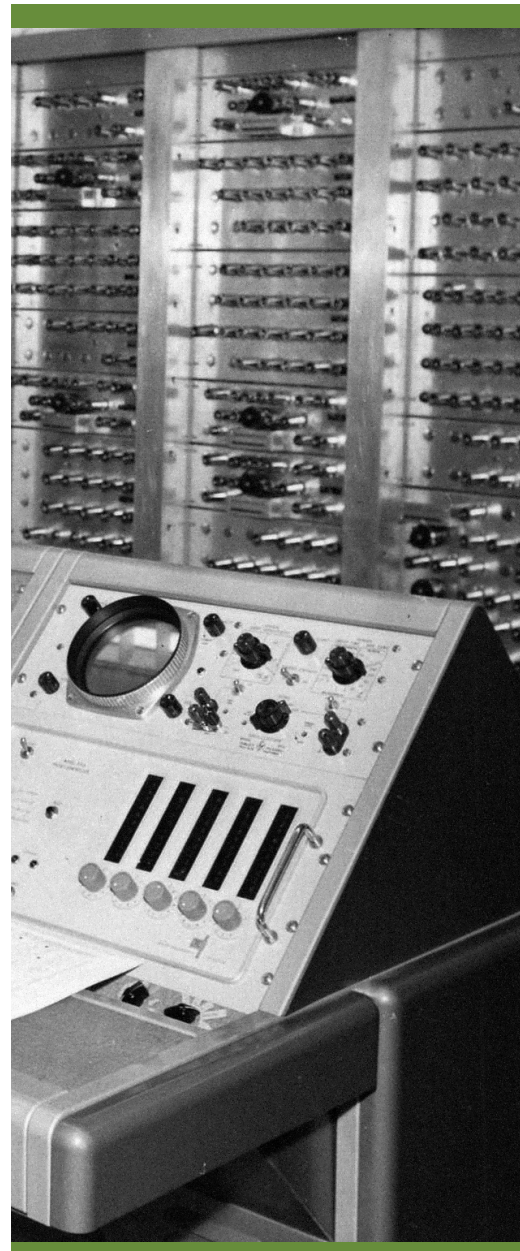


In this issue:

- Overall volume went up by 37% boosted by the RCF market
- Energy sector suffers the consequences of the falling price of oil and gas





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THIS REPORT

Sergio Lopez

Data and art editor
sergio.lopez@txfmedia.com

Jonathan Bell

Editor-in-chief
jonathan.bell@txfmedia.com

Dickon Harris

Content editor
dickon.harris@txfmedia.com

TXF DATA

Alfonso Olivas

Head of data and analytics
alfonso.olivas@txfmedia.com

Ana Jovanovic

Analyst
ana.jovanovic@txfmedia.com

Sergio Lopez

Analyst
sergio.lopez@txfmedia.com

Max Carter

Product development director
max.carter@txfmedia.com

James Petras

Chief technology officer
james.petras@txfmedia.com

Dominik Kloiber

Commercial director
dominik.kloiber@txfmedia.com

Dan Sheriff

Managing director
dan.sheriff@txfmedia.com

Mailing address:

Canterbury Court
1-3 Brixton Road
London, SW9 6DE
Tel: +44 (0) 20 3735 5180

Registered office:

TXF Limited
7-10 Chandos Street
London W1G 9DQ

Registered in England & Wales.
Registered No: 08421624

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Welcome to TXF Data's Commodity Finance market overview. This report focuses on commercial loans for both commodity traders (CT) and commodity producers (CP).

It also leverages the power of tagmydeals, our user-generated, peer-reviewed deals database, to present an overview of market transactions for key commodities.

Highlights of the 2016 report:

- For the full year of 2015, banks provided a total of \$113.3 billion worth of commodity financing for both commodity producers and commodity traders (page 8)
- Commodity traders Glencore, Trafigura and commodity producer Rio Tinto were the largest single recipients of bank debt in 2015 (page 9)
- Traders received a total of \$73.6 billion in revolving credit facilities last year compared to the \$40.3 billion of RCFs signed in 2014 (page 11)
- 65% of this debt consisted of unsecured revolving credit facilities (RCFs) to traders (page 12)
- Traders signed a total of 43 RCFs in 2015 - just five more deals than in 2014, but total volumes increased by more than \$32 billion over the same period (page 18)

TXF Data aims to present as comprehensive and accurate a picture of the market as possible, but this can only be achieved with broad industry participation. That is why tagmydeals is free of charge and accessible to everyone in the industry. It allows users to add new information or improve existing information in a simple manner.

Our mission is to provide comprehensive and credible data to the industry and we are moving forward immensely in that regard. We want to thank the institutions that currently provide us with data and encourage those that do not to join us in making this industry's data more transparent and accurate. Accurate data will help to better explain the commodity finance product internally and externally, as well as enhance reporting, research, benchmarking and business development in the sector.

If you have any feedback on this report or would like any further information, please contact dominik.kloiber@txfmedia.com

We hope you find this report useful and continue to use TXF Data for your business development needs.

We would also like to thank Pepi Bedi for his input and advice on the report.

Many thanks,

The TXF Data team

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Users are encouraged to visit and review individual deal data on www.tagmydeals.com and contribute to the completeness and accuracy of our deal coverage.

18-19
MAY 2016

AMSTER
20
NATURAL RESOURCES &

Key confirmed speakers and pa

*Mathieu Coolen, Head of structured finance, **Gunvor***

*Stefan Jansma, Global head of structured trade finance, **Trafigura***

*David Gallagher, Head of structuring, **Mercuria***

*Riccardo Greco, CFO, **BB Energy***

*Thierry Bourvis, CFO, **SucDen***

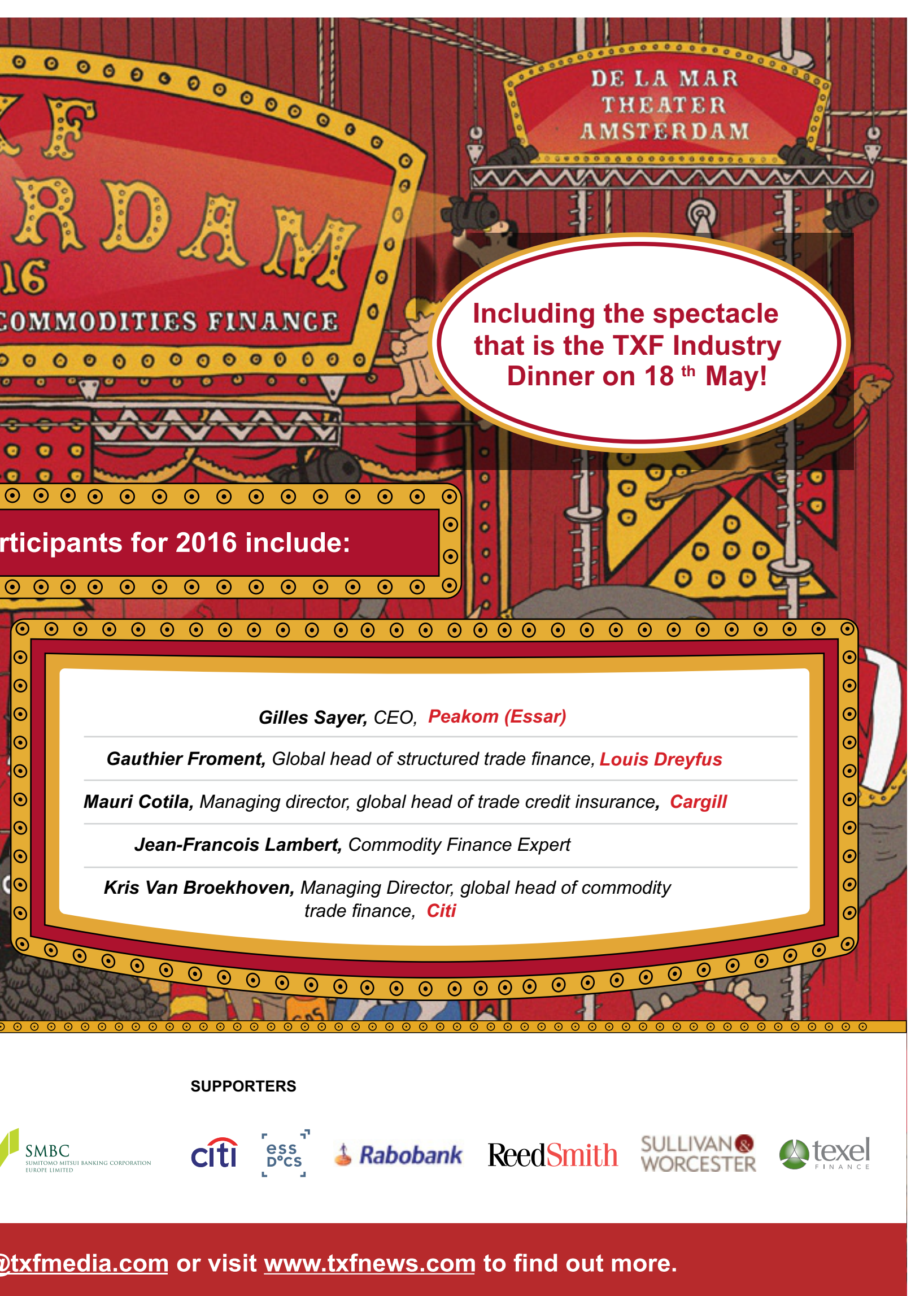
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Participants for 2016 include:

