

## Flat Price

The Brent futures flat price for the prompt contract has seen an overall strong morning. Price action initially found stability in the mid \$82/bbl-handles, before rallying to \$83.01/bbl at 08:10 GMT. Prices then swiftly corrected downwards to \$82.47/bbl at 09:05 GMT, yet this incited further buying interest and price action retraced to \$82.86/bbl at 10:05 GMT. Yemen Houthi rebels announced that they attacked a US vessel with a number of anti-ship missiles in the Red Sea and will continue to escalate "military operations" during the month of Ramadan. Ukraine have launched a mass drone attack on Russia, firing at least seven missiles. The attack on Lukoil's Norski refinery, 340kbbbls/d capacity, is reported to be serious with the main crude distillation unit being damaged, halting at least half of the refinery's production. The front and 6-month Brent futures spreads are at \$0.53/bbl and \$3.49/bbl, respectively.

## Crude

Another slow morning for Dated, with Apr DFL better offered after some initial Sing buying interest in the window, trading down from \$0.53/bbl to \$0.45/bbl. We saw some buying interest in Apr rolls, with 2-5/4 3w roll trading \$0.40/bbl and 8-12/4 3w roll trading \$0.35/bbl. In turn, Apr/May DFL was supported, trading -\$0.05/bbl, and the Dated roll bid at \$0.50/bbl. We saw a major sell side of the prompt 18-22/3 2w roll at \$0.35/bbl as Balmo went better offered at \$0.60/bbl on screen.

## Fuel

In HSFO, 380 spreads were better bid down the curve, with Apr/Jun buying from \$2.50/mt up to \$3.50/mt and Jun/Sep buying up to \$18.25/mt. We saw aggressive buying interests on Apr 380 FP at the end of the window by a trade house which supported the front 380 E/W, trading from \$5.50/mt up to \$6.25/mt. Barge spreads were strengthened, with Apr/Jun trading at -\$1.75/mt. Barge cracks were supported due to 380 FP buying, with Apr crack trading from -\$11.90/bbl up to -\$11.60/bbl at the end of the window. 380 cracks rallied, with May trading from -\$10.70/bbl up to -\$10.20/bbl

In VLSFO, Sing cracks were better bid on screen, with Apr Sing cracks buying from \$13.55/bbl up to \$14.00/bbl post window. Sing spreads were well bid, with Apr/May trading up to \$6.50/mt and May/Jun Sing buying from \$8/mt up to \$8.75/mt. We saw Q3 Euro cracks buying, trading at \$4.40/bbl post window. The front Euro cracks gapped up to \$6.95/bbl. Euro spreads were well bid, with Apr/May buying at \$8/mt and May/Jun trading at \$7.75/mt. 0.5 E/W were weakened due to stronger European market, with Apr trading at \$45.25/mt. Then, Sing cracks dropped down when spreads buying interests gone, with Apr trading down to \$13.85/bbl. Euro cracks came down in line, trading at \$6.75/bbl in Apr.

## Distillates

ICE gasoil spreads were rangebound, initially coming off before strengthening into the window ahead of Mar ICE Gasoil expiry at noon today. The Apr/May spread is at \$16.75/mt, while the May/Jun spread is at \$11.75/mt post-window. The ICE Gasoil cracks rallied through the morning, with the Apr swap crack stronger at \$26.25/bbl, and the Q4 crack at \$24.20/bbl post-window. The European jet diffs saw buying at the front, with the Apr diff indicated at \$49/mt, while the Q2'24 traded at \$58/mt this morning, with little trading further down the curve. HOGOs were rangebound this morning, rallying into the window but coming off post-window. The Apr swap is at 4.30c/gal and the Q4 swap is at 10.40c/gal, with the back end a touch stronger than yesterday's close.

