

Flat Price

May Brent futures saw price action at \$82.60/bbl at noon, followed by a steady correction down to \$81.78/bbl handles and subsequently a mixed afternoon to settle around \$82.36/bbl levels at the time of writing, 17:00 GMT. Amid the Russian embargo to Germany, Kazakh energy minister Almasadam Satkaliyev stated that Kazakhstan may double its crude exports via the Druzhba pipeline to 2 million mt following requests from German companies to increase volumes on Mar 05. An existing agreement of 1.2 million mt is currently in place, with 100,000 mt delivered in January. Crude from supply arrangements with Kazakhstan during the embargo has proved crucial for German refineries, most notably the Schwedt refinery near Berlin which relies directly on crude imported through the Druzhba pipeline. Meanwhile, Russia's Belgorod region has been subjected to drone attacks, with an explosion and fire ensuing at the Gubkin oil depot, around 90km from the Ukrainian border. The attack follows numerous drone strike attempts at Russian energy infrastructure in the previous days, with attempts on the St. Petersburg oil terminal and a tank farm in Leningrad among others. The former was able to avoid the attack, representing the second attempted strike on the terminal in 3 months, and which is crucial to operations on the Baltic sea, acting as a storage facility to some 12 million mt/year of oil. The front and 6 month spreads are at \$0.72/bbl and \$3.76/bbl respectively.

Crude

A mixed afternoon in Dated, initially continuing better offered to see Balmo trade \$1.28/bbl, before it eventually found support around the US open. Balmo then turned better bid, with Balmo-ND trading \$1.52/bbl last. A similar story was seen in the prompt rolls, with the front roll 11-15/3 v 18-22/3 sold at \$0.33/bbl before turning better bid by major, trading \$0.43/bbl last.

In the N/S window we saw a number of the same sellers in the physical, although with Midland and Troll offers lifted by trades the diff finds support only a couple of cents lower. We saw a major offering 25-29 CFD's at a firm level of \$0.80/bbl, whilst 18-22's trade at \$1.15/bbl – 40c lower than yesterday. Despite, Apr and May rolls seeing a lack of activity as prompt structure collapsed, the buy-side interest returned after the prompt found a floor, seeing size buying of 15-19/3 v 13-17/5 at \$0.60/bbl.

Fuel Oil

In HSFO, mixed interests on 380 FP this afternoon, Chinese were sellers of Apr and May, buyers of Sep. 380 E/W traded between -\$6.50/mt and \$6.25/mt in Apr. There were Q3 E/W buying at the end of the window, trading up to -\$5.25/mt. 380 spreads were better bid, with Apr/May buying at flat and Apr/May/Jun fly trading at -\$2.25/mt. Barge cracks traded around -\$10.70/bbl before the window. We saw buying interests of Apr 380 cracks at -\$11.70/bbl by trade houses. Barge spreads were a touch firmer in the window, with Apr/May trading at \$0.25/mt and May/Jun trading at \$3.00/mt. Barge cracks were strengthened due to outright buying interests on screen in the window, trading up to \$10.50/bbl.

In VLSFO, Chinese were sellers of Sing Hi5 and Jun Sing FP which put pressure on the front Sing cracks, with Apr trading down from \$14.60/bbl down to \$14.10/bbl. Sing spreads were weakened, with Apr/May selling down from \$9.00/mt down to \$8.25/mt and May/Jun trading down to \$9.75/mt. We saw large size Apr/May/Jun fly selling, trading down to -\$1.50/mt. European structures were supported, with Apr/May Euro buying at \$8.25/mt and May/Jun trading at \$8.00/mt. Euro cracks traded between \$6.50/bbl and \$6.55/bbl in good volume.

The front Sing cracks sold further down to \$14.00/bbl at the end of the window before rebounding to \$14.20/bbl. 0.5 E/W came under pressure, trading down to \$47.00/mt.

Distillates

ICE Gasoil spreads strengthened into the afternoon before coming off into the window to end the afternoon mostly unchanged trading at \$25.25/mt. Further down the curve, we saw the Jun/Jul stronger trading up to \$7.00/mt. Ice gasoil cracks were unchanged overall but followed similar price action as the ice spreads saw the Apr crack at \$24.30/bbl and the Q2 crack at \$23.50/bbl. HOGOs came off this afternoon, with the Apr HOGO down to 5.3c/gal and the Q2 HOGO more supported around 6.1c/gal. NWE Jet diffs were unchanged this afternoon, with the Apr diff rangebound around \$47.00/mt while structure was also supported around \$58.00/mt in the Q2.

