

Flat Price

Prompt Brent futures flat price has seen a mixed afternoon. Prices were initially pressured, falling \$1/bbl in less than 4 hours to \$82.41/bbl at 14:05 GMT. However, this level incited some buying interest, with prices retracing higher to \$83.69/bbl at 16:05 GMT. At time of writing (16:45 GMT) the Apr Brent futures is priced at \$83.55/bbl. The EIA announced a fourth consecutive crude oil stock build of 3.5mbbls, against a median estimation of 3.75mbbls. This value also falls short of the that reported by the API last night, which registered a build of over 7mbbls. Cushing storage saw another build of 740kbbbls. The UK has announced at least a further 50 sanctions against Russia, aiming to target key participants helping to sustain Russia's war effort and invasion of Ukraine. The VLCC freight rate WAF-East has corrected downwards to \$26.31/mt come Feb 21 after reaching 8-month highs of \$31.28/mt on Feb 19. Houthis militants are reportedly set to use submarine weapons against ships transiting the Red Sea. India's January crude oil imports climbed almost 10% m-o-m to reach a 21-month high of 21.4m mt. The front and 6-month Brent futures spreads are at \$1.01/bbl and \$4.11/bbl, respectively.

Crude

Weaker session in Dated Brent, with a sluggish afternoon into the window. In the N/S window, the physical began well offered by trades and majors across Forties, Midland, Ekofisk and Brent, with the Midland offers pressuring the phys diff lower. Mar DFL saw strong selling alongside, selling off from \$1.30/bbl to \$1.16/bbl before finding support around these handles in conjunction with a major lifting the midland offer, and a cargo of Forties and Ekofisk also being lifted. Apr DFL was also better offered down to \$0.60/bbl where it now also has found support. Weakness was greatest in the prompt, however, with Mar/Apr DFL sold down to \$0.55/bbl, and 4-8/3 1w roll sold at \$0.50/bbl.

We saw deferred structure hold up better, with the 25-29/3 CFT paid at \$1.14/bbl, and 18-22/3 3w roll trading \$0.67. 4-8/3 CFD was better offered by trade and sold down to \$1.61/bbl, whilst 11-15/3 CFD was offered by the same trade house, finding support at \$1.15/bbl with MM buying.

Fuel Oil

In HSFO, we saw large size Sing Hi5 buying interests in Mar and Apr which put 380 E/W under pressure, with Mar trading down from -\$20.00/mt to -\$20.75/mt and Apr trading at -\$11.00/mt. 380 spreads were stable, with Mar/May trading at -\$7.75/mt and May/Jun trading at \$1.00/mt. The front barge spreads were better bid, with Mar/Apr buying from \$4.00/mt up to \$4.50/mt which put pressure on Mar/Apr 380 E/W box, selling down to -\$9.75/mt. Barge cracks traded between -\$10.55/bbl and -\$10.45/bbl before trading down to -\$10.75/bbl post window. We saw deferred barge cracks buying in the window, with Q3 trading at -\$10.35/bbl. Mar/Apr barges sold down to \$4.00/mt and Apr/May traded at \$0.50/mt at the end of the window.

In VLSFO, Sing cracks were offered on screen, with Mar Sing cracks selling down from \$13.50/bbl to \$13.35/bbl. The front Sing spreads came under pressure, trading down to \$8.00/mt. Euro cracks came down in line with Sing, with Mar trading down from \$6.05/bbl to \$5.90/bbl. However, Sing spreads were well bid down the curve, with Apr/May trading at \$9.25/mt in large size and Jul/Sep buying up to \$15.75/mt. Deferred Sing cracks were bid, with Q3 buying at \$10.05/bbl and Q4 trading at \$8.50/bbl. Euro cracks recovered back to \$6.00/bbl gradually before selling down to \$5.85/bbl post window. Euro spreads turned to better bid in the window, with Mar/Apr trading at \$8.25/mt and Jul/Aug trading at \$6.75/mt. We saw Apr Sing cracks selling post window, trading down to \$12.90/bbl.

