

Flat Price

Prompt Brent futures flat price has witnessed a mixed afternoon period, struggling to support itself above the \$90/bbl mark. This was evidenced as twice prices passed the \$90/bbl threshold before retracing lower. Price action initially hit lows of \$89.42/bbl at 14:00 BST, before finding support to reach highs of \$90.32/bbl at 16:40 BST. However, since then prices have dipped once more to print at \$89.91/bbl at 17:10 BST. The EIA has reported that China imported a record amount of 11.3mbbls/d of crude oil in 2023 (+10% y-o-y), with Russia becoming the top provider, supplying 19% or 2.1mbbls/d of China's crude oil imports. BP has initiated oil production at the new Azeri Central East (ACE) offshore platform in the Caspian Sea. It is expected to process up to 100kbbls/d and have a lifetime production of 300mbbls. Bullish oil options surged to a record high following Israel's pledge to retaliate against Iran's missile and drone attack, with almost 350,000 calls on Brent crude traded on Monday, surpassing the previous record set in 2019. The front and 6-month Brent futures spreads are at \$0.77/bbl and \$4.54/bbl, respectively.

Crude

Structure continued to weaken in the afternoon in Dated, with 29-3/5 1w and 7-10/5 1w both sold to \$0.05/bbl, whilst 29-3/5 v Cal May last trades \$0.15/bbl. We saw a touch of strength into the window, with May DFL lifted back up from \$0.74/bbl to \$0.85/bbl, now trading a touch lower at \$0.82/bbl. May/Jun DFL continues to trade around -\$0.07/bbl with Jun trading \$0.89/bbl last. We saw good buying interest in deferred May and Jun rolls post window, with 20-24/5 v Cal Jun lifted at \$0.73/bbl, whilst the 3-7/6 3w roll was lifted at \$0.64/bbl and bid on. In the window, the physical began well offered across Forties and Midland, although the same GVA trade we have seen buy-side lifted four cargoes, one of Midland and three Forties supporting the diff around \$0.70/bbl.

Whilst another cargo of Oseberg was lifted by a French major. We saw the same trade house a good buyer of CFD's in the window, lifting 29-3/5 CFT at \$0.85/bbl and continuing to bid on after getting hit several times, whilst 13-17/5 CFD saw trade, refiner and MM buy-side interest lifted at \$0.78/bbl.

Fuel Oil

In HSFO, it was a relatively quiet afternoon in 380. There was some subdued interest on spreads down the curve, however the interest was mixed resulting in the May/Jun 380 spread trading at \$1.50/mt the whole afternoon. There was a similar story on the cracks, with very little action. There was some activity on the front 380 crack earlier on in the afternoon with the May 380 crack trading at -\$10.25/bbl. It was more eventful on the 3.5 Barges, with sell side interest in the barge crack resulting in it selling down to -\$12.50/bbl from -\$12.25/bbl. There was also Q3 barge crack selling at -\$10/mt which put further pressure on the front crack. The spreads were slightly weaker as a result with May/Jun Barges trading down to -\$4.25/mt from -\$4/mt. The slightly weakened Barge crack supported the 380 E/W which trading up to \$13.75/mt from \$12.75/mt.

It was a busy afternoon for VLSFO, with significant volume going through on both the May Euro Crack and May Sing Crack. It was mixed interest in both cracks as they trade sideways with the Sing crack trading between \$11.25/bbl and \$11.35/bbl and the Euro Crack between \$4.95/bbl and \$5.05/bbl. The Chinese came out this afternoon buying Sing 0.5 flat price, however not in significant size to heavily impact the Sing crack. Although we saw some spread buying down the curve, it was fairly suppressed with the May/Jun Sing trading at \$3.75/mt throughout the afternoon, before ticking up to \$4/mt later. The May/Jun Euro 0.5 trades a touch softer, down to \$6.75/mt from \$7/mt.

Distillates

ICE gasoil spreads traded higher this afternoon, with the May/Jun spread trading up to \$0.25/mt from lows of -\$0.50/mt. The Jun/Jul spread rallied up to \$1/mt from \$0.25/mt. ICE gasoil cracks initially traded lower this afternoon before rallying after the window. The May crack traded down to \$20/bbl but has since rallied up to \$20.70/bbl. The Jun crack was lifted up \$21.40/bbl post the window while down the curve, interest was seen in Q1'25 at \$23.10/bbl. A strong afternoon was observed in the European jet diff market, with the May diff trading higher at \$55/mt from \$52.50/mt. The May/Jun diff box traded at -\$3.75/mt, indicating the Jun diff at \$58.75/mt while in the deferred, interest was seen in the Sep diff at \$62.50/mt. HOGOs were unchanged this afternoon with May swap around 4.50c/gal and the Q4 swap around 8.70c/gal.