Prompt Sing Gasoil spreads were stronger. We saw the Apr/May spread go better bid trading up to \$0.62/bbl to \$0.70/bbl. Further down the curve, we saw the May/Jun spread higher, seeing it get lifted from around \$0.80/bbl at midday to \$0.96/bbl into the afternoon, before ending the day indicated around \$0.90/bbl. The Apr E/W arbs were a touch stronger into the afternoon, seeing them trading up from -\$31.50/mt at midday to -\$30.00/mt into and post-window. In the deferred parts of the curve, we saw the Q2 arbs trading at -\$25.75/mt, the Q3 at -\$24.50/mt, and the Q4 at -\$24.25/mt. Prompt regrades were rangebound this afternoon with the Apr diff indicated around -\$1.85/bbl. Further down the curve, we saw the Q2 trading at -\$1.72/bbl and the Apr-Dec strip at -\$1.05/bbl. Prompt kero spreads were indicated stronger with the Apr/May spread around \$0.55/bbl.

Gasoline

This afternoon in gasoline we saw cracks trade at the end of the afternoon window around \$21.10/bbl in Apr EBOB. RBBRs were weaker today, moving down over \$1.50/bbl on the day, trading at \$23.80/bbl handles in May, end-window. Arbs in April continued to be bid at 9c/gal, from funds and trade houses. Spreads in EBOB softened this afternoon, with the RBBR weakness. Apr/Sep traded down to \$74.50/mt, but saw bids at the low levels. Apr/May was bid down to \$10/mt where we saw real players buying. Nov/Dec was bid from funds at \$15.25/mt, but Oct/Nov was the well-offered spread this afternoon, seeing selling at \$22/mt and down to \$21.75/mt. We saw deferred cracks go better bid in EBOB, with Q3 and Q2 at \$17/bbl and \$20.25/bbl respectively, seeing bank flow. Gasnaphs in Europe were well bid in Q3 this afternoon, with ref seeing buying between \$172.5/mt and \$170/mt. E/W continued to be offered up to -\$8.30/bbl in Apr, up from -\$9.10/bbl in the morning, and trade offering Q2 at -\$8.20/bbl in the window. We saw some bids on deferred 92 cracks at \$6.40/bbl in Q4 and Chinese buying on Q3 earlier at \$9.85/bbl levels.

Naphtha

This afternoon in Naphtha we saw NWE cracks weaken with Apr settling at -\$7.80/bbl in end window with physical players active on the sell side of cracks and spreads. Europe structure weakened with trade on the sell side and Brent spreads falling, Apr/May falling 2 dollars by end window to \$9.75/mt and May/Jun dropping to \$8/mt. The Bal E/W box recovered from its lows seen yesterday, where players stopped out, allowing the pricing spread in Europe to fall to \$15/mt end window. Deferred cracks seeing bids at lower levels with Q3 seeing buying at -\$8.60/bbl and Q4 seeing bank buying at -\$8.35/bbl. Deriv players were on the buy side of front E/W, continuing its strength up to \$17/mt handles end window from its open of \$13.50/mt with Europe weakening.

NGLs

An afternoon of movement and volatility as the US domestic LPG complex fell lower again with the paper structure weakening as it followed down the offered physical. 77.75c/gal was hit at the US open for ENT while 74.5c/gal traded in the Conway physical. Spreads fell quickly as the paper market absorbed this with April/May LST trading down to 1.5c/gal and Q2/Q3 LST traded down to 1c/gal. Butane also came off quickly with consistent offer side interest in the prompt April contract from US trade houses;

Q2/Q3 C4 ENT spread fell down to 0.75c/gal and April/May also traded at 1.5c/gal. In the International contracts, the arb fell along with LST; Q3 traded down to -\$175/mt and April down to -\$172/mt. With FEI therefore better bid, FEI/CP traded down to flat in the prompt month. NWE spreads continued to strengthen into the window with persistent European buy side interest as Bal-Mar/Apr climbed to \$18. Post window a US trade house bought spreads at the front of the curve aggressively and April/May LST was bid back up to 2.25c/gal.