Sing gasoil spreads in the front of the curve saw buying interest buoyed by rallying ICE gasoil spreads. The Apr/May spread weakened to \$0.63/bbl before rallying back to \$0.68/bbl, trading up to \$0.69/bbl in the window, while the May/Jun strengthened from \$0.86/bbl to \$0.90/bbl. The E/W at the front was sold down to -\$33.50/mt from -\$31.25/mt on the open, while the May and Jun E/W also similarly were sold into in the morning – the May trading down to -\$24/mt and the Jun down to -\$22.50/mt.

Regrade saw a very quiet start to the morning, with some selling interest seen in the prompt diff at -\$1.65/bbl before it rallied to -\$1.55/bbl as screen offers were lifted post-window. Cal'25 selling interest was seen at -\$0.28/bbl, as it traded there into the mid-morning period and is offered on. In the window, the Bal-Mar/Apr Kero spread was lifted from \$0.50/bbl to \$0.60/bbl, while the Apr/May Kero traded at \$0.70/bbl.

## Gasoline

This morning in Gasoline, we saw flat price trade at the end of the morning window equivalent to \$13.20/bbl on a crack basis in Apr 92. MOC was less well-bid today, seeing interest from the offer side in May. 92 Spreads saw offers in the morning, with Apr/May down from \$0.85/bbl to \$0.80/bbl from phys. Deferred 92 saw sell side interest in Q3 cracks at \$9.90/bbl from refiners. Jun E/W saw selling at -\$8.20/bbl and the Q2/Q3 E/W box was well bid between -\$1/bbl and -\$0.95/bbl. RBBRs opened higher this morning, but softened to \$25.60/bbl end-window. Arbs saw activity in Apr this morning, with refiners on the sell side at 9.40c/gal. Spreads in EBOB saw bids, on a strong screen, with Apr/May bid at \$9.75/mt, Aug/Dec bid at \$109/mt from phys and May/Sep trading up to \$68.75/mt. We had real players on the sell side of Gasnaphs this morning. Smalls traded in Q2 at \$196/mt and was offered in Apr \$192/mt post-window.

## Naphtha

This morning in Naphtha we saw flat price valued at \$690/mt in Apr MOPJ, on a -\$4.70/bbl crack equivalent as cracks saw correction from their strength yesterday. Front spreads were sold into with Apr/Jun MOPJ moving down more than a dollar from yesterday's close to \$24/mt with trade on the sell side. E/W continuing to weaken with spreads offered, Apr seeing selling at \$15.75/mt end window with Q3 E/W seeing selling down to \$15.25/mt.

Refiner and banks were on the sell side of NWE cracks with the front seeing selling down to -\$6.40/bbl end window but saw better buying post-window with gasnaphs offered, pushing the front to -\$6/bbl. Post-window, we saw good buying on NWE spreads with crack strength, Apr/May seeing buying from \$14.25/mt to \$14.75/mt. Crack rolls similarly seeing buying with Q2/Q3 seeing bids above \$1/bbl and Q3/Q4 seeing buying at flat.

### NGLs

A strong morning for internationals on NGLs. FEI FP was bid pre window and structure firmed; April/May FEI trading from \$8/mt to \$8.50/mt pre window and ending the morning at \$9.50/mt, while further out the April/Dec spread strengthened to -\$8.50/mt. Alongside this, FEI/CP was extremely bid trading up from -\$11/mt to -\$6/mt in 30 minutes; at this level, however, there was selling interest and the prompt FEI/CP contract ended the morning at -\$7/mt. Despite FEI/CP being bid, CP was strong and structure strengthened; the Jun/July spread strengthened to \$12/mt and April/May to \$35/mt. The international strength was instead absorbed by the arb which fell significantly as -\$197/mt traded in April LST/FEI, and by the E/W diff which strengthened as \$92/mt traded in April E/W.

## Global Macro

Key data today at 1.30pm U.S. CPI. Wall Street forecasters expect the core CPI index to rise 0.3%, lowering the 12-month rate to 3.7% from 3.9% in January.

Softer than expected UK jobs report today across the board. Pay growth lower than expected, weak jobs growth (-21k vs +10k expected), higher unemployment (3.9% vs 3.8% expected) & higher jobless claims.

China residential construction investment continues to fall.