold for this quality adjustment when Murban is below Oman. If a quality adjustment with a negative number was assessed for a given day, the seller will pay the buyer the published quality adjustment upon the declaration of Murban into a convergence on that day. If Platts Murban assessments averaged above Platts Oman over the five days, Platts will publish a daily Murban quality adjustment at 50% of the net price difference between Platts Murban and Platts Oman assessments. The threshold for the quality adjustment will remain at 50 cents/b when Murban is assessed above Oman. If a positive quality adjustment above 50 cents/b was assessed for a given day, the buyer will pay the seller the published quality adjustment upon the declaration of Murban into a convergence on that day.

Crucially, sellers retain the flexibility to deliver any of the five grades in the basket. This methodology change to Platts Dubai with the addition of a Murban quality adjustment will allow the value of the Dubai benchmark to more dynamically react to sweet/sour shifts -- therefore allowing the benchmark's methodology to robustly reflect the value of medium sour crude in all market conditions. ■

TOP 10 TAKEAWAYS

The 2026 methodology change will mark the most significant evolution of the Platts Dubai/Oman benchmark methodology in a decade.

1. Historic Role and Evolution of the Dubai Benchmark

The Platts Dubai benchmark has been the foundation of Middle East crude pricing for over 40 years, first assessed in 1984 in New York and later relocated to Singapore. Over time, Platts has progressively expanded the basket of deliverable grades to ensure liquidity and representativeness, starting with Dubai and Oman and adding Upper Zakum, Al Shaheen, and Murban.

2. The Partial Cargo Mechanism Underpins Market Transparency

Introduced in 2004, the "partials" system allows cargoes to be divided into 20 tradable lots of 25,000 barrels each, giving traders granular price points. Once 20 partials between the same buyer and seller are matched, a full 500,000-barrel cargo is declared. This ensures daily liquidity and transparent price discovery for the benchmark.

3. Seller's Option Creates Flexibility in Deliverable Grades

Sellers can nominate any of the five grades—Dubai, Oman, Upper Zakum, Al Shaheen, or Murban—upon cargo convergence. This "seller's option" ensures a sufficient pool of physically deliverable crude (over 3.5 million b/d), enhancing the robustness of the benchmark.

4. Murban's Rising Role in the Basket

Historically, Upper Zakum was the most delivered crude upon convergence in the benchmark. In recent years, Murban has seen an increase in being declared, reflecting its increased competitiveness relative to medium-sour grades. Changing market dynamics and the influx of WTI Midland into Asia have at times narrowed Murban's premium, prompting a rethink of how it's treated in Platts Dubai.

5. The 2026 Change: Removing Murban's Price Floor

Starting from January 2026, Platts will remove the pricing floor that previously prevented Murban from being assessed below Dubai. This means Murban will now be assessed either at a premium, parity or a discount to Platts Dubai.

6. New Quality Adjustment Mechanism

A revised quality adjustment formula will apply:

- When Murban is net assessed above Oman over the five prior days, a 50% quality adjustment (with a $0.50/b threshold) is paid from buyer to seller.
- When Murban is net assessed below Oman over the five prior days, a 100% quality adjustment applies, with the seller paying the buyer fully for the differential.

7. Seller Optionality Remains Central

Sellers continue to retain full flexibility to declare Dubai, Oman, Al Shaheen, Upper Zakum, or Murban with the quality adjustment upon convergence of 20 partials.

8. Strengthened Linkage to Derivatives Ecosystem

Platts Dubai related derivatives instruments – including ICE Dubai represent billions of barrels traded monthly — settle against Platts Dubai's calendar-month average, allowing participants to manage their exposure to the benchmark efficiently.

9. Market On Close activity sees increase in Asian Participants

Since Western banks largely exited the physical markets post-2008, participation has also seen an increase in activity by Asian refiners, oil majors and trading houses, with activity seeing participation from a broad cross-section of the market.

10. Purpose of the methodology change:

The upcoming changes to Murban and Murban quality adjustment methodology will allow the value of the Dubai benchmark to more dynamically react to sweet/sour shifts -- therefore allowing the benchmark's methodology to robustly reflect the value of medium sour crude in all market conditions. ■

NB. The Top 10 Takeaways were harvested from a Seminar Presentation at the Fujairah Energy Markets Forum on Oct. 2nd, 2025

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