

## Flat Price

The July Brent futures flat price has seen a slight uptick this morning, with price action initially remaining flat around \$87.50/bbl handles between 03:30 and 07:30 BST, before briefly weakening to as low as \$87.33/bbl at 07:40 BST. Since then, there has been a minor rally to hit \$88.00/bbl at 11:45 BST time of writing). China's total oil product demand fell by 967kbbbls/d to a 13-month low, with its imports also having fallen by 667kbbbls/d. It has also been reported that China's NDRC will cut retail gasoline and diesel prices by 70 yuan/mt respectively, starting on Apr 30. In more potentially bullish news, Dubai has approved a new \$35 billion airport five times bigger than DXB, with ENOC having built a pipeline to the new site, which will potentially boost jet fuel demand in the Emirate. In geopolitical news, the US military says it engaged five unmanned drones over the Red Sea that "presented an imminent threat to US, coalition, and merchant vessels in the region". US central command did not say in the statement if the drones were destroyed. Looking at the CFTC data for the week to Apr 23, in Brent futures we witnessed a change of heart, as sentiment flipped to a more bearish attitude. Bullish speculators removed over 30mbbls (-7.7%) of their length whilst their bearish counterparts added 1.7mbbls (+2.1%) to their positions. In WTI futures, bullish money managers removed 29mbbls (-10.8%) of their long positions, whilst short positioned players also exited positions, decreasing their short risk by 4.5mbbls (-5.5%).

## Crude

Another quiet opening to Dated, where structure saw better selling. May/Jun Dtd was sold down to \$0.98/bbl and offered over, whilst Jun/Jul Dtd saw major selling \$0.78/bbl. There was refiner buying of the prompt 29-3/5 v Cal May at \$0.50/bbl, whilst May rolls saw some better selling, with 7-10 2w sold at \$0.18/bbl, and 13-17/5 2w trading \$0.47/bbl, whilst earlier in the morning we saw 7-10/5 v Cal may trade \$0.25/bbl. DFLs were quiet, with Jun down 3c to \$0.85/bbl last, and May similarly last trading 3c lower than the open at \$1.03/bbl.

## Fuel

In HSFO, we saw a fair amount of activity on 380 spreads this morning. Earlier in the morning this activity came through flies, in particular the front fly, with May/Jun 380 opening the morning at \$3.50/mt on legs in the fly. The front spread traded at this level before and during the window, before buying up to \$3.75/mt post window. The 380 cracks were a touch stronger, opening the morning at -\$8/bbl before gradually buying up to -\$7.90/bbl. We also saw 380 flat price selling in good size post window. Barge spreads were a touch softer, with May/Jun barges selling down to -\$3.25/mt from -\$3/mt. Barge cracks were better bid throughout the morning, trading up to -\$10.65/bbl from -\$10.80/bbl. We saw outright buying interest on the May/Jun 380 E/W box, buying up to \$7/mt from \$6.75/mt in decent size. Viscos were better bid post window, with the May Visco buying up to \$14.50/mt.

In VLSFO, it was a fragile start to the week on Sing 0.5. Sing cracks opened at \$11.10/bbl before selling down to \$10.70/bbl post window. It was a similar story for Sing spreads down the curve, however the front Sing spread experienced the biggest sell off. May/Jun Sing traded down to \$5.25/mt from \$6/mt. Euro spreads were better offered throughout the morning, however there was not much interest on the bid, resulting in thin liquidity. We saw May/Jun Euro trade down to \$4.25/mt from \$4.50/mt. Similarly, we saw very little liquidity on the Euro cracks, with the May Euro crack trading around \$3.85/bbl sporadically throughout the morning. There was some interest on both front and deferred 0.5 E/W this morning, with May 0.5 E/W trading around \$44/mt and Q3 0.5 E/W at \$40.50/mt.

## Distillates

ICE gasoil spreads continued sideways, with the May/Jun spread trading around -\$2.25/mt and the Jun/Jul spread around -\$1.75/mt. ICE gasoil cracks were a touch higher from Fridays close with the May crack been lifted up to \$17.65/bbl from \$17.50/bbl. The Jun crack traded up to \$18.65/bbl while in the deferred tenors, interest was seen in Q3 at \$20.50/bbl and Q4 at \$21.40/bbl. European Jet diffs were weaker this morning. The May diff traded down to \$52.50/mt and the Jun diff at \$53.75/mt. Down the curve, Q3 traded down to \$55.50/mt from \$56/mt. The HOGOs were lower, with the May swap around 5c/gal and the Q4 swap around 8.50c/gal.