*Gilles Sayer, CEO, **Peakom (Essar)***

*Gauthier Froment, Global head of structured trade finance, **Louis Dreyfus***

*Mauri Cotila, Managing director, global head of trade credit insurance, **Cargill***

Jean-Francois Lambert, Commodity Finance Expert

*Kris Van Broekhoven, Managing Director, global head of commodity
trade finance, **Citi***

SUPPORTERS





Contents

1. General market	8
This section reviews commercial loans from banks, including secured and unsecured, for both commodity traders and commodity producers across the full year of 2015.	
2. Traders	13
Explore commercial bank debt for commodity trading firms in 2015.	
3. Producers	17
Find out more about commercial bank debt for commodity producers across sectors in 2015.	
4. Structured commodity finance	21
A review of bank debt signed in 2015 secured against a commodity.	



GENERAL MARKET

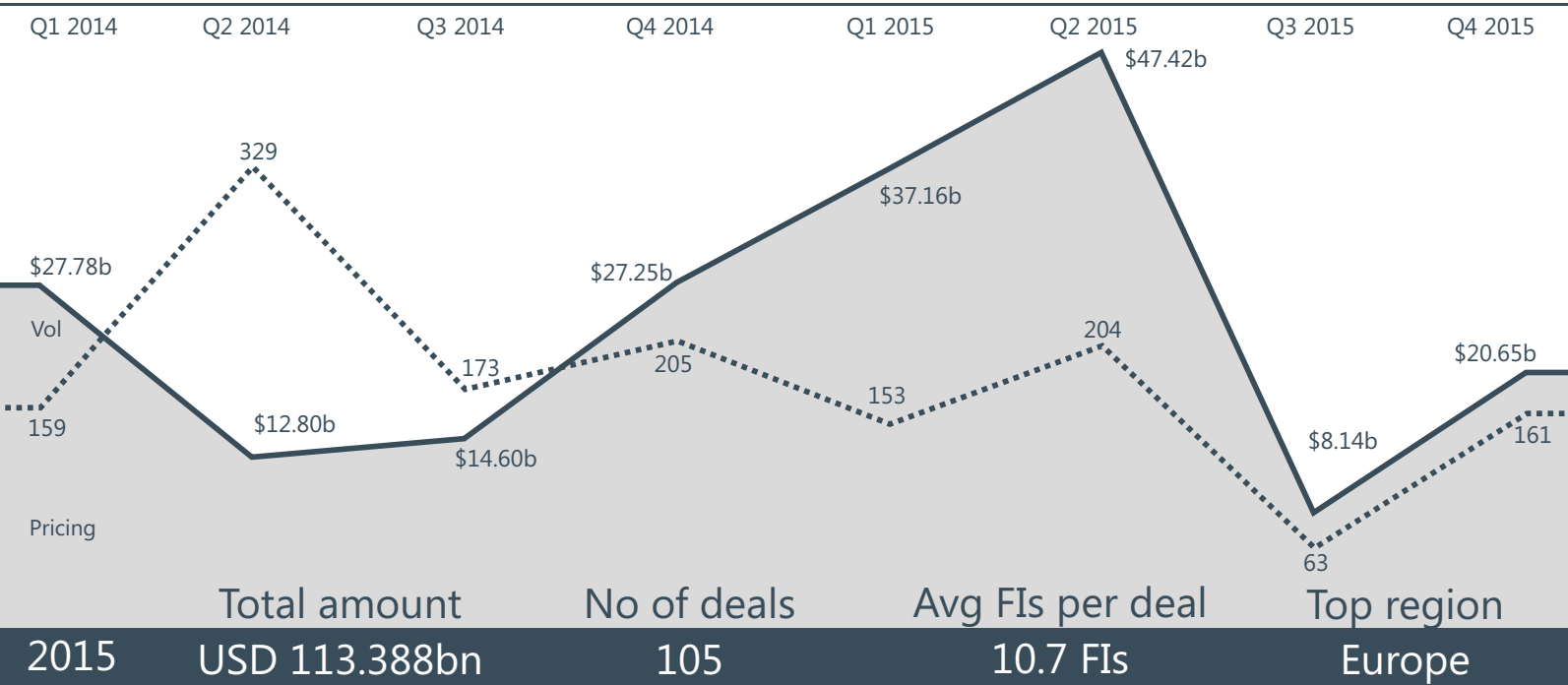
This section reviews commercial loans from banks, including secured and unsecured, for both commodity traders and commodity producers across the full year of 2015.

Highlights

- For the full year of 2015, banks provided a total of \$113.3 billion worth of commodity financing for both commodity producers and commodity traders (page 8)
- The bulk of this debt consisted of unsecured revolving credit facilities (RCFs), comprising 65% of the market in 2015 (page 11)
- Oil and gas producers and traders were the largest recipient group for commercial bank loans in 2015 – receiving \$45.4 billion in 2015 (page 12)

Commodity finance market status 2015

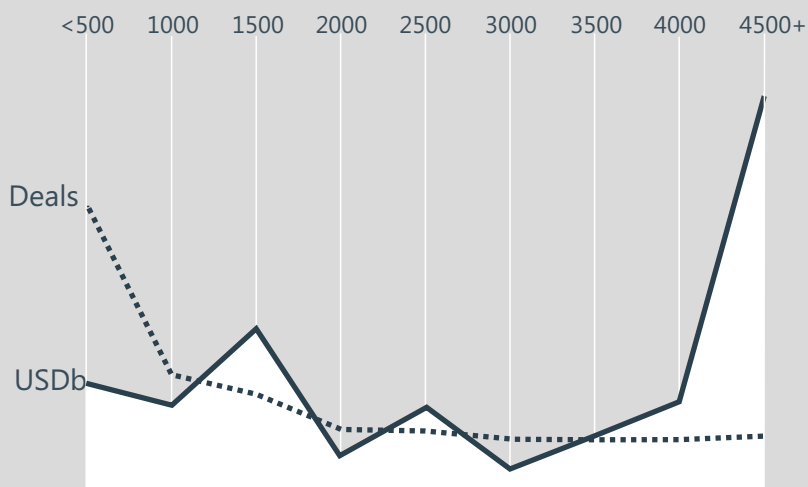
General market



Deals by volume

Breakdown by volume range

	USDm	No	%
<500	12,109	53	10.7%
500-1000	11,006	17	9.7%
1000-1500	15,040	13	13.3%
1500-2000	8,384	5	7.4%
2000-2500	10,750	5	9.5%
2500-3000	7,500	3	6.6%
3000-3500	9,300	3	8.2%
3500-4000	11,250	3	9.9%
>4000	28,050	3	24.7%



