

Flat Price

The May Brent futures has seen a volatile afternoon with prices reaching lows of \$82.10/bbl at 14:10 GMT although strengthened to \$83.07/bbl at 16:25 GMT. At 17:00 (time of writing), the contract was seen trading at \$82.94/bbl. Chinese crude oil imports jumped by 5.1% in January and February, compared to the same months last year. This is in line with the Lunar New Year celebrations that surpassed expectations of consumption in the country. During the CNY, China's demand for gasoline and jet fuel surged. Sheikh Nawaf Al-Sabah, chief executive of Kuwait's state oil firm Kuwait Petroleum Corporation (KPC), said global demand for oil looks robust this year. He highlighted that rising production in US shale has helped meet part of the recent growth in world oil consumption. India's fuel consumption increased by 5.7% in February compared to the same month in 2023. Before the end of the decade, India is expected to become the biggest driver of global oil demand. Iran will unload \$50m worth of crude from a tanker seized last year. The Suezmax crude tanker had been chartered by Chevron and was seized in 2023 by Iran's army following an alleged collision with an Iranian boat. The front and 6-month Brent futures spreads are at \$0.72/bbl and \$3.86/bbl respectively.

Crude

A weaker afternoon for Dated again, where we saw Balmo continue to come under pressure, relentlessly offered on screen down to \$0.99/bbl. The physical was bid in the window by European trade house for Forties, seeing the physical diff gain around 10c, finally causing things to turn better bid. Apr DFL was lifted back up from the lows of \$0.57/bbl, now trading \$0.67/bbl. Balmo eventually turned better bid, seeing Balmo-ND trading \$1.15/bbl, although now offered there with the return of size mar Dated v Apr Dubai selling.

We saw prompt rolls gap lower throughout the afternoon, with 18-22/3 1w roll sold down to \$0.28/bbl, whilst the very prompt – tied to the physical - turned better bid during the window seeing 11-15/3 1w roll trade \$0.40/bbl. CFD's saw mixed interest, with 8-12/4's lifted at \$0.65/bbl and bid on, whilst 11-15/3's were bid up, eventually sold at \$1.25/bbl – still 45c lower than yesterday.

Fuel Oil

In HSFO, the front 380 E/W rallied due to outright buying interests, with Apr buying from -\$0.75/mt up to \$2.50/mt. However, we continued to see Q3 E/W selling, trading up to -\$2.50/mt due to strong front buying. Chinese were initially buyers of Aug and Sep 380 FP, then they flipped the directions, becoming sellers of May 380 fp, with May 380 cracks trading around -\$9.80/bbl. 380 spreads were a touch firmer, with Apr/May trading at \$1.25/mt and May/Jun trading at \$3.25/mt. Barge cracks were weakened before the window with Q3 barge cracks selling interests, Apr barge crack trading down from -\$10.25/bbl to -\$10.55/bbl and Q3 selling down from -\$9.85/bbl to -\$10.00/bbl. Then, barge cracks collapsed in the window, trading further down to -\$10.90/bbl in Apr. Barge spreads came under pressure, with Apr/May trading down from flat to -\$0.75/mt and May/Jun selling at \$2.25/mt on screen. Q3 barge cracks implied at -\$10.20/bbl post window.

In VLSFO, we saw large size of sing Hi5 selling interests which put pressure on sing cracks, with Apr trading down from \$14.10/bbl to \$13.95/bbl. The deferred Sing cracks were bid, with Q3 trading at \$11.15/bbl and Q4 Sing cracks buying up to \$9.20/bbl. Q3 Euro cracks were well bid as well, trading up to \$4.25/bbl which put pressure on the Euro spreads, with Apr/May trading down from \$8.00/mt to \$7.75/mt and May/Jun trading down to \$7.50/mt.

Sing spreads were weakened in the window, with Apr/Jun selling down from \$16.75/mt down to \$15.50/mt and Jun/Aug trading down to \$18.50/mt. 0.5 E/W were well offered, Apr selling down to \$47.00/mt. The prompt Euro cracks trading at \$6.45/bbl at the end of the window.