A rangebound morning was seen in Sing gasoil, with the May/Jun spread trading in a range of -\$0.14/bbl to -\$0.10/bbl. Jun/Jul traded around -\$0.13/bbl and further down the curve, interest was seen in Sep/Oct at \$0.14/bbl. The prompt E/W was lower this morning, with it trading down to -\$28.75/mt from -\$28.25/mt. Interest was seen in the May/Jun roll was seen at \$1/mt, indicating Jun E/W at -\$29.75/mt. In the deferred, Q3 E/W traded at -\$30/mt. Regrades remained rangebound, with the prompt regrade trading between -\$1.70/bbl to -\$1.65/bbl. The Jun regrade was a touch higher at -\$1.45/bbl while no activity was observed down the curve. In kero, the May/Jun spread traded around -\$0.37/bbl.

## Gasoline

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to \$13.60/bbl on a crack basis in May 92. RBBRs were stronger this morning, trading up to \$26.20/bbl in the Sing window, and up to \$26.40/bbl handles post. A more bearish tone in 92 this morning, with E/W well offered, down to -\$10.50/bbl in May from phys players. Spreads saw selling with Jun/Sep offered at \$5.50/bbl and majors offering May/Jun at \$1.70/bbl. Q3 cracks saw strong selling this morning, with real players offering this between \$10.50/bbl and \$10.60/bbl. 92 saw some bid side interest however, with Q4 and Q1'25 E/W still offered, continuing what we saw last week. The main arb selling was seen in Q1'25 this morning, offered from refiners and trade houses between 12.30c/gal and 12.10c/gal.

EBOB spreads were stronger this morning, seeing buying in May/Jun from refiners up from \$14.25/mt to \$15/mt, and Sep/Oct lifted at \$56/mt. Trade houses were on the sell side of EBOB cracks post window in May at \$24.05/bbl.

## Naphtha

A bid morning in naphtha where we saw flat price valued at \$707.50/mt in May MOPJ, on a -\$8.25/bbl crack equivalent with the East softening relative to Europe. Front MOPJ spreads seeing offers by physical with May/Jun trading down to \$11.75/mt as players rolled their E/W length, leaving the front box implied down to -\$2/mt. May/Jun NWE strengthened seeing buying from \$13/mt up to \$13.75/mt with trade on the buy side. E/W continued its downtrend with the front getting sold down a dollar from \$13.25/mt to \$12.25/mt but remained relatively supported further down the curve with Jun trading at \$14/mt. Front Europe cracks were well bid, opening at -\$9.75/bbl and moving up 15c by end window to -\$9.60/bbl.

## NGLs

A quiet morning on NGLs; there was spread buying early morning from DCE players and Sing trade houses- May/Jun FEI was rangebound around \$7/mt while Jun/July was bid up to \$2.50/mt. Further out Jun/Dec FEI firmed to -\$16.50/mt. FEI strength helped the E/W diff get bid up to \$95/mt in the prompt but into the window it saw good selling at this level.

Pronaps fell over the morning on naphtha strength but May pronaps saw bank and trade houses buy side interest at the -\$180/mt level. CP was almost mute this morning having seen the May contract settled last week; smalls traded in Jun flat price at \$559/mt implying a June FEI/CP around \$44/mt. Arbs fell on international strength but saw general buy side interest with Jun arb -\$192/mt bid post window.

## Global Macro

- A busy week with the Fed meeting on Wednesday, over 20% of S&P companies reporting earnings, US ISM Wednesday, Chinese PMIs, US Treasury Quarterly Refunding and US employment data on Friday.
- Yen shorts rise to a new record on a volatile morning, with USDJPY in a 515-pip range (155.05 – 160.20, a Japan holiday today to add to the volatility), intervention by MOF has not been confirmed.
- Fridays PCE data showed inflation heading in the wrong direction, 3-month core PCE annualised up to +4.4%. No expected move by the Fed but Powell's press conference will be watched closely. Remember the Fed 'dot-plot' has 75bp cuts priced this year while the market has just 35bp priced.
- Increasing discussion about China devaluing the Yuan as their next policy move.