

Flat Price

The Jun Brent futures contract corrected to below \$90/bbl over the afternoon, falling to \$89.55/bbl around 17:00 BST where it found support and rallied to \$89.90/bbl at 17:25 BST. A Hamas official has reportedly said that no progress was made at a new round of Gaza ceasefire talks in Cairo. In other news, Sebastian Barrack, the head of commodities at hedge fund Citadel, stated that global oil markets are on track to be "extremely tight" in 2H'24 with prices rising to a level that may constrain demand unless OPEC loosens supply. In the US, despite high crude oil prices, a weak natural gas market is keeping shale drillers from big output increases, as per a report by Reuters. Finally, the front-month and six-month Brent spreads are currently at \$0.94/bbl and \$5.18/bbl, respectively.

Crude

A strong window for Dated after a relatively quiet afternoon. We saw Balmo well bid in the window with CFDs seeing strong buying. Balmo-ND trades \$1.86/bbl last, as CFDs were bid by Majors and trade houses. 15-19's were lifted from \$1.84/bbl to \$1.90/bbl – up another 35c from Friday, whilst 29-3/5 CFD saw buying up to \$2.25/bbl. We saw the prompt roll 15-19/4 1w roll lifted back up to \$0.12/bbl and bid on, whilst rolls further down the curve were also bid, with 7-10/5 1w paid at \$0.44/bbl, and Jun rolls consistently seeing interest from the buy-side. In the physical, we saw the same trade house bidding Forties and midland again, seeing the physical diff move higher once more. May DFL continues to be rangebound, trading \$1.37/bbl last – unchanged from the morning session, whilst May/Jun was better bid with the buying interest in the rolls, with the dated roll last trading \$1.33/bbl.

Fuel Oil

In HSFO, we saw Q3 380 crack buying interests on screen at -\$10.10/bbl. 380 E/W were well bid in Q3 as well, buying at \$3/mt which supported the front, with May trading up to \$9.50/mt.

380 spreads were a touch softer in the afternoon, with May/Jun trading at flat and Jun/Jul trading at \$2.75/mt. Barge cracks sold down -\$13/bbl in the early afternoon due to strengthened 380 E/W. There were scaled back Q3 barge cracks buying interests and 380 FP were bid by Chinese which lent support on the front crack, with May trading up to -\$12.80/bbl post window and Q3 buying from -\$10.60/bbl up to -\$10.40/bbl in good size on screen. Barge spreads came under pressure, with May/Jun trading at -\$4.50/mt and Jul/Aug trading at \$4/mt.

In VLSFO, Sing spreads were better offered down the curve, with May/Jun trading at \$2.75/mt and Jun/Sep selling at \$18/mt. May Sing crack sold down before the window, trading from \$10.25/bbl down to \$10.10/bbl. The front Euro cracks were well offered, with May selling down to \$4.30/bbl in decent volume by trade houses. Then Euro cracks started to recover in the window due to MOC hedging flows, with May buying up to \$4.40/bbl at the end of the window. The front Sing crack went up in line with Euro given Jun 0.5 E/W traded at \$40.50/mt level. Euro spreads were a touch softer, with May/Jun and Jun/Jul trading at \$6.25/mt respectively. Q3 0.5 E/W got sold at \$41/mt.

Distillates

ICE Gasoil spreads came off into the afternoon, with the May/Jun spread trading down to its opening level of \$6.75/mt after initially rallying up to \$7.75/mt early in the morning. The Jun/Jul spread traded down to \$4.50/mt from \$5.50/mt post the sing window. ICE Gasoil cracks came off this afternoon, with the May crack trading down to \$22.70/bbl from \$23.75/bbl and the June crack was hit down to \$23/bbl from \$23.50/bbl earlier in the morning. Continued interest was seen in the Q3/Q4 crack roll which traded lower at -\$0.40/bbl.

The European jet diffs continued trending lower this afternoon with May diff coming off to \$48/mt from \$50/mt at midday while the Jun diff traded down to \$56/mt. Down the curve, interest was seen in the Aug and Q3 diff at \$61.50/mt. The HOGOs rallied back up to today's opening level, with the May swap at 4.60c/gal and the Q4 swap at 9.75c/gal.

This afternoon Sing Gasoil spreads came off a touch, with the May/Jun spread been hit down \$0.37/bbl from \$0.41/bbl. The Jun/Jul spread traded down to \$0.42/bbl from \$0.47/bbl while the Aug/Sep spread seen strong interest on the buy-side around the \$0.45/bbl level. The prompt E/W firmed this afternoon, as freight came off a touch, trading back up to -\$28/mt from -\$29/mt post the Sing window, while the Jun E/W remained rangebound this afternoon trading around -\$26/mt. Down the curve, interest was seen in Q3 at -\$26.50/mt. The prompt regrade traded rangebound throughout the afternoon after a strong morning, trading around -\$1.60/bbl while the Jun regrade came off early in the afternoon been hit down to -\$1.50/bbl from -\$1.30/bbl. Continued interest was seen in Q3 at the -\$1.15/bbl level. In kero, the May/Jun spread saw buying interest at \$0.25/bbl.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$21.40/bbl in May EBOB. RBBRs ticked down to \$24.60/bbl handles in the Euro window, before falling to \$24.40/bbl post-window in Jun. EBOB structure was weaker this afternoon, with spreads trending down. Jun/Jul traded down from \$18/mt to \$17.25/mt, where we saw phys bids. May/Jun was offered down to \$12/mt, and Aug/Sep to \$23.25/mt. In the Euro window, we saw real players with bids on the Oct/Nov/Dec fly at \$7.25/mt. Arbs saw real buy-side interest at 10c/gal in May this afternoon, with some interest to buy deferred arbs in Q4.

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

insight@onyxcapitaladvisory.com

We saw crack selling in EBOB prompt in the Euro window between \$21.35/bbl and \$21.40/bbl, but limited activity in deferred EBOB this afternoon. Gasnaphs in Europe had real sell side interest this afternoon, at \$235/mt. E/W was offered this afternoon at -\$10.40/bbl, as in the morning, deferred cracks in 92 were still offered this afternoon on screen, down to \$9.40/bbl post Euro-window, and Jun/Sep 92 bid at \$4.45/bbl from majors.

Naphtha

This afternoon in naphtha we saw a supported window helped along with weaker crude, leading May NWE cracks to remain trading around -\$11.85/bbl by end window. Post-window saw crack selling putting further downward pressure on the crack with crude dropping further. Front spreads saw selling in the window by physical, May/Jun and Jun/Jul both trading at 5.50/mt. In the deferred, we saw trade on the buy side of Q3 cracks trading up to -\$11/bbl end window. Front E/W remained supported throughout out the afternoon with fund buying, trading up to 15.50/mt with front MOPJ crack seeing good selling up to -\$10/bbl.

NGLs

A more muted afternoon on NGLs after the big moves in butane at the back end of last week. Bids were hit in the Physical at the US open initially although got lifted as crude went higher into the afternoon. May/July LST traded at 0.75c/gal as propane domestic structure weakened. Butane continued to come off from its highs last week in the Balmo bucket as the Balmo April/May spread was bid at 2 c/gal. Arbs firmed a touch on international weakness with -\$187/mt trading in Q4LST/FEI and -\$185/mt trading in Jun. FEI continued to soften from the morning with FEI/CP trading at \$19/mt in the prompt. Into the window, the Balmo European contract was better bid helping the balmo NWE spread to retrace up to flat, further out into Q3 however spreads softened with Jun/August trading down to -\$6.50/mt.

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

insight@onyxcapitaladvisory.com