Distillates

ICE Gasoil spreads were coming off slightly into and post-midday before they stabilised around mid-afternoon, going stronger into stats. We saw the Mar/Jun spread trading at \$52.00/mt around midday, coming off to \$50.00/mt before trading up to \$55.00/mt post-window. The Jun/Jul spread is stronger from midday, up to \$7.25/mt. ICE gasoil cracks have also rallied from midday with the Mar crack up \$1 to \$27.60/bbl while the Q2 crack is also stronger at \$24.70/bbl. HOGOs are slightly stronger in the afternoon in the prompt, with the Mar HOGO at 6.00c/gal while the Q2 is mostly unchanged around 5.60c/gal. NWE rallied post-stats with the Mar diff up to \$52.50/mt and the Q2 up to \$62.00/mt.

This afternoon in Distillates we saw the prompt Sing Gasoil spreads continue to tick down before seeing them firm up after stats. The Mar/Apr spread was trading at \$0.90/bbl around noon, weakening to \$0.87/bbl into the afternoon before we saw it end the day trading higher at \$0.95/bbl. Further down the curve we saw the Apr/May spreads stronger as well, having traded around \$1.27/bbl at noon before going stronger, trading up to \$1.39/bbl post-stats, ending the day trading at \$1.34/bbl. In the deferred parts of the curve, we saw the Aug/Sep spread a touch stronger as well, trading up to \$0.68/bbl. Mar E/W arbs went slightly better bid into the afternoon, trading up to -\$38.50/mt before we saw ICE start to rally and the arbs come off slightly back down to -\$40.00/bbl. In the deferred parts of the curve, we saw some interest in the Q2, seeing it trade at -\$23.75/mt. Prompt kero spreads were rangebound into the afternoon with the Mar/Apr spread indicated around \$0.50/bbl. Prompt regrade was mostly unchanged, trading at -\$2.65/bbl, while in the deferred parts we saw the Q4 trade at -\$0.76/bbl as part of a combo, while also seeing the Q2 trading at -\$1.94/bbl at mid-afternoon.

Gasoline

This afternoon in Gasoline we saw cracks trade at the end of the afternoon window around \$15.50/bbl in Mar EBOB. RBBRs traded down to \$22.30/bbl handles in the afternoon, before rebounding to \$23/bbl handles pre-stats. RBBRs softened after stats, settling at \$22.80/bbl handles post-window. The front arb followed this volatile price action, trading up to 20.10c/gal pre-window, but softening to 19.90c/gal in the window. Arbs in Q2 saw buying from funds and majors at the 9.50c/gal range. Trade houses were bidding the Mar/Apr EBOB spread, which traded up to -\$32/mt. Funds and refiners were on the sell side of EBOB structure, with Apr/May well offered at \$8.75/mt, as well as Jul/Aug at \$14/mt. We saw refiners on the sell side of cracks in Apr at \$20.40/bbl, but funds on the buy side of cracks in Mar at \$15.50/bbl. Interest to buy deferred gasnaphs in Jul and Aug at \$182.50/mt and \$173.50/mt from phys players. In the East, we saw offers at the -\$2.45/bbl levels in Mar E/W and in Q2 E/W at -\$7.35/bbl from trade. Eastern gasnaphs saw bid in Mar at \$20.10/bbl.

Naphtha

This afternoon in Naphtha we saw NWE cracks continue its uptrend reaching highs of -\$8.20/bbl and settling at -\$8.35/bbl end window with trade houses and refiners selling cracks in window. Front spreads strengthened with phys buying Mar/Apr up to \$10.75/mt and Apr/May at \$8.50/mt, more than a dollar higher than its open. Crack rolls saw bids from speculative players with bank buying Q2/Q3 at \$0.35/bbl and the Q4/Q1'25 trading at \$0.15/bbl. Deferred cracks saw little interest with Q2 seeing levels at -\$9/bbl. E/W saw little change with the front continuing to trade in \$19/mt handles but was implied lower as Eastern spreads went better offered – Mar/Apr E/W box trading at -\$1/mt.

NGLs

Fairly quiet afternoon on NGLs. Physical window opened offered, but LST FP strengthened on a crude percentage basis. Spreads were supported, 4.125c/gal trading Apr/May, Mar/Apr at 3c/gal. Arbs were supported with -\$157/mt trading in Mar arb, Apr arb trading -\$165/mt. E/W was well offered in line with strong European propane, with premiums strengthening up to \$13/mt in Mar/Apr, and FEI FP offered by DCE. US butane underperformed relative to LST, with spreads selling off, Mar/Apr down at 3.75c/gal.