

Flat Price

The June Brent futures flat price has witnessed a mixed afternoon, with price action initially strengthening to reach a peak of \$89.82/bbl at 13:15 BST, before weakening to a low of \$88.83/bbl at 15:50 BST. Since then, prices have seen another uptick to \$89.50/bbl handles at 17:05 (time of writing). ExxonMobil's CFO said he expects the FTC to approve its \$60 billion acquisition of Pioneer by the end of June despite increased government scrutiny of corporate mergers. The deal would make Exxon the biggest crude producer in the Permian Basin, accounting for 15% of the region's overall output. In other US oil news, Phillips 66 missed quarterly profit estimates due to a decline in refining margins led by underperformance at its Gulf Coast operations, which saw its realised margins in Q1 slumping about 47% from a year earlier to \$10.91/bbl. ADNOC has also announced its intention to buy Iraqi oil and upgrade its Ruwais refinery to process heavier and cheaper crudes like Iraqi grades as it plans to export more supplies of its own more valuable and lighter Murban. Additionally, Saudi crude production rose by 55kbbbls/d to reach a 7-month high. The front and 6-month Brent futures spreads are at \$1.25/bbl and \$5.12/bbl.

Crude

Initially a very quiet afternoon in Dated, with minimal trading. 29-3/5 1w was paid at \$0.27/bbl and bid over with May DFL trading rangebound between \$1.14/bbl and \$1.16/bbl.

We then saw the 7-10/5 3w roll sold at \$0.73/bbl by GVA trade, aggressively through the curve, in turn seeing bids across prompt May rolls disappear, May/Jun Dtd sold from \$1.05/bbl to \$1/bbl and the front roll hit at \$0.27/bbl and offered over. However, the weakness was short lived and May/Jun Dtd rebounded to \$1.05/bbl in the window, with CFD's also well bid – spreads holding up the whole time. 20-24/5 CFD was paid at \$0.83/bbl and \$0.85/bbl, whilst the 13-17/5 CFD trades \$1.05/bbl. May DFL found lows of \$1.08/bbl throughout, again rebounding and bid at \$1.11/bbl. In the physical, one cargo of Ekofisk was lifted by GVA trade, whilst a cargo of Midland was offered, neither enough to change the physical diff.

Fuel Oil

In HSFO, interest was mixed on the 380 spreads this afternoon, with both the May/Jun and Jun/Jul 380 trading at \$3.50/mt and \$5.75/mt during the afternoon. We saw more interest on the Jun 380 crack this afternoon as opposed to the front crack, trading at -\$7.90/bbl. Barge spreads opened the afternoon slightly better offered, with May/Jun barges selling down to -\$2.75 from -\$2.50/mt. The barge crack saw rangebound price action, trading between -\$10.75/bbl and -\$10.65/bbl. The May 3.5 E/W traded up to \$16.50/mt from \$16/mt.

In VLSFO, the Sing spreads traded rangebound through the afternoon. The May/Jun Sing spread opened the afternoon at \$5.50/mt until before the window. However, in the window, spreads were lifted and bought up to \$5.75/mt in decent size post window. It was a similar story for the Sing crack, in particular the front crack, with May Sing crack traded at roughly \$10.90/bbl before turning better bid in the window buying up to \$11.20/bb. Euro spreads were offered down the curve, however there was interest on the bid, resulting in May/Jun Euro trading rangebound at \$4.75/mt throughout the afternoon. The Euro cracks traded softer this afternoon selling down to \$4/bbl from \$4.20/bbl. Q3 Euro crack was offered in significant volume trading at \$4.20/bbl adding pressure to the front Euro crack. The combination of Sing 0.5 strength and Euro 0.5 weakness supported a 0.5 E/W rally, buying up to \$45/mt from \$43/mt.

