

Flat Price

The May Brent futures contract opened in the low \$85/bbl handles this morning before witnessing support take prices to \$85.75/bbl at 10:20 GMT (time of writing). The United States has urged Ukraine to stop its attacks on Russian oil infrastructure over concerns about rising global oil prices and possible retaliation from Russia. Indian refiners are reportedly declining to accept Russian crude transported on tankers owned by PJSC Sovcomflot, citing U.S. sanctions. In macroeconomic news, the US dollar strengthened on Mar 21 following a surprise interest rate cut by the Swiss National Bank which boosted global risk sentiment. Finally, the front-month and six-month Brent spreads are currently at \$0.58/bbl and \$3.90/bbl, respectively.

Crude

This morning in Dated we saw DFL's better bid, with Apr paid up to \$0.42/bbl as spreads rallied post-window, now trading a touch lower around \$0.39/bbl. May trades \$0.69/bbl last, a few cents up on yesterday, whilst weakness in prompt April continued. 8-12/4 2w roll was sold -\$0.08/bbl and offered over by MM, whilst the 1w roll is offered at -\$0.05/bbl. We saw a refiner selling of May into Jun rolls with 13-7/6 v Cal Jun lifted at \$0.44/bbl as May/Jun strengthens.

Fuel

A quiet morning in HSFO, with 380 spreads trading at unchanged levels, Apr/May 380 at -\$1.50/mt and May/Jun at \$2.25/mt. Visco were well bid before the window, with Apr buying up to \$20/mt. Then it turned to better offered, selling down to \$19.50/mt at the end of the window. 380 E/W traded between \$3.25/mt and \$3.50/mt in Apr on thin volatility. Barge cracks were weakened, with Apr trading down from -\$10.95/bbl to -\$11.15/bbl in Apr. Barge spreads were a touch softer, with Apr/May trading from -\$3.50/mt to -\$3.75/mt.

A strong morning in VLSFO, we saw buying interests on sing FP in the window, with the front Sing crack trading from \$12.60/bbl up to \$12.80/bbl at the end of the window. Sing spreads were supported, with May/Jun trading at \$6.75/mt and Jun/Sep buying at \$24/mt. Apr/May Sing were stable, trading between \$4.50/mt and \$4.75/mt. European structures were well bid down the curve, with Apr/May and May/Jun buying from \$7/mt up to \$7.50/mt respectively and Jun/Jul trading at \$7.25/mt. Apr Euro cracks bought up from \$6.20/bbl up to \$6.60/bbl. Sing crack were supported due to strengthened European structures, with Apr trading further up to \$12.95/bbl post window.

Distillates

ICE Gasoil spreads rallied into the morning, with Apr/May stronger at \$12.50/mt, off the highs of \$13/mt post-window while the May/Jun is also similarly stronger at \$9.75/mt from \$9.25/mt. The ICE Gasoil cracks similarly rallied into the end of the window before reversing a touch post-window. The Apr crack is at \$24.70/bbl and the Q4 crack is at \$24/bbl, both off opening lows into the morning. The European jet diffs saw the prompt remain rangebound, with Apr trading at \$41.50/mt, while the Apr/May jet diff roll traded up from -\$14.50/mt to -\$14/mt this morning. The Q2 jet diff traded at \$53/mt while the Q3 is seeing buying interest at \$62/mt this morning. The HOGOs remain rangebound at the front and a touch weaker in the back end this morning post-window, with Apr at 3.70c/gal and the Q4 swap is at 10.30c/gal.

Sing gasoil spreads saw buying interest at the front of the curve today, with the Apr/May trading up from \$0.10/bbl to \$0.12/bbl and the May/Jun spread stable at \$0.48/bbl. Deferred interest was seen in the spread curve, with the Jul/Aug trading at \$0.51/bbl with Aug/Sep at \$0.55/bbl, while the Jan/Feb and Feb/Mar traded at \$0.45/bbl and \$0.50/bbl respectively.