Top borrowers

Top ten borrowers

	USDm	%
1 Glencore	17,700	15.6%
2 Trafigura	9,500	8.4%
3 Rio Tinto	7,500	6.6%
4 Regency Energy Partners	5,500	4.8%
5 PEMEX	5,250	4.6%
6 Antero Resources	4,000	3.5%
7 Castleton Commodities Int.	3,750	3.3%
8 Gunvor	3,656	3.2%
9 Mercuria	3,600	3.1%
10 Apache Corporation	3,500	3.0%



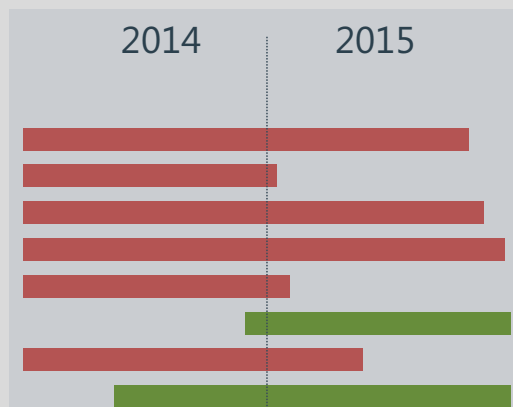
Find the methodology at: www.txfdata.com/methodology



BORROWERS YEAR ON YEAR PERFORMANCE

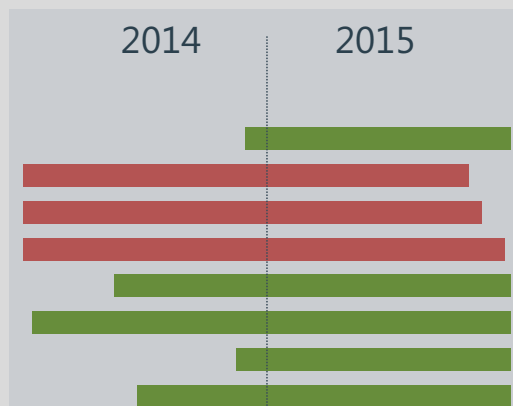
Top borrowers in 2014

	2014		2015	
	USDm	No	USDm	No
Trafigura	12,673	5	9,500	3
Uralchem	4,500	1	100	1
Gunvor	3,900	6	3,656	5
Mercuria	3,650	2	3,600	2
Det Norske	3,000	3	550	1
Glencore	2,857	3	17,700	3
Olam Intl.	2,813	1	1,000	1
Noble Group	2,000	1	3,350	2

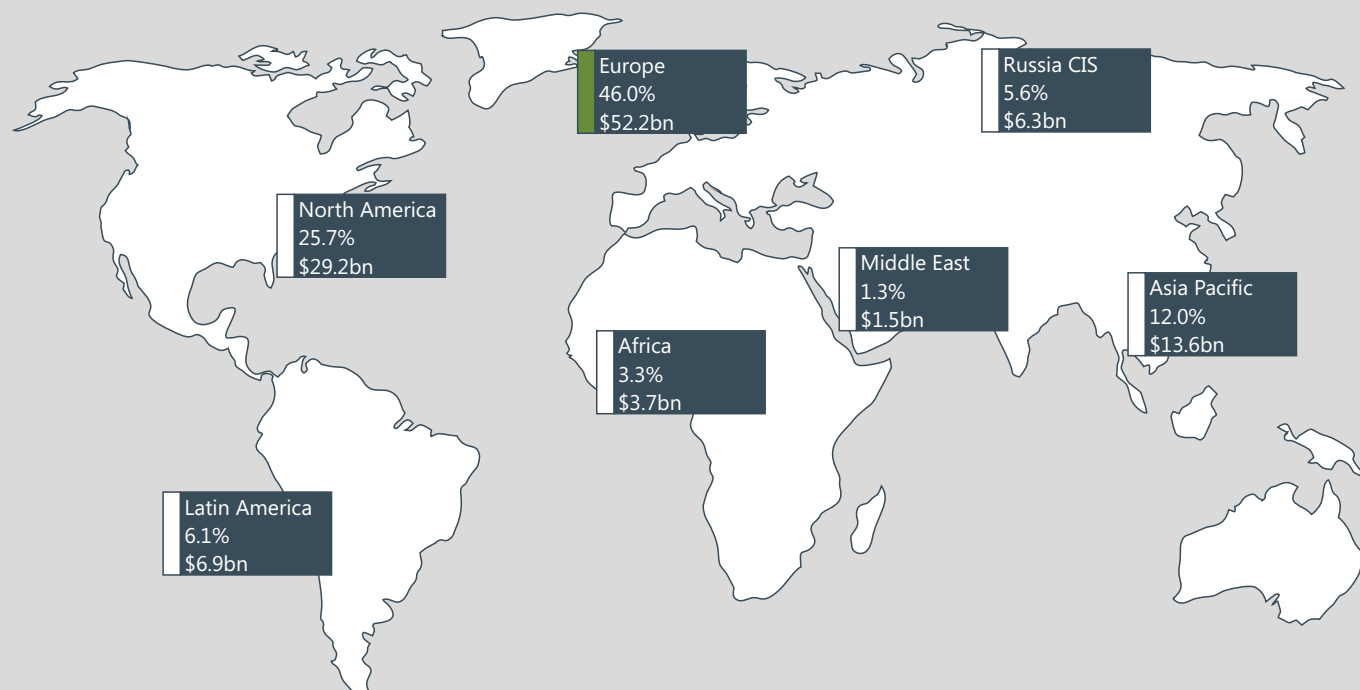


Top borrowers in 2015

	2014		2015	
	USDm	No	USDm	No
Glencore	2,857	3	17,700	3
Trafigura	12,673	5	9,500	3
Gunvor	3,900	6	3,656	5
Mercuria	3,650	2	3,600	2
Noble Group	2,000	1	3,350	2
Ghana Cocoa Board	1,700	1	1,800	1
Puma Energy	120	1	1,250	1
Uralkali	450	1	1,160	2

