

Flat Price

The May Brent futures contract has seen a quiet start in the early hours of the morning at around \$86.70/bbl levels before seeing volatility enter the market from around 07:00 GMT, with prices oscillating between \$86.92/bbl and \$86.49/bbl at 09:00 GMT, and sitting at \$86.58/bbl at the time of writing (10:45 GMT). In headlines today, Ukrainian drone strikes have slashed Russian refining capacity, with estimates ranging from a loss of 600 kbbls/d from Gunvor's CEO to 900 kbbls/d from JPMorgan Chase. The front and 6-month Brent futures contracts are at \$0.67/bbl and \$4.16/bbl respectively.

Crude

Yet another quiet opening for Dated. We saw some buying interest out of April rolls, with 8-12 2w roll trading \$0.10/bbl, 8-12/4 v Cal Apr trading \$0.05/bbl and buyside cares in 15-26/4 v Cal May. Despite this, however, with spreads softer than close yesterday, DFL's came under pressure with Apr finding lows of \$0.56/bbl and Apr/May trading -\$0.15/bbl last. There was trade buying out of Bal week with the 2d roll 20-21/3 v 27-28/3 trading -\$0.05/bbl and bid on.

Fuel

In HSFO, 380 spreads were well offered by trade houses and Chinese, with Apr/May selling down to -\$1.50/mt and May/Jun selling down to \$2.25/mt. 380 E/W came under pressure, with Apr trading down to \$2/mt in good size. 380 spreads then turned to better bid in the window, with Apr/May buying up to -\$0.75/mt and May/Jun trading at \$3/mt. 380 E/W rebounded post window, with Apr trading up to \$3.25/mt. Barge cracks were range bounded, with Apr trading between -\$11.15/bbl and -\$10.95/bbl. Viscos were well offered, with Apr gapping down from \$18.75/mt to \$17.00/mt and May selling at \$15.75/mt.

In VLSFO, we saw sing Hi5 selling by majors which put pressure on the front Sing cracks before the window, with Apr selling down to \$13.20/bbl. Sing spreads were better offered, with Apr/May selling down to \$4.50/mt and May/Jun trading at \$6.50/mt.

Sing FP were offered at the end of the window by trade houses, Apr Sing cracks trading further down to \$13.10/bbl. Apr Sing crack recovered gradually post window due to deferred Sing cracks buying, with Q3 trading at \$11.75/bbl and Apr trading up to \$13.30/bbl. Sing spreads turned to better bid down the curve, with Apr/Jun trading at \$11.50/mt post window and Jun/Aug bidding at \$16.25/mt. 0.5 E/W were well offered by trade houses, with Apr trading at \$42.75/mt in good volume. Euro spreads were a touch softer, with Apr/May and May/Jun trading at \$6.75/mt respectively.

Distillates

ICE Gasoil spreads were rangebound into the morning before coming off sharply post-window. The Apr/May spread is off highs of \$15.50/mt at \$14.75/mt, while the May/Jun spread is at \$13/mt from \$13.75/mt. Similarly, the ICE gasoil cracks weakened into the post-window period but recovered mid-morning, with Apr down to \$27.60/bbl and Q4 weaker at \$25.55/bbl. The European jet diffs opened a touch stronger this morning, with Apr indicated at \$41.75/mt with May trading at \$57.25/mt. There was interest in the deferred diffs as far back as Cal'25, between \$60/mt and \$61.50/mt and the Q2/Q3 diff roll traded at -\$8.50/bbl. HOGOs trended upwards on the morning after a weak close last night. The Apr swap is stronger at 4.10c/gal and the Q4 swap is at 10.80c/gal post-window.

Sing gasoil spreads traded down at the front of the curve with Apr/May coming off from \$0.68/bbl to \$0.62/bbl. The May/Jun spread however strengthened from \$0.78/bbl to \$0.80/bbl while the Jun/Jul also rallied a tick from \$0.69/bbl to \$0.70/bbl, coming off to \$0.68/bbl post-window. The E/W opened stronger than the close last night, with Apr trading up to -\$43/mt from -\$44.25/mt in the morning. Down the curve, May is also stronger at -\$33.25/mt, while the Q3 E/W traded up from -\$30.50/mt to -\$30/mt. Regrade sold off through the morning, as Apr was hit down from -\$1.90/bbl to -\$2.20/bbl, before seeing support at that level into the end of the window and rallying back to -\$2.10/bbl.