The E/W at the front was initially hit down to -\$41.50/mt on screen before it rallied into the end of the window to -\$39.50/mt, with May also trading up from -\$30.50/mt to -\$29.50/mt into the mid-morning. Little deferred interest was seen on the E/W curve this morning. Regrade saw the Apr get hit down from -\$1.51/bbl to -\$1.75/bbl in the morning, while the May also came off from -\$1.51/bbl to -\$1.65/bbl, with the Apr/May regrade roll weakening to -\$0.10/bbl. The Apr/May Kero spread came off, getting hit down to \$0/bbl, with back end spread interest seen this morning as the Sep/Mar Kero traded at \$2.50/bbl, as Oct/Nov and Nov/Dec interest was seen at \$0.62/bbl and \$0.65/bbl.

Gasoline

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to \$15.20/bbl on a crack basis in Apr 92. The MOC Apr/May roll was offered this morning, with the May MOC going well bid. 92 spreads felt well bid in the morning, with Apr/Jun getting lifted higher, with Apr/May trading up to \$1.43/bbl and May/Jun up to \$1.83/bbl. E/W in Apr was bid up from -\$9/bbl to -\$8.75/bbl, but saw offers come in from phys players post-window with E/W softening to -\$9/bbl. Cracks early morning saw bids in Apr up to \$15.25/bbl, but saw bank selling end-window at \$15.25/bbl. Sep cracks saw buyside interest at \$9.70/bbl. 92/MOPJ saw selling in Q2 at \$21.50/bbl and bids in Q3 at \$18.95/bbl from ref. RBBRs were at the \$28.30/bbl range this morning, with arb selling come in. Derivs were selling May arbs at 10.20c/gal and we saw trade selling Apr arbs at 11.70c/gal. EBOB spreads saw offer side interest on Apr/May up to \$8.75/mt and on Jun/Jul at \$19.25/mt from ref. May/Sep was offered at \$79.50/mt. May/Jul was bid from ref at \$36.75/mt. We saw little deferred EBOB crack interest this morning.

Naphtha

This morning in Naphtha we saw flat price valued at \$702.50/mt in Apr MOPJ, on a -\$5.95/bbl crack equivalent as the East saw recovery with good selling of 92vMOPJ and spreads seeing physical players aggressing on the bid side. Apr/May saw buying from \$11/mt up to \$11.75/mt post-window with trade lifting and Q2/Q4 spread had major buying up to \$39.25/mt. Q4 MOPJ crack seeing Chinese selling at -\$7.05/bbl. Front E/W saw recovery fueled by MOPJ spread buying, peaking at \$11/mt in Apr after closing at \$8.75/mt prior. In Europe, we saw NWE cracks soften into the window as crude crept upwards, leaving the front crack trading around -\$7.10/bbl with Apr/Jun NWE seeing refiner buying at \$25/mt.

NGLs

A quiet morning initially on NGLs with limited DCE flows as we head into the final day of the Taizhou City LPG conference although activity and liquidity picked up in the window. FEI structure softened in low liquidity early on, but once a bid was hit in the physical FEI spreads went well offered quickly; April/May traded down from \$8/mt to \$6.50/mt post window. May/Jun also fell to \$4/mt, further out Apr/Aug traded down to \$8/mt, and the E/W diff fell in line with this as April traded \$84/mt. CP outperformed FEI since prompt FEI/CP was implied lower from flat price at around -\$16/mt; CP spreads, however, still weakened in the morning as April/May traded down to \$29/mt & Jun/July traded at \$9.5/mt. Arbs were still bid continuing their momentum from yesterday evening as May LST/NWE traded at \$82/mt.

Global Macro

A surprise 25bp cut by the Swiss National Bank (SNB) was swiftly followed by a dovish Bank of England. The key BOE headline :

BOE: Expects inflation rate to fall below 2% in Q2.

Suddenly the market is now looking at the possibility of a May cut (OIS now pricing 8bp for the May meeting). The economy is in recession, the BOE admits policy is restrictive, and inflation has fallen from 11.1% in October 2022 to below 2% expectations in Q2 2024. Coupled with the SNB news this drove European yields lower, and by default European currencies lower and the dollar higher.

The dollar also benefitted from the U.S. data. Leading economic indicators had their first positive print in 24 months. While European economies struggle, the U.S. economy is notably stronger. The OIS market is starting to price more aggressive cuts from European central banks, and this will again strengthen the dollar.

New Zealand has also slipped into a recession