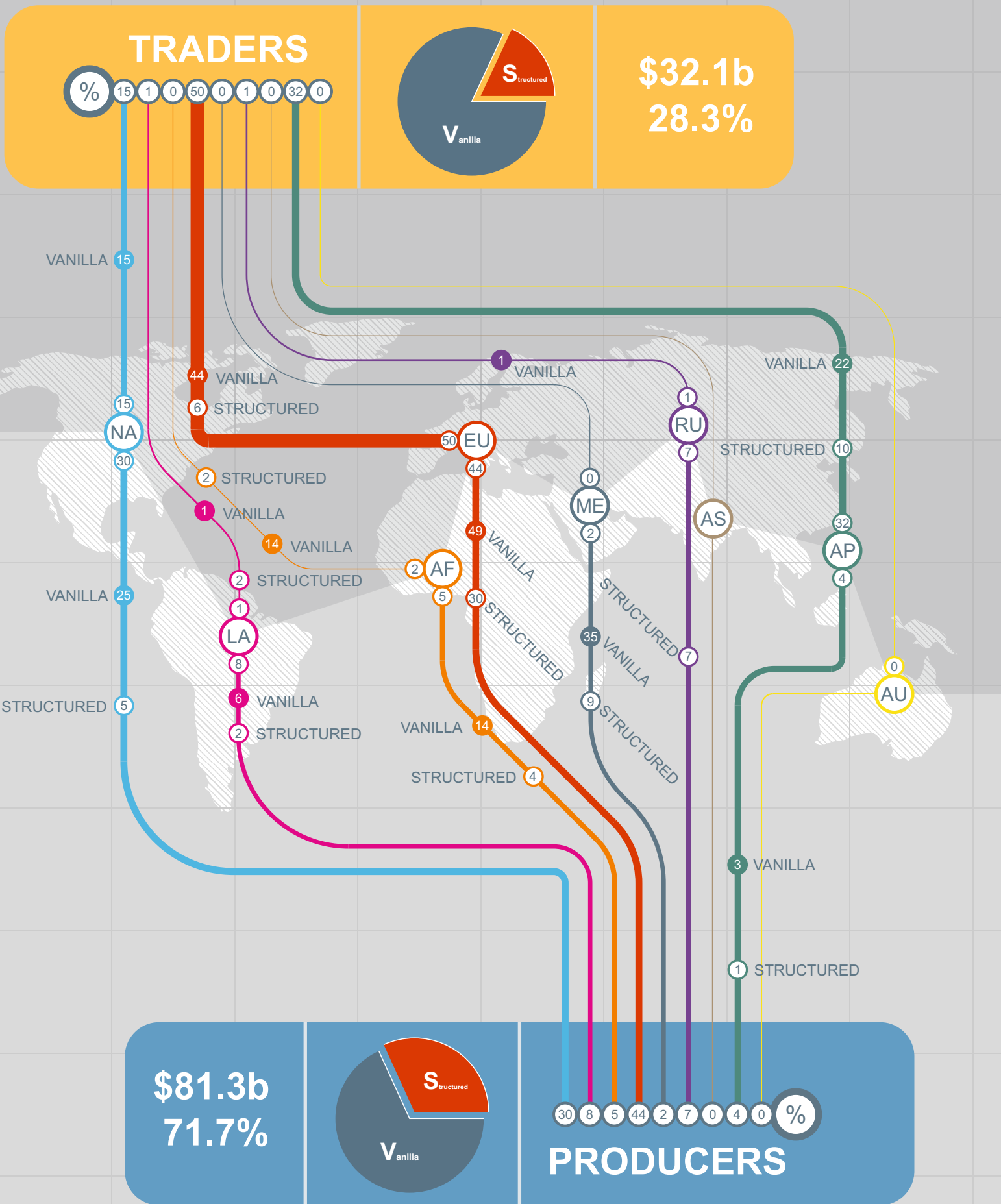


REGIONS



Commodity finance market status 2015

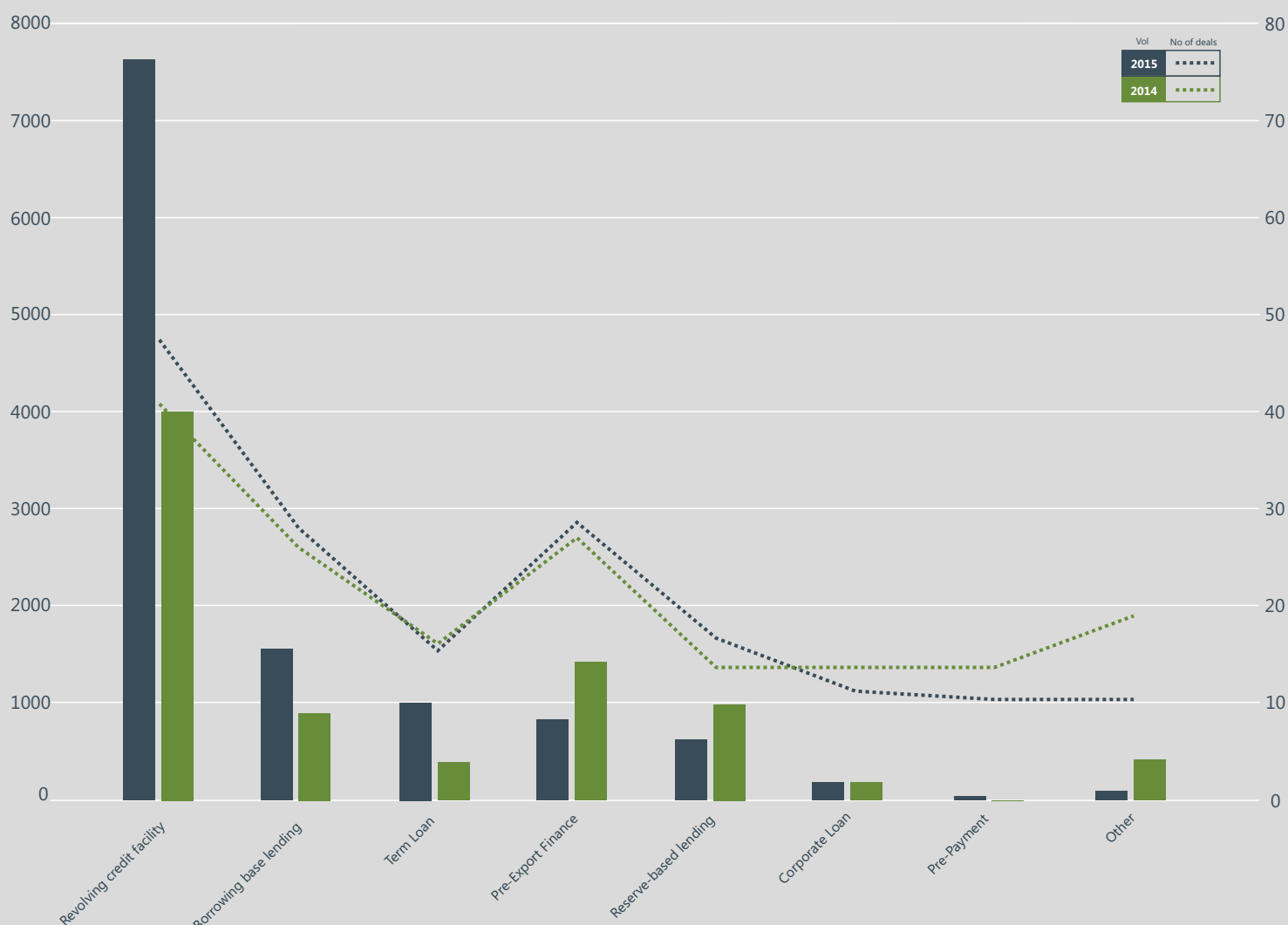
General market



Find the methodology at: www.txfdata.com/methodology



TRANCHE STRUCTURE



UNSECURED 74.7%

SECURED 25.3%

Breakdown Tranche Structure

		2015			2014		
		USDm	No of deals	%	USDm	No of deals	%
1	Revolving credit facility	73,627.5	43	64.9%	40,311.8	38	48.8%
2	Borrowing base lending	14,744.6	21	13.0%	8,285.2	19	10.0%
3	Term Loan	9,500.0	9	8.4%	3,634.4	9	4.4%
4	Pre-Export Finance	7,786.8	20	6.9%	13,365.0	20	16.2%
5	Reserve-based lending	5,885.0	8	5.2%	9,150.0	5	11.1%
6	Corporate Loan	1,600.0	2	1.4%	1,643.6	6	2.0%
7	Pre-Payment	145.0	1	0.1%	2,282.5	5	2.8%
8	Other	100.0	1	0.1%	3,800.5	6	4.6%



