

Flat Price

The July Brent Futures flat price had a weak start to the afternoon, reaching a low of \$82.05/bbl at 13:30 BST before aggressively shooting up to a high of \$83.80/bbl at 16:45 BST, after which it retraced down slightly and hovered around \$83.50/bbl at 17:15 (time of writing). The EIA reported that US crude inventories fell by 415kbbbls last week, with commercial crude stocks declining by 1.36mbbbls whilst the SPR's stocks rose by 947kbbbls. Additionally, US implied oil demand also fell by 127kbbbls/d w-o-w to 20.3mbbbls/d. Japan's oil product demand rose 175kbbbls/d m-o-m to 3.784mbbbls/d, however this still represents a seasonal 5-year low for the country. An ExxonMobil-led consortium achieved peak production of 252kbbbls/d from its Liza Unity production vessel in Guyana according to Alistair Routledge, Exxon's Guyana Country Manager. Nigeria's oil minister has stated that with adequate investment, the country's oil production could rise from its current 1.3mbbbls/d to over 6mbbbls/d, positing that lack of investment stemming from corruption is the greatest impediment to the nation's prosperity. Iran's oil minister Javad Owji has announced that the country has exported more than \$35 billion worth of oil in the last Persian year (Mar 21 2023 to Mar 21 2024). The front and 6-month spreads are \$0.55/bbl and \$3.24/bbl, respectively.

Crude

Strong afternoon in Dated, supported by a firmer physical window. Forties was bid across the first half of the strip, whilst a forties cargo was lifted from the European trade seller, implying the physical diff up around 40c. Balmo DFL rallied, paid up to \$0.20/bbl by the end of the window, whilst Jun/Jul saw good buying through the later afternoon, also rallying into the window to see the DFL roll paid at flat and the Dtd roll lifted at \$0.56/bbl. The outright DFL's were both lifted up to \$0.53/bbl in turn, whilst we saw better buying of May rolls. 20-24/5 2w was lifted up to \$0.20/bbl in the window having been paid at \$0.09/bbl just 10 minutes earlier, whilst prompt Jun rolls met some resistance to see 3-7/6 1w sold at \$0.11/bbl by trade and Chinese. Weakness remains in 13-17/5 – suppressed by a still weak physical diff - with the 3w offered at \$0.01/bbl. CFD's rebounded from yesterday, with 13-17/5's trading \$0.20/bbl, and 20-24/5's around \$0.30 - up 55c from yesterday.

Fuel Oil

In HSFO, the Chinese were buyers of Sep 380 flat price this afternoon. It was an afternoon of thin liquidity on the 380 crack, the Jun 380 crack sold down from -\$5.60/bbl to -\$5.75/bbl on sporadic trading. We saw a fair bit of activity on 380 spreads this afternoon, particularly the front spread. The interest seemed mix, with Jun/Jul 380 trading at \$7.25/mt for the majority of the afternoon in decent size,

before trading up to \$7.50/mt after the window. It was a weak afternoon for barge cracks. The Jun barge crack opened the afternoon trading at -\$8.10/bbl, before selling down to -\$8.45/bbl at the end of the window. The spreads had a fairly stable afternoon prior to the window, Jun/Jul barges traded at \$1.50/mt, before turning offered in the window and selling down to \$1.25/mt. The barge crack weakness supported the 380 E/W, which bought up to \$17/mt briefly from \$16.25/mt, before giving some back selling down to \$16.75/mt.

In VLSFO, the support we saw in the morning for the Sing crack continued into the afternoon. The Jun Sing crack bought up to \$11.50/bbl post window from \$11.30/bbl, before giving some back, dropping to \$11.45/bbl. Sing spreads started the afternoon fairly rangebound, with Jun/Jul Sing trading around \$6.75/mt until just before the window, the front spread then traded up to \$7.25/mt just after the window. We also saw deferred spreads being bought by a trade house in size, namely Aug/Sep Sing. 0.5 E/W bought up to \$45.50/mt from \$45/mt, which supported the front Sing spread and crack. Euro cracks were a touch stronger this afternoon. The front Euro crack opened the afternoon at \$4.25/bbl, before buying up to \$4.40/bbl at the end of the window.

