

Flat Price

The now-prompt May Brent futures contract briefly plummeted to \$81.85/bbl at 08:40 GMT but saw a significant surge upwards to levels surpassing the \$83/bbl handles at \$83.07/bbl at 10:15 GMT (time of writing). The WTI futures contract for the same tenor also recorded a rally from around \$77.35/bbl to \$78.55/bbl at the same time. The Apr Brent futures expired at \$83.62/bbl on Feb 29. The benchmark crude futures are poised to approach a weekly gain despite bearish signals from China, where manufacturing activity has shrunk for the fifth consecutive month in February. The official manufacturing purchasing managers' index (PMI) eased to 49.1 in February from 49.2 the month prior. A Reuters survey highlighted expectations of Saudi Arabia keeping the OSP of flagship Arab Light crude little changed for Apr. Additionally, all eyes will be affixed onto OPEC+ next week, when the producer group will announce its decision on extending its voluntary oil output cuts into Q2'24. In other news, ExxonMobil and Shell will reportedly work with Singapore to develop a cross-border carbon capture and storage project. Finally, the front-month and six-month Brent spreads are currently at \$0.85/bbl and \$4.11/bbl, respectively.

Crude

Very strong morning in Dated Brent, seeing Mar/Apr Dtd rally from \$1.70/bbl to \$1.85/bbl, whilst Mar DFI was paid from \$1.66/bbl and now bid at \$1.80/bbl. Apr DFL was lifted at \$0.81/bbl, and Apr May Dtd now trades \$0.79/bbl as structure down the curve continues to be dragged up. We saw strong buying interest in rolls, with Cal Mar v 25-29/3 bid at \$0.82/bbl, whilst may rolls continued to see hedge buying with no real sell side interest.

Weak start to the month in Dubai with Apr Brent/Dubai trading up to highs of \$0.44/bbl. We saw buying interest in boxes with the Apr/May and May/Jun box trading up to -\$0.06/bbl and -\$0.08/bbl respectively. We saw selling of the Balmo spread, trading at \$0.61/bbl and selling of the Bal Mar Brent/Dubai, trading at \$0.60/bbl with Chinese selling.

The May/Jul WTI Futs vs the Apr/Jun Dub traded at -\$0.18/bbl with interest from the buy side.

Fuel

A strong morning in HSFO, 380 spreads were well bid by Chinese and trade houses, with Mar/Apr buying from -\$5.25/mt to -\$3.75/mt and Apr/Jun trading from -\$2.25/mt up to flat post window which lent support on 380 E/W boxes, with Apr/May implying at -\$1.00/mt. 380 E/W were supported, with Apr buying from -\$9.00/mt to -\$7.25/mt. Barge spreads were strengthened, with Mar/Apr buying at \$4.00/mt and Apr/Jun buying from -\$1.25/mt up to \$2.50/mt. Barge cracks were supported, Apr trading 30c higher, up to -\$11.25/bbl. We saw buying interests of deferred 380 spreads by Chinese, with Jun/Jul trading at \$3.75/mt in good volume. There were Mar/Apr 180 moc and spreads buying interests by NOC, trading from -\$2.50/mt to -\$1.50/mt. Viscos collapsed with outright selling interests, with Apr gapping down from \$20.75/mt to \$17.75/mt.

A slow start in VLSFO, Sing cracks gapped down from \$13.80/bbl to \$13.65/bbl in Apr in the window. We saw large size Mar Sing moc selling and Apr Sing moc buying interests which put pressure on Mar/Apr Sing, trading down to \$6.00/mt at the end of the window. Sing spreads were a touch softer in the window, but quickly rebounded post window, with Apr/May trading at \$10.75/mt and May/Jun trading at \$9.75/mt on screen. 0.5 E/W were bid in May and Jun, with Jun implying at \$45.25/mt. Mar/Apr Euro bought at \$9.00/mt. Euro cracks traded around \$6.30/bbl. We saw mixed deferred Sing cracks interests post window, with Mar25 trading at \$7.80/bbl.

Distillates

This morning in Distillates, ICE Gasoil spreads were slightly weaker this morning, with the Apr/Jun spread trading down from early morning levels of \$28.75/mt to \$27.25/mt.