Top Deals

Top Deals	USDm	Structure	Financing	%
Glencore	15,250.0	RCF	Refinance	13.4%
Rio Tinto Group	7,500.0	RCF	Refinance	6.6%
Trafigura	5,300.0	RCF	Refinance	4.7%
Antero Water	4,000.0	Borrowing base lending	New finance	3.5%
Castleton Commodities International	3,750.0	RCF	Refinance	3.3%



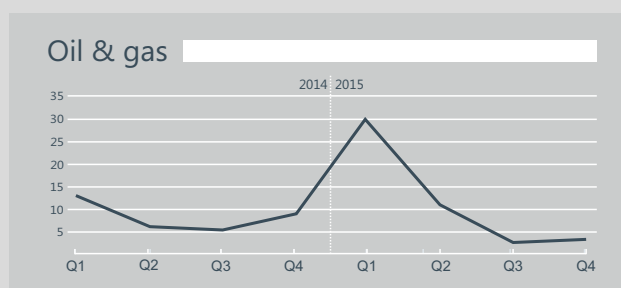
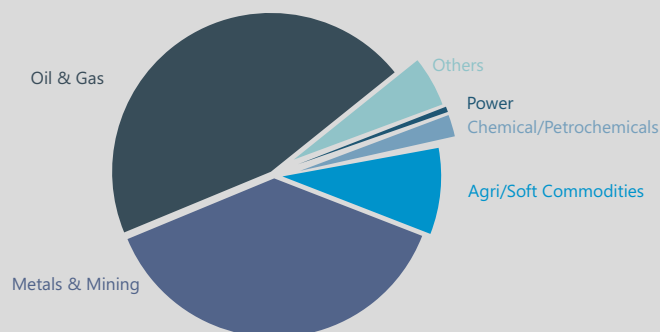
Top sector
Oil & Gas

Total
\$51.5bn

Total No
46 deals

Sector breakdown			
	USDm	No	%
1 Oil & Gas	51,571.0	46	45.5% ↑
2 Metals & Mining	43,024.7	31	38.0% ↑
3 Agri/Soft Commodities	9,958.3	20	8.8% ↓
4 Chemical/Petrochemicals	2,535.0	5	2.2% ↑
5 Power	300.0	1	0.3% ↓
6 Others	6,000.0	2	5.3% ↓

Sector breakdown. 2015





LOANS TO TRADERS

This section examines commercial bank debt for commodity trading firms in 2015.

Highlights

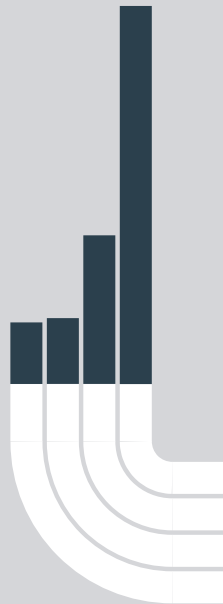
- Traders signed a total of 31 deals in 2015 - just eight less deals than in 2014, making total volumes decrease by more than \$1.3billion over the same period (page 14)
- Traders received a total of \$24.1 billion in revolving credit facilities last year compared to the \$23.7 billion of RCFs signed in 2014 (page 15)
- The average tenor on deals for traders increased in 2015 from 1.76 years in 2014 to 2.01 years in 2015, while pricing jumped from 166 basis points (bp) over Libor to 211bp over the same period. (page 15)



Total amount	No of deals	Avg deal size	Top region
USD 32,066m	31	USD 1,034.4m	Europe

Traders signed a total of 31 deals in 2015 - just eight less deals than in 2014, making total volumes decrease by more than \$1.3 billion over the same period.

Commercial debt for traders continue to be in the form of revolving credit facilities (RCFs). The majority of these facilities, \$16.3 billion, were for traders in the oil and gas sector which accounted for 50% of all deals. This was followed by \$6.4 billion of loans for metal and mining traders which accounted for 20.1% of all facilities.



Sector breakdown			
	USDm	No	%
Oil & Gas	16,316.0	17	50.9%
Metals & Mining	6,441.8	6	20.1%
Agri/Soft Commodities	3,309.0	6	10.3%
Other	6,000.0	2	18.7%

RATINGS

Prime to high grade

Fitch: AAA/AA-	Total amount: \$0m	
Moody's: Aaa/Aa3	No of deals: 0	
S&P: AAA/AA-	% of the total: 0%	

Upper to lower medium grade

Fitch: A+/BBB-	Total amount: \$3,900m	
Moody's: A1/Baa3	No of deals: 4	
S&P: A+/BBB-	% of the total: 10.8%	

Non-investment grade to highly speculative

Fitch: BB+/B-	Total amount: \$0m	
Moody's: Ba1/B3	No of deals: 0	
S&P: BB+/B-	% of the total: 0%	

Substantial risks to in default

Fitch: CCC/D	Total amount: \$0m	
Moody's: Caa1/C	No of deals: 0	
S&P: CCC+/D	% of the total: 0%	

Unrated

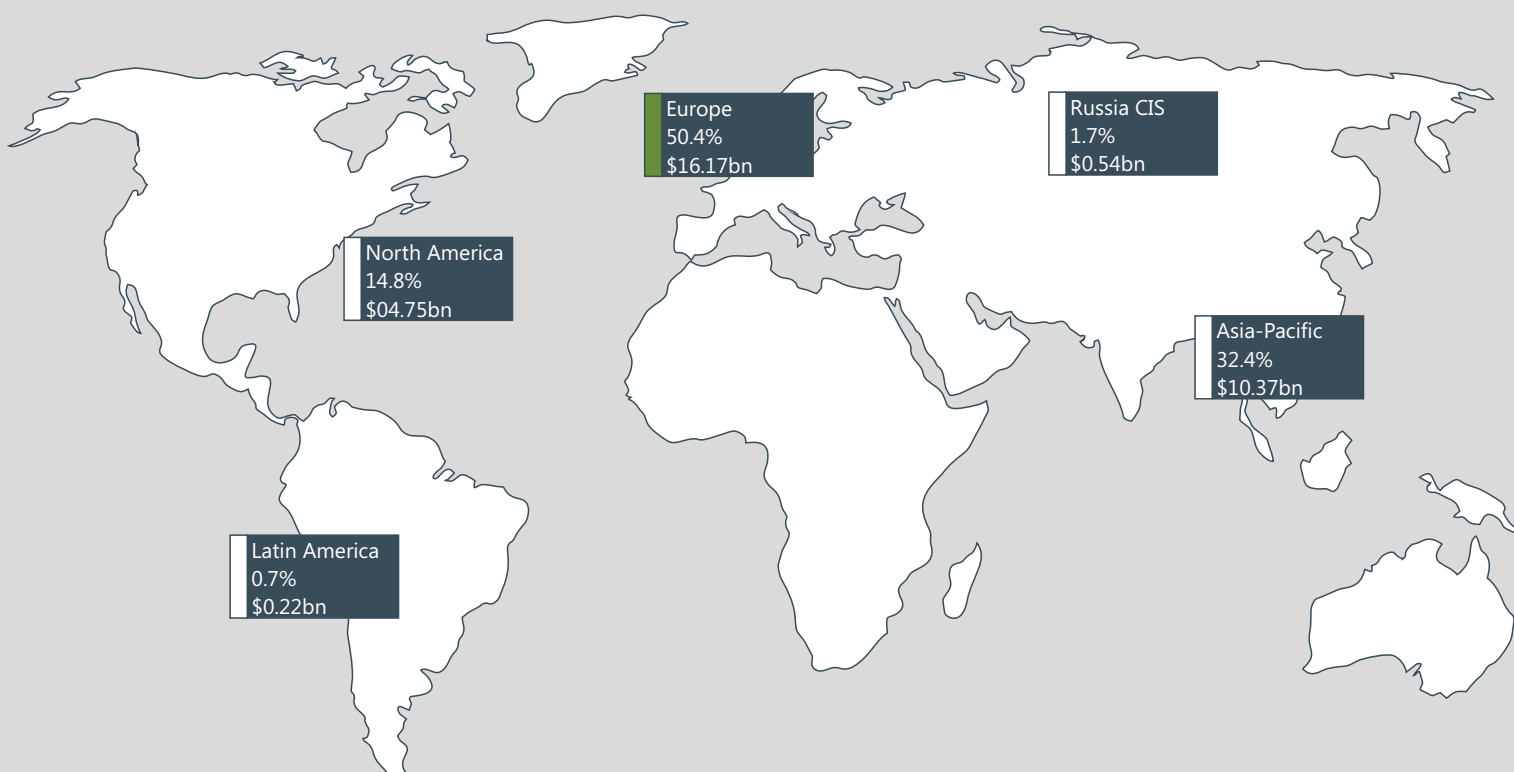
Total amount: \$28,166.8m	
No of deals: 27	
% of the total: 87.8%	