The May regrade traded down from -\$1.80/bbl to -\$2/bbl, while the Jun was also hit at -\$1.50/bbl. The Apr/May kero spread traded at \$0.53/bbl, seeing sell-side interest there before getting listed at \$0.60/bbl at the end of the window.

Gasoline

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to \$13.60/bbl on a crack basis in Apr 92. The Apr/May MOC roll was bid this morning. 92 was less bid this morning, with spreads bid from real players, with Apr/May bid at \$0.90/bbl and at \$0.85/bbl, and Jun/Jul seeing Major on the sell side at \$1.80/bbl and \$1.83/bbl. Post-window, we saw bids come in, with Jun/Sep bid at \$5.50/bbl. We had bid side interest on May E/W from Major at -\$10.05/bbl. Trade houses had interest to sell the Apr/May crack roll between \$0.12/bbl and \$0.17/bbl. Refiner had interest to buy Q3 92/MOPJ at \$18.65/bbl. RBBRs stayed rangebound at the \$27.80/bbl handles this morning, with arbs seeing some selling in Apr at 10.90c/gal from fund. Spreads in EBOB saw more offer side interest this morning, offered from funds and ref in Apr/May post-window between \$9/mt and \$9.50/mt, and May/Jun offered at \$17/mt. We saw strong interest to buy the May/Jun/Jul EBOB fly at -\$2.25/mt and the Jun/Jul/Aug fly at \$0.75/mt. Apr/May/Sep saw buyside interest at -\$70.50/mt. May/Q3 saw more buying interest this morning at \$4.80/bbl, however little deferred crack activity aside from this. We saw gasnaph selling come in at \$216/mt in April today, and at \$27.50/bbl crack/crack in Q3, from real players.

Naphtha

This morning in Naphtha we saw flat price valued at \$714/mt in Apr MOPJ, on a -\$5.80/bbl crack equivalent as MOPJ flat price saw selling at higher levels end window and cracks weakened in Europe off the back of trade selling. There was good Chinese buying of deferred MOPJ cracks in Q2 and Q4, trading at -\$6.25/bbl and -\$6.80/bbl respectively.

Front E/W saw some retracement from lows reached yesterday with Europe offered, Apr trading at \$13.50/mt but with flat price selling, this was pushed down to \$12.50/mt post-window. Refiner was on the sell side of MOPJ spreads with Apr/Jun trading down to \$21.25/mt and Jul/Oct offered at \$17/mt. In Europe, Apr cracks weakened from -\$7.10/bbl down to -\$7.45/bbl with a trade exiting out of length and Q2 cracks saw buying by phys at -\$8/bbl. Major and fund were on the buy side of front spreads with Apr/May trading down to \$14/mt and Jun/Dec seeing lower levels of \$33.25/mt as the Q2/Q3 crack roll continued its weakness trading down to \$0.60/bbl.

NGLs

Another strong morning for the arb on NGLs as FEI softened once more. Deferred buy side interest in FEI flat price (March-Oct25 FEI strip traded at \$588/mt) and prompt FEI/CP offered by trade houses and importers (April FEI/CP traded down to -\$11/mt) helped FEI spreads weaken down the curve; April/May FEI traded down to \$7.50/mt and April/July to \$12/mt while further out Jun/Dec traded at -\$21/mt. CP structure was well-bid initially; an NOC was on the buy side but they were joined by Euro trade houses as April/May CP traded up to \$35/mt. When prompt CP flat price traded at \$622/mt, trading sentiment felt this was high; it was well offered here and the April/May spread softened to \$33/mt. Arbs were bid throughout the morning, and after a bid was hit in the physical at H2 April +11/mt, the April LST/FEI arb was bid up to -\$180/mt.