

Flat Price

June Brent futures flat price maintained strength in the \$90/bbl handles this morning. Initially prices hovered around \$90.20/bbl during the early hours, before support has seen price action push towards the \$91/bbl mark, printing at \$90.76/bbl at 11:20 BST. Independent Chinese refineries cut bitumen blend imports by 30% in March. China's total crude imports fell by 6.23% from levels one year ago, equating to 49.05 million mt or 11.55mbbls/d. Nonetheless, total Chinese crude imports for Q1 increased by 0.7% to 137.4 million mt. Russian forces have shot down four more Ukrainian drones near the town of Novoshakhtinsk in Russia's Rostov region. The IEA warns that attacks on Russian plants could disrupt the diesel market with around 500-600kbbbls/d offline, with damaged refineries requiring between 4-8 weeks of repairs. Finally, the front-month and six-month spreads are currently at \$0.90/bbl and \$4.89/bbl, respectively.

Crude

A quiet morning for dated. 15-19/4 1w rallied, paid up from \$0.30/bbl to \$0.40/bbl whilst 22-26/4 1w was aggressively offered down to \$0.30/bbl from \$0.38/bbl in the morning by trade. May DFL initially sold off, trading down 10c to \$0.95/bbl before turning better bid to last print \$1.10/bbl whilst Jun continued to remain better supported, only sold down to \$0.94/bbl in the morning and now trading around \$1/bbl. May/Jun was initially offered, printing lows of \$0.04/bbl on the DFL roll, although last trades \$0.10/bbl with a size buyer of the Dtd roll coming out and stronger spreads. 7-10/5 2w continues to show weakness trading \$0.40/bbl, whilst 29-3/4 1w was firmer, trading \$0.28/bbl and now bid over at \$0.30/bbl.

Fuel

In the morning, before the window we saw 380 FP buying down the curve from the Chinese resulting in the May 380 crack trading up from -\$11.88/bbl to -\$11.60/bbl post window. The FP buying supported the 380 E/W which strengthened to \$13.75/mt from \$11.25 /mt, this was further supported by 380 FP buying in the window.

The front 380 spreads were also fairly well bid, with May/Jun and Jun/Jul strengthening \$0.25/mt through the morning. Both 180 and 380 MOC were well bid in the window with May 180 MOC trading +\$0.20 /mt and May 380 +\$0.15/mt towards the end of the window. Barge cracks strengthened up to -\$13.80/bbl in the front during the window due to scaled back deferred barge crack buying with Q3 trading at -\$11/bbl.

In VLSFO, prior to the window there was a fair amount of Sing crack trading with sell side interest with the front crack trading down to \$9.93/bbl from \$10.40/bbl, following the window it was fairly rangebound between \$9.95/bbl and \$10.05/bbl. There was deferred selling interest in the Jan Sing crack from a major trading at \$9.75/bbl. It was a quiet morning for Sing spreads, as the front spreads traded rangebound, with May/Jun trading between \$2.50/mt and \$2.75/mt and Jun/Jul trading between \$4.75/mt and \$5/mt. On the Euro 0.5%, it was a very quiet morning with mostly FP and cracks trading towards the front of the curve. The May Euro cracks were offered in the early morning by trade houses, trading around \$4.20/bbl. Post window it traded rangebound between \$4.15/bbl – \$4.30/bbl. The 0.5 E/W were well bid with May trading at \$36.75/mt.

Distillates

ICE Gasoil spreads were stronger this morning, with the May/Jun spread trading up to \$3.75/mt from \$2.50/mt at the open and the Jun/Jul spread was higher at \$3.00/mt. ICE Gasoil cracks strengthened throughout the morning with the May crack been lifted up to \$22.10/bbl from \$21.50/bbl. Interest was seen in the May/Jun crack roll at -\$0.50/bbl while in the deferred, the Q1'25 crack traded around \$23.80/bbl and Q2'25 around \$23.35/bbl. A quiet morning was observed in the European Jet diff Market. The May diff was better offered this morning at \$52.00/mt while the Jun diff was at similar levels seen yesterday, trading at \$57/mt. In the deferred, small interest was seen in the Jan'25 diff at \$61.75/mt.

The front HOGOs were slightly lower with the May swap at 4.2c/gal while the Q4 swap was unchanged at 9.1c/gal.