REGIONS

Europe remains the largest region for commodity trader's bank debt which tallies with the fact that many traders are still based with Europe with just over 50% of all debt going to European traders, a 3% compared to the market share for the region in 2014. The number of deals was however reduced by 4.

Asia-Pacific was the second biggest region for traders bank debt with 32.4% (\$10.37b), but it grew twice the size in 2015 from \$5.6b in 2014.



TRANCHES

Avg. tranche size

USD 682.27 m

The average tranche size and pricing for RCFs increased in 2015, from \$653 million in 2104 to \$682 million in 2015 while pricing plummeted from 211 basis points (bp) over Libor to 160 bp over the same period.

Avg. No of tranches

1.51

Traders received a total of \$24.1 billion in revolving credit facilities last year compared to the \$23.7 billion of RCFs signed in 2014.

Avg. tenor

2y

Avg. pricing

160 bp

	Tenor		
	2015	2014	Difference
	Years	Years	%
Max	4.42	5.00	-11.6%
Avg	2.01	1.76	+14.2%



TOP DEALS

Top Deals			
	USDm	Structure	Date
Trafigura	5,300	RCF	30/03/2015
Castleton Commodities	3,750	RCF	29/06/2015
Mercuria	2,500	RCF	22/06/2015
Noble Group	2,500	RCF	05/05/2015
Trafigura	2,200	RCF	01/10/2015

CURRENCIES

Top currencies					
		2014		2015	
		USDm	%	USDm	%
1	US Dollar (USD)	24,882.1	97.0%	24,120.6	99.9% ↓
3	Euro (EUR)	66.8	0.2%	27.2	0.1% ↓
4	Australian Dollar (AUD)	696.5	2.7%	0.0	0.0% ↓
5	Japanese Yen (JPY)	7.3	0.0%	0.0	0.0% ↓

BORROWERS AND LENDERS

Top ten borrowers			
		USDm	No of deals
1	Trafigura	9,500	3
2	Castleton Commodities Int.	3,750	1
3	Gunvor	3,656	5
4	Mercuria Energy Trading	3,600	2
5	Noble Group	3,350	2
6	ED&F Man	1,984	1
7	Puma Energy	1,250	1
8	Ecom Agroindustrial Corp.	1,085	2
9	Traxys	1,000	1
10	Hartree Partners	700	1



Top ten Lenders				
		USDm	No of deals	% (Participation)
1	Société Générale	2,273.9	21	8.1% ↑
2	Natixis	1,950.5	15	6.9% ↑
3	Mitsubishi UFJ Financial Group	1,506.9	11	5.4% ↑
4	ABN Amro Bank	1,491.8	14	5.3% ↑
5	ING Bank	1,220.6	16	4.3% ↓
6	Citi	1,131.9	7	4.0% ↑
7	BNP Paribas	941.9	6	3.3% ↑
8	Standard Chartered	803.6	7	2.8% ↓
9	ANZ	685.9	7	2.4% ↓
10	Deutsche Bank	628.6	12	2.2% ↓



LOANS TO PRODUCERS

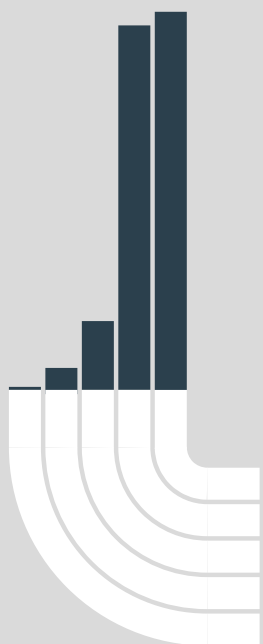
This section examines commercial bank debt for commodity producers across all sectors in 2015.

Highlights

- Most of the growth in 2015 came from new deals closed by producers, increasing the total volume by \$32.2b from 2014 (page 18)
- Commodity traders Glencore, Trafigura and commodity producer Rio Tinto were the largest single recipients of bank debt in 2015



Total amount	No of deals	Avg deal size	Top region
USD 81,322m	74	USD 1098.1m	Europe



Commodity producers received a total of \$81.3 billion of commercial bank loans with an average deal size of \$1.09 billion. This is a remarkable increase of volume compared to 2014 where the overall volume for producers was just \$49.1 billion

The size of the loan suggests that banks are increasingly being sought to fund larger deals for producers while smaller loans are increasingly being funded by traders.

Both metals & mining and oil & gas reached \$35 billion in 2015, but we have witnessed an increase of more than three times of size in loans for metals and mining producers compared to 2014.

Sector breakdown			
	USDm	No	%
Metals & Mining	36,582.9	25	45.0% ↑
Oil & Gas	35,255.0	29	43.4% ↑
Agri/Soft Commodities	6,649.2	14	8.2% ↓
Chemicals/Petrochemical	2,535.0	5	3.1% ↓
Power	300.0	1	0.4% ↑

