

## Flat Price

The July Brent futures flat price has seen a downturn this afternoon, with price action initially rising to \$88.20/bbl at 12:50 BST, before dropping as low as \$87.08/bbl at 16:00 BST. Since then, there has been a minor rally to just over \$87.50/bbl handles at 17:00 BST (time of writing). Valero's 86kbbbls/d Ardmere refinery is assessing its damage and working to restore operations after it shut on Sunday amid severe weather, including deadly tornadoes. Canada's \$24.9 billion Trans Mountain pipeline is set to enter partial operation from May 1st. The expanded pipeline will allow the movement of an extra 590kbbbls/d from Alberta to Canada's Pacific Coast. In addition, Reliance Industries bought its first 2 million barrels of Canadian crude from Shell for July delivery, reportedly at a \$6/bbl discount to Sep ICE Brent on delivered basis. In other North American news, US SPR crude inventories rose by around 600kbbbls w-o-w to 366.3mbbls last week, with sweet crude unchanged at 143.8mbbls and sour crude up by 600kbbbls to 222.5mbbls. Additionally, Saudi Arabia may raise its June OSP for Arab Light crude by 70-90 cents to nearly a \$3/bbl premium to Dubai/Oman quotes, the highest in five months. The Jul/Aug and Jul/Jan'25 Brent futures spreads are at \$0.88/bbl and \$4.10/bbl respectively.

## Crude

After a sluggish afternoon in Dated, the window saw some strength return.

May DFL paid from \$1/bbl to \$1.08/bbl by the end of the window with CFDs well bid, now offered a touch lower at \$1.05/bbl. May/Jun Dtd was lifted as May rolls saw some buying, although some size selling on screen at \$0.99/bbl and \$0.21/bbl on the DFL roll contained the strength. There was buying of 20-24/5 1w roll at \$0.25/bbl from, with interest from a French Major, whilst the CFD saw Chinese and European trade buying interest to trade \$0.85/bbl. 13-17/5 CFD also saw similar names on the bid-side, trading \$1.05/bbl – up 10c from pre window. The physical saw a cargo of Midland lifted by European trade as it approached the curve, whilst one outstanding offer for a cargo of Forties failed to pressure the diff.

Weaker day in Dubai today with Jun BD trading up to \$0.30/bbl. We saw Trade house/Fund buying of BD with Jul and Q4 BD trading up to \$0.50/bbl and \$0.69/bbl respectively. Interest in the rest of the curve was quiet in the afternoon with small buying interest in the May/Jun box, trading at -\$0.08/bbl and selling interest in the May/Jun/Jul Dubai fly, trading at -\$0.07/bbl. May BD traded at \$0.20/bbl and May Dtd/Dubai traded at \$1.18/bbl before trading higher in line with some strength in the May DFL at \$1.25/bbl.

## Fuel Oil

In HSFO, the Chinese came out selling 380 flat price, in particular Sep 380. This was quickly absorbed by the market as we saw 380 E/W buying and Q3 barge crack buying. We saw a fair bit of interest on both the front 380 spreads. May/Jun 380 traded at \$3.75/mt for the afternoon, while Jun/Jul 380 was a touch stronger, buying up to \$6/mt from \$5.75/mt. It was an afternoon of thin liquidity on 380 crack, with May 380 crack buying up to -\$7.75/bbl from -\$7.85/bbl. We saw a fair amount of activity on the barge spreads, however interest was mixed resulting in May/Jun barges trading at -\$3.75/mt for the afternoon. Barge cracks were better bid this afternoon, with May barge crack buying up to -\$10.35/bbl from -\$10.55/bbl. The Q3 barge crack buying alluded to above, traded up to -\$9.10/bbl from -\$9.20/bbl. The May 380 E/W traded rangebound at \$17.50/mt for the afternoon.

In VLSFO, it was a quiet afternoon on Sing spreads with limited activity on the front spread and nothing down the curve. May/Jun Sing traded rangebound at \$5.50/mt on very thin liquidity. The Sing crack was a touch stronger earlier on in the afternoon, briefly trading at \$10.90/bbl from \$10.80/bbl, before selling down to \$10.75/bbl by the end of the afternoon. The Euro spreads were better offered in the afternoon. May/Jun Euro traded down to \$4.25/mt from \$4.50/mt.