This afternoon, we saw Sing gasoil spreads continue lower, with the May/Jun spread trading down to \$0.07/bbl from \$0.15/bbl at the end of the Sing window. The Jun/Jul spread was hit down to \$0.15/bbl but has strengthened a touch to \$0.17/bbl. E/W came off this afternoon due to Eastern weakness with May E/W trading back down to -\$27.25/mt from -\$25.25/mt. Jun E/W came off to its opening level -\$27/mt after trading up to -\$26/mt this morning. In the deferred, Q3 traded at -\$27.25/mt and Q4 at -\$26.25/mt. The prompt regrade was better offered this afternoon, trading a touch lower at -\$1.45/bbl from -\$1.40/bbl while the Jun regrade was hit down to -\$1.27/bbl after the window. Strong combo buying was seen in Q3 which pushed the Q3 regrade higher to -\$0.90/bbl. In kero, the May/Jun spread continued lower trading down to -\$0.18/bbl but has strengthened to -\$0.14/bbl post the window.

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

insight@onyxcapitaladvisory.com

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$24.10/bbl in May EBOB. RBBRs continued their rally into the afternoon, up to \$26.40/bbl in Jun in the Euro window and up to \$26.80/bbl. Arbs saw strong selling this afternoon, between 7.30c/gal and 7.40c/gal in May, and sticky selling between 3.75c/gal and 3.70c/gal in Q4, from real phys players. We saw spread buying in EBOB today, with Jun/Jul up to \$20.50/mt and Jun/Sep at \$66.50/mt. Oct/Nov saw Majors buying at \$23.75/mt. May/Jun rallied up to \$15.50/mt where refiner offers came in. Q3 cracks saw more offer side interest in the afternoon, having been bid this morning, at \$19.50/bbl levels, and we saw front cracks still bid end window. Gasnaph selling was strong in Jun today up to \$247/mt, but also from real players in Q3 at \$216/mt and Q4 at \$128/mt. A thin afternoon in the East, with May/Jun bid from ref at \$1.70/bbl and E/W still bid in Jun at -\$10.70/bbl. We had some selling of May 92/MOPJ at \$23.80/bbl, however little deferred 92 activity.

Naphtha

This afternoon in Naphtha we saw May NWE cracks reach highs of -\$11.40/bbl, continuing from the morning strength before turning better offered as we approached the window, settling at -\$11.80/bbl end window with physical players on the sell side. Gasnaph offers down the curve providing support for cracks. Deferred naphtha saw selling with Q4 NWE cracks trading at -\$10.90/bbl. Front spreads followed cracks with May/Jun trading up to \$8.50/mt before seeing major selling down to \$7.75/mt with deferred spreads relatively unchanged. With Europe strength, we saw E/W weaken, trading in the front \$17.50/mt down to \$16/mt but found good bank buying in Q3 at \$16/mt. MOPJ spreads finding more liquidity with major and market makers bidding in the afternoon, May/Jun and Jun/Jul both trading at \$6.75/mt.

NGLs

An active afternoon for arbs on NGLs today. Initially bids were hit in the phys helping LST spreads soften and flat price go offered; the Q3/Q4 LST spread traded at -2c/gal while the May/Jun spread traded briefly at flat before firming to 0.125c/gal. Off this weakness, the May LST/FEI arb traded down to -\$186/mt. Over the afternoon, however, offers were lifted in the physical and spreads and arb boxes went better bid – the June arb traded up to -\$180/mt up from -\$183/mt this morning. Butane weakened relative to propane with 14.25c/gal trading in Q4 C4/C3 ENT; although spreads weakened down to -2c/gal in the deferred Q3/Q4 spread, in the prompt May/June ENT C4 spread, 0.625c/gal proved a point of resistance. Internationally, FEI spreads stayed firm bid up to \$4/mt in May/Jun post window; despite this, the E/W diff traded lower at \$87/mt as the NWE spreads firmed to -\$0.50/mt in May/Jun from -\$1/mt yesterday.