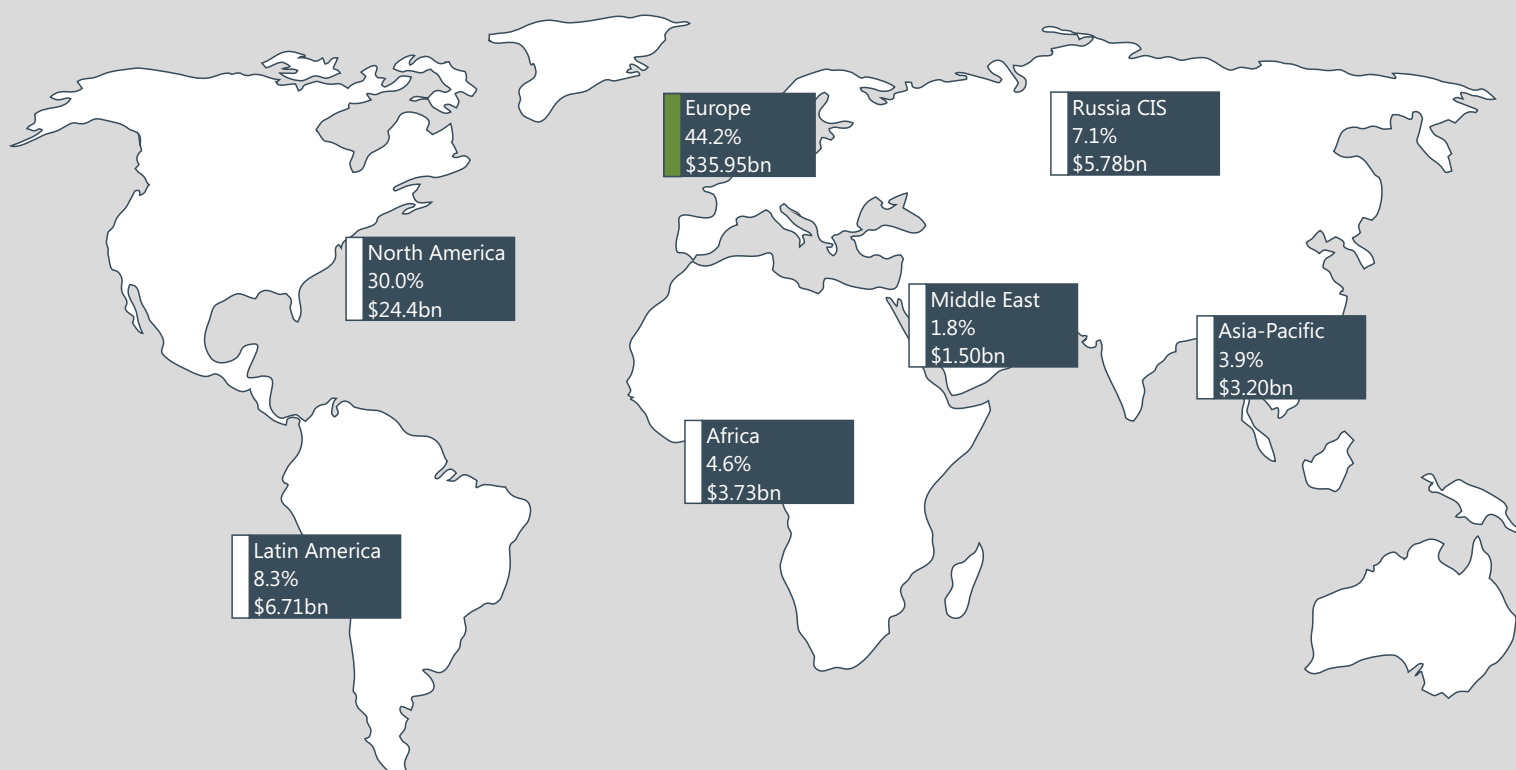
RATINGS

Prime to high grade	Fitch: AAA/AA- Moody's: Aaa/Aa3 S&P: AAA/AA-	Total amount: \$0m No of deals: 0 % of the total: 0%	—
Upper to lower medium grade	Fitch: A+/BBB- Moody's: A1/Baa3 S&P: A+/BBB-	Total amount: \$44,275m No of deals: 14 % of the total: 54.44%	↑
Non-investment grade to highly speculative	Fitch: BB+/B- Moody's: Ba1/B3 S&P: BB+/B-	Total amount: \$11,628m No of deals: 11 % of the total: 14.30%	↑
Substantial risks to in default	Fitch: CCC/D Moody's: Caa1/C S&P: CCC+/D	Total amount: \$350m No of deals: 1 % of the total: 0.43%	↓
Unrated		Total amount: \$25,068m No of deals: 48 % of the total: 30.8%	↓



REGIONS

European commodity producers in 2015 were the most active recipients of bank debt in 2015. Followed closely by North American producers which received \$24.5 billion last year. Antero Resources (\$4bn), Apache Corporation (\$3.5bn) and Freeport McMoRan (3.2bn) were the biggest deals for producers in 2015, whereas the only deal that reached the \$1b mark in 2014 was the Newmont mining deal (\$3.57bn)



TRANCHES

Avg. tranche size

USD 934.7m

Producers actually saw the average tenor increase from 10 years in 2014 to 12 years in 2015 while the average tranche size was for \$934 million -almost twice as big as it was in 2014

Avg. No of tranches

1.17

The average pricing for producers remained at 268bp, 30bp less than the average registered in 2014.

Avg. tenor

3.8 y

Avg. pricing

268 bp

	Tenor		
	2015	2014	Difference
	Years	years	%
Max	12.00	10.00	+20.0%
Avg	3.76	3.23	+0.1%



Top Deals			
	USDm	Structure	%
Glencore	15,250.0	RCF	18.7%
Rio Tinto Group	7,500.0	RCF	9.2%
Antero Water	4,000.0	Borrowing base lending	4.9%
Apache Corporation	3,500.0	RCF	4.3%
PEMEX	3,250.0	RCF	4.0%

Top currencies						
		2014		2015		
		USDm	%	USDm	%	
1	US Dollar (USD)	47,448.5	96.7%	78,902.8	96.8%	↑
2	Euro (EUR)	1,383.0	2.7%	1,491.2	2.0%	↑
3	Mexican Peso (MXN)	0.0	0.0%	404.3	0.5%	↑
4	South African Rand (ZAR)	0.0	0.0%	291.2	0.4%	↑
5	Egyptian Pound (EGP)	0.0	0.0%	217.5	0.2%	↑
6	Chinese Yuan	0.0	0.0%	15.2	0.1%	↑
7	Other	288.5	0.6%	0.0	0.0%	↓

BORROWERS AND LENDERS

Top ten borrowers			
		USDm	%
1	Glencore	17,700	21.7%
2	Rio Tinto Group	7,500	9.2%
3	Regency Energy Partners	5,500	7.2%
4	Petroleos Mexicanos	5,250	6.7%
5	Antero Resources	4,000	6.6%
6	Apache Corporation	3,500	4.9%
7	Freeport McMoRan C&G	3,050	4.3%
8	Goldcorp Inc.	3,000	3.7%
9	Energy Transfer Wquity	2,350	2.9%
10	L1E Funding GmbH	2,300	2.8%



Top ten Lenders				
		USDm	No of deals	% (Participation)
1	HSBC	8,343.8	29	11.6% ↑
2	Natixis	7,975.4	45	11.1% ↑
3	BBVA	4,025.2	8	5.6% ↑
4	Mitsubishi UFJ Financial Group (MUFG)	3,947.9	14	5.5% ↑
5	Royal Bank of Scotland (RBS)	3,352.4	10	4.7% ↑
6	Deutsche Bank	3,340.8	24	4.6% ↑
7	Société Générale	3,327.5	35	4.6% ↑
8	Lloyds Bank	3,284.4	6	4.5% ↑
9	JP Morgan	3,125.0	11	4.3% ↑
10	Bank of America Merrill Lynch (BAML)	2,518.1	11	3.5% ↑



STRUCTURED COMMODITY FINANCE

A review of bank debt signed in 2015 secured against a commodity. Structured commodity financing (SCF) comprises of several different financing structures: borrowing base, pre-export financing, reserve-based lending, and pre-payment facilities.

Highlights

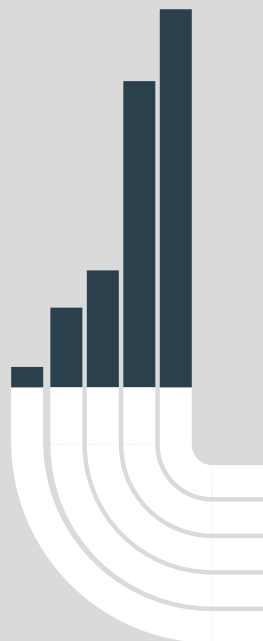
Total volume for structured commodity finance (SCF) was \$28.6 billion in 2015. This was a decrease of almost 20% compared to 2014.

Secured financings represented only 25% of all commodity bank debt registered by tagmydeals.

Pre-export financings have lost a lot of traction in the market, almost halving the volume financed, whereas borrowing base facilities grew roughly the same in the opposite direction. Institutions are reacting pragmatically to all issues in the market (the China possible slowdown, the sanctions situation in Russia...) by demanding post-production more secured structures.