The Euro crack was a touch stronger this afternoon, buying up to \$3.90/bbl at the end of the window, before quickly selling off post window down to \$3.75/bbl. We saw some interest on the front 0.5 E/W, buying up to \$44.50/mt from \$43.75/mt. The strengthened 0.5 E/W was a result of the sell off of the Euro crack.

### Distillates

ICE gasoil spreads remained rangebound with the May/June spread trading in a range between -\$2.25/mt and -\$1.75/mt and the Jun/Jul spread around -\$1.50/mt. ICE gasoil cracks traded higher this afternoon. The May crack was lifted up to \$18.25/bbl from \$17.65/bbl and the Jun crack traded higher at \$19.20/bbl. European Jet diffs were unchanged, with the May diff around \$52.50/mt. The Jun diff traded at \$53.50/mt while down the curve, interest was seen in the Q4 diff at \$58.50/mt. The HOGOs recovered back to this morning's levels, with the May swap at 5.40c/gal and the Q4 swap at 8.80c/gal.

Sing gasoil structure firmed a touch this afternoon. May/June was lifted up to -\$0.07/bbl from -\$0.11/bbl and Jun/Jul traded higher at -\$0.12/bbl. Further down the curve, Aug/Sep traded up to -\$0.09/bbl from -\$0.15/bbl. The prompt E/W traded lower early in the afternoon before recovering, it traded down to -\$29.50/mt but rallied back up to -\$28.25/mt.

Continued interest was seen in the May/June box at \$1/mt, indicating Jun E/W at -\$29.25/mt. In the deferred, Q3 traded up to -\$29.25/mt from -\$30/mt. Regrades remained rangebound, with the May regrade trading around -\$1.65/bbl and the Jun regrade around -\$1.45/bbl. In the deferred, interest was seen in Sep at -\$0.75/bbl and Q3 at -\$0.95/bbl. In Kero, the May/June spread was stronger, with it trading up to -\$0.30/bbl from -\$0.37/bbl.

### Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$24.50/bbl in May EBOB. RBBRs ticked up slowly in the afternoon and hovered around \$26.75/bbl in Jun in the window. Arb activity picked up over the afternoon, with phys players and refiners looking to sell arbs in May between 7.90c/gal and 8.10c/gal. Q4 saw some offers at 3.50c/gal. EBOB spreads trended higher in the day, with Jun/Jul seeing refiner buying at \$19.50/mt, and Jun/Sep seeing offers up as \$63.75/mt. The May/June crack roll was well offered today from funds around the \$0.90/bbl handles. Cracks down the curve moved higher in the day with higher RBBRs, but in the window we saw Jun offered at \$23.50/bbl and Q4 offered in the afternoon around \$10.10/bbl. Q3 gasnaphs were well offered again today, at \$212/mt handles.

E/W saw some sticky buying in Jun at -\$10.50/bbl, having fallen to this level in the morning, with trade houses buying. 92 spreads saw buying at \$1.70/bbl in May/June.

### Naphtha

This afternoon in naphtha we saw May NWE cracks continuing to see better buying through trade and refiner, leading the crack to trade from -\$9.65/bbl up to -\$9.10/bbl end window, helped along with crude weakness. May/June NWE relentlessly bid, trading up more than a dollar on the day with trade lifting \$14.75/mt post-window as May/June MOPJ saw buying alongside up to \$12.50/mt. Jun/Dec crack roll similarly seeing buying returning, trading at \$0.25/bbl with deferred cracks well offered at the levels. E/W getting offered down with Jun last trading at \$13.50/mt, the deferred less liquid but seeing Dec'24 selling at \$12/mt.

### NGLs

A well-bid afternoon on NGLs for US domestic LPG complex. Offers lifted in the physical at the US open was the signal for flat price to go better bid with trade houses and US mid-streams buy-side as LST flat price firmed on a crude percentage basis up to a high of 80c/gal.

29 Apr 2024

# European Window



Spreads firmed in line with this; prompt spreads stayed rangebound with May/Jun trading at 0.25c/gal in large size throughout the afternoon, the strength came further out in Q3 as Q3/Q4 LST firmed up to -2.375c/gal. Arbs went better bid on this domestic strength with LST/FEI June trading from -\$191/mt up to -\$188/mt. A bid in the European window helped NWE spreads firm up to \$3/mt in May/Jun with flat price bid and the E/W diff softened as a result offered \$94/mt end window.

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

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