

Flat Price

The Brent futures flat price for the prompt contract has witnessed a mixed morning. Price action initially strengthened to reach a peak of \$89.68/bbl at 08:15 BST, before retracing to below the \$89/bbl mark, printing at \$88.97/bbl at 10:05 BST. Since then prices have seen another uptick back into \$89/bbl handles. TotalEnergies has reported an adjusted net income for Q1 of \$5.11 billion, down from \$6.54 billion a year prior, yet above analyst expectations of \$5.0 billion. CEO Patrick Pouyanne also stated that "there's a case" to move the company's listing from Paris. Moreover, he remains positive that Namibia's oil potential could match Guyana in the future, aiming to approve its first oil development at the Venus discovery in Namibia by the end of 2025. Repsol has signed a deal with Petroleos de Venezuela to acquire two new oil fields, Tomoporo and La Ceiba, which contain more than 5 billion barrels of oil and are expected to produce 20kbbbls/d in the next few months. The front and 6-month Brent futures spreads are at \$1.18/bbl and \$4.99/bbl, respectively.

Crude

Another slow morning in Dated, where we saw DFL's soften a touch in line with spreads weakening after rallying yesterday evening. May opened trading \$1.22/bbl, now trading \$1.15/bbl, with Jun 4c down from its highs to trade \$0.91/bbl. There was Sing sell side interest in Jun/Aug DFL roll, sold at \$0.10/bbl in good size, whilst Jun/Jul Dtd saw some better buying early in the morning.

It was lifted from \$0.84/bbl to \$0.87/bbl, now offered there equivalently on the DFL roll at \$0.08/bbl. 13-17/5 v Cal May trades \$0.06/bbl and 7-13/5 v Cal May \$0.25/bbl for small size, relatively unchanged from yesterday.

Fuel

In HSFO, 380 structure was a touch softer this morning. May/Jun and Jun/Jul 380 were better offered selling down to \$3.50/mt and \$6/mt respectively. We saw 380 crack being bid in the market from a fund, however crude coming off and flat price buying resulted in the crack coming off. The Jun 380 crack traded down to -\$7.90/bbl from -\$7.70/bbl. It was a fairly busy morning on the 3.5 barge crack. The barge crack opened at -\$10.80/bbl before buying up to -\$10.60/bbl later on the morning. We also saw Q3 barge crack buying up to -\$9.10/bbl which supported the front barge crack. We saw some interest on the May/Jun barge crack roll at -\$1.22/bbl. Furthermore, there was 180 Sing Hi5 selling later in the morning which further supported the front barge crack. It was a relatively quiet morning for barge spreads, with May/Jun barges trading at -\$2.50/mt on this liquidity. Jun/Jul barges traded up to \$1.75/mt from \$1.50/mt on a bit more liquidity than the front spread. We saw some weakness on the 380 E/W which sold down to \$16.25/mt from \$17/mt.

In VLSFO, it was a strong morning to end the week on Sing 0.5 with both cracks and spreads better bid.

May/Jun Sing opened the morning trading at \$5/mt before buying up to \$5.50/mt. The interest in the front Sing crack was mixed, trading rangebound between \$10.65/bbl and \$10.70/bbl prior to the window. The May Sing crack turned better bid heading into the window, buying up to \$11.05/bbl by the end of the window. It was a quiet morning for Euro 0.5. The front crack was stronger on very thin liquidity, opening the morning \$3.75/bbl, before buying up to \$4.25/bbl. The Euro crack rally was most likely supported by a softer May 0.5 E/W, which sold down to \$43/mt from \$43.50/mt.

