

Flat Price

The May Brent futures contract is poised to end the week largely unchanged amid prices having coming off from \$86/bbl at 13:20 GMT to \$85.30/bbl at 17:20 GMT (time of writing). Following the United States urging Kyiv to stop its drone attacks on Russian refineries, Olha Stefanishyna – a Ukrainian deputy prime minister – stated that Russian oil refineries were legitimate targets for its forces from a military point of view. Russia launched the largest missile and drone attack of the war to date on Ukrainian energy infrastructure, causing blackouts in several regions. Elsewhere, Russia and China chose to veto a US-backed resolution calling for “immediate and sustained ceasefire” in Gaza on the grounds that the proposal gave Israel the green light to launch a ground offensive in Rafah. Finally, the front-month and six-month Brent spreads are currently at \$0.57/bbl and \$3.94/bbl, respectively.

Crude

This afternoon in dated continued to see the prompt come under pressure. Balmo DFL was sold at -\$0.35/bbl, the 2-5/4 4w roll is now offered at -\$0.07/bbl, whilst Apr was sold back down to \$0.39/bbl after turning a touch better bid earlier in the afternoon and again now post window. May was rangebound, trading \$0.70/bbl last, and Apr/May DFL -\$0.30/bbl. In the physical, a major continued to aggressively offer a Mid Apr cargo of Forties, lifted by a London trade house but cementing the physical diff firmly negative. 25-29/3 CFT continued to trade lower at \$0.05/bbl, and 1-5/4 CFD at \$0.13/bbl with British major selling.

Fuel Oil

Another quiet afternoon in HSFO, Chinese were buyers of May 380 FP, with May 380 cracks trading from -\$9.75/bbl to -\$9.65/bbl. Thin volatility on 380 E/W, with Apr trading between \$3.50/mt and \$4/mt.

Q3 E/W were bid, trading at -\$1.25/mt. 380 spreads were stable, with Apr/May trading at -\$1.25/mt and Jul/Aug/Sep fly buying at -\$2/mt in good volume. Barge cracks were range bounded, with Apr trading between -\$11.15/bbl and -\$11.10/bbl before buying up to -\$11/bbl at the end of the window. Aug/Dec24 barges traded at \$25.25/mt in large size. We saw Apr/May barge crack rolls selling in the window, trading at -\$1.25/bbl which equivalent to -\$3.75/mt spread level.

In VLSFO, we saw Apr Sing FP selling interests in the early afternoon and Chinese were sellers of May Sing FP which put pressure on the front Sing cracks, with Apr selling down from \$12.85/bbl to \$12.65/bbl. Front Sing spreads were a touch softer, with Apr/May trading down from \$4.25/mt to \$4/mt and May/Jun trading at \$6.50/mt. Euro cracks came down in line with Sing, with Apr trading down to \$6.55/bbl. There were second half Euro cracks buying, trading at \$4.15/bbl, putting pressure on Euro spreads, with Apr/May selling down from \$8/mt to \$7.50/mt by market makers and May/Jul trading at \$14.50/mt. Euro cracks then recovered to \$6.65/bbl in the window and the Sing cracks traded up in line, at \$12.75/bbl in Apr

Distillates

ICE gasoil spreads saw rangebound trading into the evening, with the Apr/May seeing a rally post-window from the lows of \$12.50/mt to \$13.50/mt, while the May/Jun rallied from \$9.25/mt to \$10/mt. The ICE gasoil cracks were similarly rangebound, with the prompt gasoil crack coming off into the afternoon but rallying into the evening post-window. The Apr crack is at \$24.80/bbl and the Q4 crack is at \$23.85/bbl. The European jet diffs also were rangebound, with the prompt trading up to \$42.75/mt but seeing selling interest at these levels.

The May diff similarly rallied to \$56.75/mt, while the Apr/Jun diff roll traded up to -\$20.50/mt, with Apr/May strengthening while the May/Jun diff roll came off. The HOGOs trended upwards from afternoon lows at the prompt, with the Apr swap up to 3.90c/gal and the Q4 swap weakened to 10c/gal.

Sing gasoil spreads saw strength into the afternoon before remaining rangebound through the evening. The Apr/May rallied to \$0.16/bbl before coming off to \$0.14/bbl into the evening while the E/W roll got hit down to -\$10.50/bbl on screen. The May/Jun traded between \$0.48/bbl and \$0.50/bbl through the afternoon. The E/W at the front of the curve was supported into the afternoon as the ICE spreads remained weak, but then came off into the evening despite the ICE gasoil spreads seeing a rangebound evening. The Apr E/W came off from -\$38.75/mt to -\$40/mt while the May traded down from -\$28.50/mt to -\$29/mt. The back-end E/W saw some buying interest, with H2 E/W trading at -\$26.50/mt post-window. Regrade traded up into the evening, with Apr getting lifted at -\$1.80/bbl on screen while the back end regrade saw the Q3 get hit down to -\$1.11/bbl post-window. The Apr/May Kero spread traded down to \$0/bbl from \$0.02/bbl, while the May/Jun regrade roll was hit down to -\$0.34/bbl post-window.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$24.20/bbl in Apr EBOB. RBBRs were stronger into the Euro window up at \$28.60/bbl handles, with arbs continuing to see selling in Apr at 11.90c/gal. Spreads saw little activity this afternoon, but May/Jun saw bids at \$17/mt and Apr/Sep was offered at \$88.75/mt. Q3 EBOB cracks saw offers at \$18.90/bbl and further selling came in Apr gasnaphs from real players at \$214/mt.

E/W gasoline in Q3 was offered at -\$7.95/bbl, but remained bid in May at -\$9.25/bbl, seeing buying from trade houses. Spreads in 92 saw offer side interest at \$1.80/bbl in May/Jun from phys, and interest to sell deferred 92 cracks, at \$11/bbl in Q3 from a bank, and \$7.85/bbl in Q4.

Naphtha

A quiet afternoon in Naphtha where we saw Apr NWE cracks being pushed up to -\$6.80/bbl this afternoon on a thin market and remaining at this level with major on the buy side of cracks. Apr/May firmed with cracks seeing better buying trading at \$16.25/mt post-window. Major and trade were on the sell side of Q2/Q3 spreads at higher levels, trading up to \$26/mt. Deferred cracks saw interest with Q3 seeing trade offers at -\$8.65/bbl. Front E/W morning strength retracing in the afternoon as Europe saw better buying, going from highs of \$11/mt down to \$9/mt in window with Apr/May E/W box seeing fund buying at -\$4.5/mt. MOPJ spreads firmed alongside Europe with Apr/May trading at \$11.75/mt and May/Jun at \$9.75/mt.

NGLs

An extremely quiet afternoon on NGLs with thin liquidity throughout. Initially at the US open, bids were hit in the physical and off the back of this in the paper, LST spreads weakened at the front of the curve with Apr/May trading down to 0.375c/gal. The weakness bled into butane as the prompt NC4 spread traded down to 1c/gal. Despite this, LST flat price remained bid down the curve into the second half of the afternoon and into the European window, strengthening on a crude percentage basis. Consistent arb bid interest from trade houses and banks helped to keep the LST flat price well bid and LST/FEI traded up to -\$170/mt from \$174/mt in April while further out Q3 arb traded up to -\$170.50/mt. FEI structure stayed fairly static after weakening this morning as Apr/May stayed trading at \$6.50/mt. E/W remained at the \$85/mt mark in the prompt as NWE structure was also stable, Apr/May traded at \$5/mt.

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

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