Further down the curve, we saw the Jun/Jul spread more rangebound trading around \$7.25/MT. Apr ICE Gasoil cracks came off this morning, trading down from \$26.60/bbl in the early morning to \$25.00/bbl heading into midday, seeing the Q2 crack weaker at \$24.10/bbl as well. HOGO's were rangebound this morning, with the Apr HOGO trading around 5.20c/gal and the Q2 was around 5.90c/gal. NWE Jet diffs completely collapsed this morning, with the Apr diff coming off from \$54.75/mt to \$50.00/mt, weakening across the curve as well, seeing the Q2 down to \$55.00/mt and the Q3 down to \$59.00/mt.

The prompt Sing Gasoil spreads came in overall weaker. The Apr/May spread opened trading at \$1.07/bbl and went slightly better offered into and post window, seeing them trading down to \$0.95/bbl, with rangebound trading between \$0.95/bbl and \$1.00/bbl from there. Further down the curve, we saw the Oct/Nov and Nov/Dec both trading at \$0.75/bbl post window. The Mar E/W arbs were offered by MM into the morning, seeing the arb trading from -\$42.50/mt to -\$42.75/mt before rallying into the window up to -\$42.00/mt. Further down the curve, we saw some bank buying interest, seeing the May Arbs trading up from -\$22.25/mt to -\$21.75/mt, before ending the morning trading at -\$22.00/mt. Prompt Regrades came off into the morning, seeing the Mar diff see better selling interest trading down from -\$1.74/bbl to indicated levels of -\$2.10/bbl. Prompt Kero spreads were also stronger this morning with the Mar/Apr spread trading at \$0.55/bbl in the morning, ending the session indicated around \$0.75/bbl.

Gasoline

This morning in Gasoline, we saw flat price trade at the end of the morning window equivalent to \$13.90/bbl on a crack basis in Apr 92. The Mar/Apr MOC roll was bid this morning. The Bal 92 spread was bid this morning from phys players, trading down from \$0.65/bbl to \$0.26/bbl.

We also saw some early bids on Mar 92/MOPJ at \$19.40/bbl. We had sticky buying of deferred cracks, with Q3 and Q4 bid from phys at \$10.35/bbl and \$7.20/bbl respectively. Front cracks saw some selling by banks at \$13.90/bbl in Apr. E/W in Apr was bid at -\$9.25/bbl and in Q2 at -\$8.75/bbl from trade. In Europe, EBOB Apr/May spread was bid up to \$12/mt, and the Apr/May /June fly offered from refiners at -\$4.75/mt. May/Jun was bid up to \$17/mt and Jul/Aug to \$17/mt. We saw buy-side interest on deferred EBOB cracks, with Q2 bid at \$22.05/bbl from ref. Early sell side interest in Apr gasnaphs at the \$212/mt level.

Naphtha

A weak morning in Naphtha where we saw flat price valued at \$673/mt in Apr MOPJ, on a -\$5.65/bbl crack equivalent with cracks seeing a correction downwards with market makers offering Apr NWE crack down to -\$7.30/bbl. Structure weakened with phys players aggressing on the sell side, Mar/Apr falling from \$13/mt to \$10.50/mt by end window with Apr/May similarly falling 2 dollars down to \$10.75/mt. The front E/W came off alongside with Apr finding support at \$15.50/mt by phys and the Q2 E/W saw selling down to \$16/mt. Q2 NWE cracks saw refiner selling at -\$7.95/bbl with Q4 seeing market maker offering at -\$8.30/bbl. Trade on the sell side of front spreads in Europe, selling Mar/Apr down to \$14.75/mt and Apr/May at \$10.75/mt.

NGLs

A volatile Friday morning in the international LPG markets. DCE players were buying FEI flat price early morning; April FEI flat price traded from \$589/mt to \$595/mt swiftly. The structure followed in this direction with the spreads strengthening at the front of the curve as March/April traded up to \$10/mt. Off the back of this there was significant buy-side interest from importers of prompt FEI/CP- April FEI/CP traded from \$0/mt to \$5/mt in minutes.

Into the window, however, the FEI strength topped and spreads were well offered by Singapore trade houses; the physical window was initially offered and although a physical trade house bid +6 for 1H April FEI towards the end of the window, it wasn't enough to stop the March/April FEI spread from softening to \$7/mt and April FEI/CP retracing to flat.