Distillates

Sing gasoil spreads rallied into the evening on the back of stronger ICE gasoil futures. The Apr/May spread traded up to \$0.75/bbl (\$0.88/bbl was lifted on screen, but was likely accidental), while the May/Jun spread saw highs of \$0.93/bbl. Despite ICE gasoil spreads rallying, the E/W at the front of the curve was kept at relatively high levels through strong buy-side interest, with Apr coming off only \$50c from the afternoon to -\$33.50/mt but saw lows of -\$33.75/mt. The May and Jun E/Ws also saw buy side interest keep the market tight, between -\$23.50/mt and -\$23.25/mt for May and -\$21.75/mt and -\$21.50/mt in Jun. Regrade saw the prompt trade down into the afternoon and evening, with Apr coming off to -\$1.95/bbl before trading back up to -\$1.90/bbl, ending the day at -\$1.95/bbl post-window. The Q4/Q1 regrade roll traded at -\$0.30/bbl, with little trading in the back end otherwise. Apr/May kero remained at \$0.55/bbl, while the Bal-ND/Apr spread weakened to \$0.10/bbl, getting hit down on-screen post-window.

ICE gasoil spreads and cracks strengthened into the afternoon and evening, ending the window on a high. The Apr/May ICE Gasoil spread is at \$19.75/mt, while the May/Jun is at \$12.00/mt, both stronger into the evening. The European barge window also saw buying interest from a Major, as the ICE gasoil spreads rallied into the evening. The Apr crack is at \$26.40/bbl, while the Q4 crack is at \$24.15/bbl post-window.

To discuss any points mentioned in this report further please do not hesitate to contact us at:

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The European Jet diffs were stable into the evening after weakening in the morning, with the Apr trading at \$46.25/mt, while the Apr/May diff roll traded at -\$14.50/mt, down \$1 from the morning's levels. HOGOs drifted upwards into the evening on futures strength from the US open onwards but are coming off post-European window. The Apr swap is at \$4.6c/gal, and the 4Q swap is at \$10.65c/gal, both relatively unchanged on the day versus the morning's levels.

Gasoline

This afternoon in gasoline we saw cracks trade at the end of the afternoon window around \$20.60/bbl in Apr EBOB. RBBRs ticked up in the afternoon, rallying to \$24.20/bbl handles in May, before retreating to \$24/bbl in the Euro window. Arbs continued to be bid in Q2 around 9.25c/gal from phys and funds and in Apr were bid up to 9.80c/gal where we saw offers come in. Q4 arbs were offered again today, at the 3.85c/gal level. EBOB saw better spread bids this afternoon, with Apr/May up to \$8/t, Jun/Sep at \$50.25/t and Jul/Dec at \$121.50/t from refiner. We saw majors selling deferred cracks, in Q2 at \$19.81/bbl and Q3 cracks continued to be bid at \$16.80/bbl. In the East, we saw deferred E/W continued to be well offered in Q2 and Q3, at -\$7.75/bbl in Q2 and -\$7.20/bbl in Q3 by funds. We had some buying of the prompt E/W up to -\$7.70/bbl in the afternoon before retreating to -\$7.85/bbl. 92 spreads saw some selling in Apr/May at \$0.95/bbl and May/Jun at \$1.45/bbl from phys. Buying in deferred 92 came through cracks, with Q3 and Q4 well bid at \$9.45/bbl and \$6.60/bbl respectively from banks.

Naphtha

An inactive and thin afternoon in Naphtha where we saw NWE cracks settle at -\$7.25/bbl end window after seeing highs of -\$7.05/bbl with major and bank supporting on the buy side of cracks. Front spreads were sold into by end user and trade with Apr/May moving down 50c to \$11.50/mt and May/Jun at \$9.25/mt.

Deferred cracks saw little interest with Jun cracks well bid at -\$8.35/bbl, Q2 seeing selling at -\$7.70/bbl and the Q3/Q4 crack roll trading at higher levels of -\$0.12/bbl. Front E/W remained supported through the afternoon with major on the sellside at \$18.75/mt and May continuing to see buying, trading at \$17.5/mt.

NGLs

Another weak afternoon for domestic US LPGs. At the US open, in the physical Conway was hit at 73.50c/gal and ENT hit at 80c/gal. There was good bidding interest at this level but nevertheless, LST spreads weakened in the paper as a result. May/Jun traded down to 0.875c/gal and Apr/May traded to 1.75c/gal. Further out, Q2/Q3 was sold 1c/gal with US exporters offer side. Although the LST weakness was initially absorbed by the arbs as April LST/FEI traded down to -\$175/mt and Q4 at -\$189/mt, the arbs found buying interest here as FEI structure also weakened; Q2/Q3 FEI traded down to \$1/mt. With FEI spreads offered, FEI/CP sold down in the prompt, trading at -\$12/mt. It was a quiet window with a trade house offering \$558/mt NWE H2 March in the physical. European structure softened post window as Q2/Q3 NWE traded at 0.50c/gal.