Distillates

ICE gasoil spreads remained rangebound, with May/Jun trading in a range of -\$2.75/mt and -\$2.50/mt and Jun/Jul around -\$1.50/mt. ICE gasoil cracks were a touch higher, with the May crack trading up to \$17.85/bbl from \$17.70/bbl. The Jun crack was higher at \$18.80/bbl while in the deferred, the Cal'25 crack traded up to \$21.80/bbl from \$21.40/bbl yesterday. A quiet morning was seen in European Jet diffs. Small interest was seen in the May diff around \$53.50/mt and the Jul diff around \$57.50/mt. The front HOGOs were unchanged this morning, with the May swap at 5.40c/gal while the Q4 swap was higher at 8.80c/gal.

A mixed morning was seen in Sing gasoil. The May/Jun spread traded down to -\$0.10/bbl from -\$0.07/bbl. The Jun/Jul spread traded rangebound around -\$0.11/bbl. Interest on the sell side was seen in the May/Jun/Jul fly at flat.

The prompt E/W came off this morning, trading down to -\$29/bbl at the end of the window from -\$27/mt at the open. It traded higher at -\$28.50/mt after the window. The Jun E/W traded down to -\$29.75/mt while in the deferred, interest was seen in Q4 at -\$27.25/mt. Regrades were stronger this morning, with the May regrade trading higher at -\$1.70/bbl from -\$1.90/bbl. Interest on the buy side was seen in the May/June regrade roll around -\$0.25/bbl indicating the June regrade at -\$1.35/bbl. No activity was seen down the curve. In kero, May/June traded around -\$0.40/bbl and June/July at -\$0.38/bbl.

Gasoline

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to \$13.45/bbl on a crack basis in May 92. We saw funds and phys on the sell side of 92 spreads this morning, especially July/Sep at \$3.45/bbl, and majors on the sell side of June/July at \$1.80/bbl. Q3 cracks were offered again today, at \$10.60/bbl from trade. E/W was better bid in the prompt at -\$10.40/bbl in May, and we saw phys bidding Q4 E/W this morning at -\$2.15/bbl. RBBRs were weaker this morning, down from \$26.15/bbl to \$25.80/bbl handles post window. We saw spread selling in EBOB, with May/June being sold down to \$14.50/mt from refiners, and June/July seeing selling at \$19/mt. Although we saw small selling of May cracks post window at \$23.75/bbl, we saw more deferred crack selling this morning with Q3 offered at \$19.70/bbl handles.

We had arb selling, with May seeing trade houses selling down to 8.05c/gal, along with Q4 arbs seeing selling at 3.55c/gal.

Naphtha

A supported morning in naphtha where we saw flat price valued at \$707/mt in May MOPJ, on a -\$8.50/bbl crack equivalent with the East softening relative to Europe. Front MOPJ spreads seeing offers by physical with May/June trading from \$12/mt down to \$11.50/mt with June/July down to \$9.50/mt. May/June NWE strengthened going bid on at \$12.25/mt but saw deferred structure weaker with deferred cracks bid (Cal'25 seeing buying at -\$10.50/bbl) leaving bank buying June/Dec from \$38/mt down to \$36.75/mt. LPG players were sell side of E/W hitting the front from \$16/mt down to \$15/mt post window. Front Europe cracks saw little price action, initially opening at -\$10.10/bbl and seeing better buying post-window, pushing the crack to -\$10/bbl.

NGLs

An uncertain morning on NGLs after the May CP settles were announced last night ahead of schedule at \$580/mt for C3 CP and \$585/mt for C4 CP. There was very limited deferred CP activity this morning but out of the prompt, June/July CP opened at \$7/mt then gapped down to \$4/mt before firming post window. June FEI/CP firmed to \$48/mt (again softening post window) and the June/July FEI/CP box traded at -\$4/mt.

US flat price was bid in small volumes in the morning and arbs were bid too with H2 LST/FEI bid at -\$195/mt. Though physical bids were seen in the window, with FEI/CP at high levels, FEI flat price was hit end window at \$607/mt then \$606.50/mt. FEI spreads stayed rangebound over the morning with May/June trading at \$7/mt and June/Dec at -\$16/mt.