Total amount	No of deals	Avg deal size	Top region
USD 28,661.4m	53	USD 540.8m	Europe



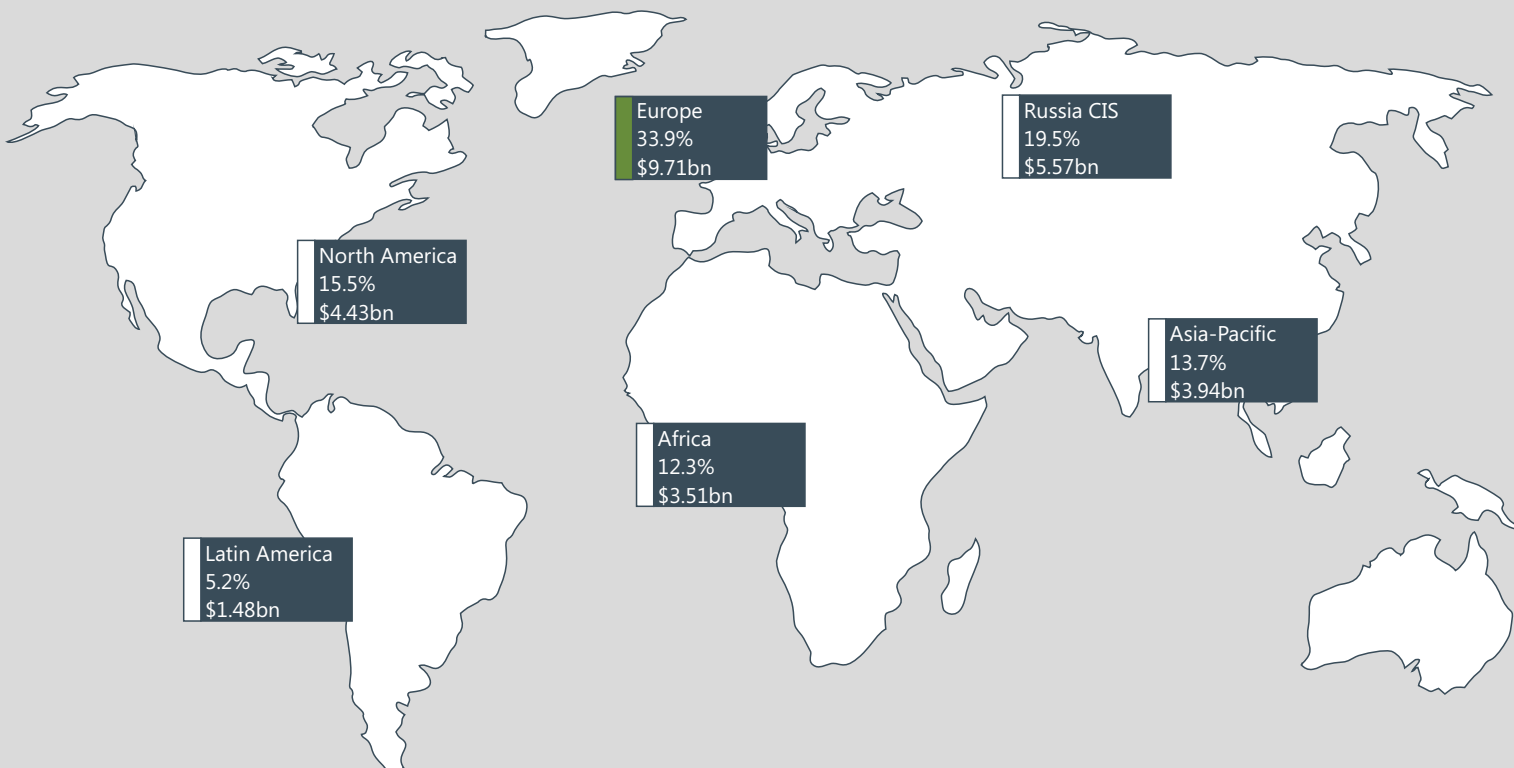
Total volume for structured commodity finance (SCF) was \$28.6 billion in 2015. This was a decrease of almost 20% compared to 2014.

Pre-export financings have lost a lot of traction in the market, almost halving the volume financed, whereas borrowing base facilities grew roughly the same in the opposite direction. Institutions are reacting pragmatically to all issues in the market (the China slowdown, the sanction situation in Russia...) by demanding post-production more secured structures.

Looking across all commodity financing in 2015, secured financings represented only 25% of all debt as more and more bank loans were unsecured facilities to traders and a few, but significantly large, unsecured facilities to the biggest commodity producers.

Sector breakdown			
	USDm	No	%
Oil & Gas	12,370.0	14	43.2% ↑
Metals & Mining	9,734.7	21	34.0% ↑
Agri/Soft Commodities	3,721.8	12	13.0% ↓
Chemicals/Petrochemical	2,535.0	5	8.8% ↓
Power	300.0	1	1.0% ↑

REGIONS



Commodity finance market status 2015

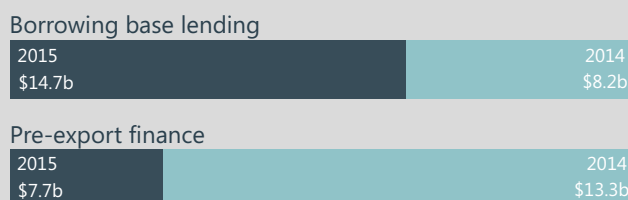
Structured commodity finance



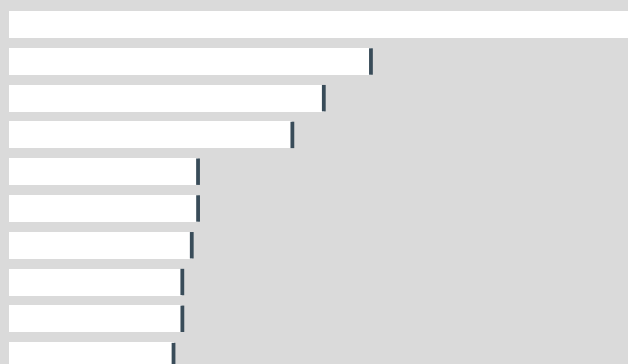
Avg. tranche size	Avg. No of tranches	Avg. tenor	Avg. pricing
\$440.9m	1.22	3.5	309.5bp

Tenor			
	2015	2014	Difference
	Years	Years	%
Max	12.00	7.00	+58.3%
Avg	3.50	2.50	+69.7%

Structures		
	2015	2014
	\$mn	\$mn
Borrowing base lending	14,744	8,285
Pre-Export Finance	7,780	13,365
Reserve-based lending	5,885	9,150
Pre-Payment	145	2,282
Other	100	1,290



Top ten borrowers			
		\$mn	%
1	Antero Resources	4,000	14.0%
2	L1E Funding GmbH	2,300	8.0%
3	Trafigura	2,000	7.0%
4	Ghana Cocoa Board	1,800	6.3%
5	Glencore	1,200	4.2%
5	Western Hydrocarbon Ltd.	1,200	4.2%
6	Uralkali	1,160	4.0%
7	Greenenergy	1,100	3.8%
7	Noble Group	1,100	3.8%
8	Traxys	1,000	3.5%



Top ten Lenders				
		USDm	No of deals	% (Participation)
1	Natixis	2,820.6	31	10.9% ↑
2	Société Générale	2,484.9	33	9.6% ↑
3	Crédit Agricole	1,623.7	11	6.2% ↑
4	Deutsche Bank	1,559.2	23	6.0% ↓
5	ING Bank	1,467.0	21	5.6% ↑
6	HSBC	1,122.7	16	3.4% ↑
7	Wells Fargo Bank	895.0	2	3.3% ↑
8	JP Morgan	870.3	3	3.3% ↑
9	Unicredit	836.0	10	3.2% ↑
10	Standard Chartered	818.3	8	3.1% ↑

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