Distillates

ICE gasoil spreads remained rangebound, with the May/Jun spread traded in a range between -\$3/mt to -\$2.25/mt and the Jun/Jul traded around -\$1.50/mt. ICE gasoil cracks came off early in the afternoon before recovering. The May crack came off to \$17.35/bbl from \$17.85/bbl before rallying back to \$17.65/bbl. The Jun crack was hit down to \$18.60/bbl from \$19.20/bbl but has since traded back up to \$18.80/bbl.

The prompt European Jet diff traded a touch higher at \$53.75/mt. The May/Jun diff box traded at -\$1.25/mt, indicating the Jun diff at \$55/mt and The Jul diff came off trading down to \$56/mt from \$57.50/mt. Another sideways afternoon for the HOGOs, with the May swap unchanged at 5.40c/gal and the Q4 swap at 8.80c/gal.

A mixed afternoon was seen in Sing gasoil. The May/Jun spread remained rangebound around -\$0.11/bbl. The Jun/Jul spread was volatile with it been lifted up -\$0.08/bbl from -\$0.11/bbl early in the afternoon before been hit down to -\$0.17/bbl before the window. The prompt E/W traded lower at -\$29.75/mt before rallying back up to -\$29/mt. Interest on the buy side was seen in the May/Jun box at \$1/mt, indicating Jun E/W around -\$30/mt. Down the curve, the Q3 E/W traded at -\$30.75/mt and Q4 at -\$27.75/mt. The prompt regrade was unchanged from this morning at -\$1.70/bbl. The Jun regrade traded around -\$1.45/bbl while no activity was seen in the deferred tenors. In kero, May/Jun traded a touch higher at -\$0.38/bbl.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$23.70/bbl in May EBOB. RBBRs ticked down over the afternoon to \$25.60/bbl handles in the Euro window in Jun.

We saw buying of arbs this afternoon in May between 7.95c/gal and 8c/gal, and in Sep we saw fund selling at -7.20c/gal. May/Jun crack rolls were bid at \$0.87/bbl today from funds, and in the deferred we saw Q1'25 crack selling at \$9.40/bbl. Gasnaphs saw stronger selling from refiners in Q3 at \$210/mt and in Q4 also at \$128/mt. We saw some interest to buy Jun/Dec 92 this afternoon from phys players at \$9.72/bbl. Cracks in 92 hovered around the \$13.50/bbl mark, and E/W saw strong selling in Q3 at -\$9.15/bbl.

Naphtha

This afternoon in naphtha we saw May NWE cracks continuing to see better buying with fund and bank buying, leading the crack to trade to from -\$10.15/bbl up to highs of -\$9.65/bbl before settling at -\$9.95/bbl end window, tracking crude movements. Nap structure remaining strong with buying of spreads as Q3 crack sellers stepped down to -\$10.80/bbl, May/Jun NWE up more than a dollar to \$13.25/mt. Q3 gasnaph selling preventing deferred cracks falling further and backend saw support with Cal25 cracks still seeing buying by trade at -\$10.45/bbl. E/W continuing to get offered down off the back of propane flows with May24 trading down to \$13/mt with deferred continuing to see buying with Q4 trading at \$13/mt.

MOPJ spreads were unable to keep up with the buying of Europe with May/Jun last trading at \$12/mt.

NGLs

A firmer afternoon for US domestic LPG as flat price strengthened over the afternoon on a crude percentage basis; arbs were supported bid up from -\$198/mt to -\$194/mt by the end of the afternoon in May. Deferred Arb boxes weakened too as Q4 LST/FEI was bid up to -\$194/mt. Q3/Q4 LST weakened in line with the arb box, trading down to -2.75c/gal, with much of the weakness in the Sep/Oct LST spread which traded down to -1.625c/gal while further out the Q4/Q2'25 spread was bid at 8c/gal. Butane outperformed propane slightly as the May C4/C3 diff firmed to 12c/gal in the prompt; butane spreads firmed out of the prompt too with May/Jun trading up to 0.375c/gal. Internationally, deferred pronap levels rose although naphtha was supported, Q4 FEI/MOPJ traded up to -\$42.50/mt. A quiet window saw E/W briefly bid to \$95/mt in the prompt but it saw good sell side interest at this level.