This morning we have seen Sing gasoil structure firm, with the May/Jun spread been lifted up to \$0.34/bbl from \$0.24/bbl at the open while the Jun/Jul spread traded up to \$0.35/bbl from \$0.32/bbl. E/W traded lower this morning with a stronger ICE, the prompt E/W initially traded at -\$25.50/mt but has come off to -\$27.00/mt post the window. The Jun E/W traded down to -\$26.75/mt from -\$25.50/mt while down the curve the may Q1'25 E/W saw interest around -\$22.25/mt. A strong morning was seen in regrades, with the May regrade trading up to -\$1.55/bbl from -\$1.70/bbl but has since come off a touch to -\$1.60/bbl. The Jun regrade was lifted up to -\$1.40/bbl on screen and the Jun/Jul regrade roll traded at -\$0.10/bbl indicating the Jul regrade at -\$1.40/bbl.

Gasoline

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to \$12.90/bbl on a crack basis in May 92. Phys was bid this morning in the window, with MOC bid as well in May. We had some phys spread buying in the morning, with May/Jun bid up to \$1.75/bbl, and the Bal spread bid up to \$1.35/bbl. Jun/Sep 92 saw selling at \$5.20/bbl post-window, We saw banks on the buy side of 92 cracks in May around \$13/bbl and in Jun up to \$12.25/bbl. Refiners continued to see interest on the buy side of May and Jun 92/Dubai cracks this morning. 92/MOPJ saw strong selling in the prompt at \$24.40/bbl and \$23.30/bbl in May and Jun respectively from real players, but also in Q3 at \$21.05/bbl. RBBRs were stronger this morning, ticking up to \$26.20/bbl post-window, and we saw arb buying in May at 8.80c/gal and in Jun at 8.50c/gal post-window, with funds and trade houses on the bid. Spreads in EBOB trended higher this morning, with May/Jun bid up to \$13.75/mt and Jun/Jul up to \$19.75/mt.

We saw phys players offer on these spreads up at these levels. We had real players selling Q3 cracks between \$18.85/bbl and \$19.15/bbl this morning. Deferred gasnaphs were bid, with Q3 seeing real buying at \$215/mt.

Naphtha

This morning in naphtha we saw flat price valued at \$702.50/mt in May MOPJ, on a -\$10.65/bbl crack equivalent as the East firmed with MOPJ spread buying along with NWE cracks being pushed up by physical players. Front spreads in MOPJ saw trade buying with May/June MOPJ getting lifted at \$5.50/mt and Jun/Jul at \$6/mt post-window. Front E/W remained supported with spread buying as well as fund and trade on the buy side with May trading at \$17.50/mt and Q4 trading at \$13/mt. NWE cracks saw buying from the open with a size buyer of Jun cracks trading at -\$12.20/bbl, leaving the May to trade up to -\$12.50/bbl. Deferred cracks saw offers with Q3 trading at -\$11.75/bbl and Q4 at -\$11/bbl.

NGLs

A slightly more supported International LPG market this morning; prompt FEI structure stopped selling off and saw better support helping FEI/CP to stay trading at the \$13/mt handle in May bid up to \$13.50/mt post window. Low FEI/MOPJ levels, with May trading at \$100/mt and Q4 at \$47/mt, helped FEI flat price stay bid. Spreads firmed up in the prompt, May/June FEI trading up to \$2/mt then to \$2.25/mt while the EW diff stayed trading at \$86/mt in May. Arbs softened on the firmer FEI from -\$185/mt in Q3 and \$181/mt in May. At the end of the window, May FEI bids at \$602/mt were hit rapidly in decent volume helping structure soften a touch with July/Nov FEI trading at -\$25/mt.

Global Macro

Gold surges again to another ATH, with silver up 2.6% on the day but at \$29.10 it's a long way off its \$49.80 peak in 2011 (that was an interesting bubble \$8 to \$49 in 18 months and burst when exchanges increased margin requirements).

More dollar strength with key EURUSD support broken (EUR makes up 58% of the dollar index).

After the ECB meeting there's a whole host of dovish comments from ECB members

ECB's Lagarde Says 'a Few' Were Ready to Cut Rates Today

ECB's Stournaras: There's a risk inflation will undershoot 2%.

ECB's Kazaks: Will cut in June if nothing surprising happens.

More positive commentary about the Chinese economy, with it being attributed to increased demand for commodities.

Iron ore heads for 10% weekly surge as China outlook improves.

Also an interesting correlation of the S&P commodity index and China imports (clearly recovering).

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

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