It was a fairly quiet afternoon on Euro spreads, with the Jun/Jul Euro spread buying up to \$4.50/mt from \$4.25/mt on thin liquidity. We also saw Q3 0.5 E/W buying between \$40.75/mt and \$41/mt, further supporting the front 0.5 E/W

Distillates

ICE gasoil spreads and cracks strengthened into the afternoon ahead of stats where it came off, but then strengthened post-window. The May/June ICE gasoil spread rallied to highs of -\$2.50/mt post-window while the Jun/Jul also strengthened to -\$2/mt. Similarly, cracks rallied into the afternoon but are lower than the afternoon's highs. The Jun crack is at \$19.45/bbl and the Q4 crack is at \$22/bbl post-window. The European jet diffs continued to hold their strength through the evening, with the Jun jet diff at \$59.50/mt and the Jul jet diff trading at \$58.75/mt. In the back end, the Q3 jet diff traded up to \$59/mt, with the Q3/Q4 diff roll at -\$0.50/mt post-window. The HOGOs trended downwards on stronger ICE Gasoil into the evening, with the Jun swap at 5.30c/gal and the back end more rangebound with the Q4 swap at 8.50c/gal, stable from the morning's levels.

Sing gasoil spreads strengthened into the evening, with the May/June spread seeing buying interest at -\$0.27/bbl, but the E/W roll traded higher at \$0/bbl.

Down the curve, the Jun/Jul was lifted at -\$0.27/bbl and saw better buying interest through the evening with spreads further down the curve also stronger, as the Jun/Dec traded up to \$0.35/bbl on the back of ICE gasoil spreads rallying. The E/W at the front of the curve weakened from -\$27.25/mt to -\$27.75/mt, with the Q3 E/W also trading down to -\$27.75/mt. There was some interest in Q1'25 E/W as it traded at -\$23.25/mt. Regrades saw the prompt rally up to -\$1.30/bbl where it saw some resistance and selling interest, trending down to -\$1.33/bbl into the afternoon. Earlier in the day, the Q3 was lifted up to -\$0.88/bbl as the Jun rallied to -\$1.30/bbl, with Jul also trading up to -\$1.05/bbl. Kero spreads saw limited interest into the evening but are implied stronger on the back of stronger ICE and Sing gasoil spreads.

Gasoline

This afternoon in Gasoline, we saw cracks trade at the end of the afternoon window around \$18.80/bbl in Jun EBOB. After some afternoon RBRR strength up to \$22.20/bbl handles, we saw RBRRs continue their weakness settling down at \$21.40/bbl handles in the Euro window. Arbs saw more offers in the window between 7.80c/gal and 7.90c/gal. EBOB spreads found some support, with Jun/Jul bouncing up from lows of \$11/mt and seeing trade houses on the buy side up to \$11.75/mt.

Jul/Aug saw buying up to \$12.50/mt. The Jun/Q3 crack roll was well bid at \$2/bbl from refiners, along with more buy side interest on the front cracks alone, up to \$18.80/bbl in the window, from lows of \$18.35/bbl in the morning. The afternoon saw gasnaph buying mainly in Jun, at \$207.50/mt. In the East, we saw Jul/Aug find a bid up from \$0.90/bbl to \$1/bbl. We saw some scale back selling of cracks from funds this afternoon, trading at \$8.95/bbl end window, up from lows of \$8.45/bbl in the morning.

Naphtha

This afternoon in Naphtha we saw Jun NWE cracks continue to weaken, trading down from -\$10.50/bbl early afternoon down to as low as -\$11/bbl end window off the back of weaker crude, gasnaph buying and physical selling cracks. End window the crack saw some support with major on the buy side of cracks between -\$10.95/bbl and -\$10.85/bbl with only bids shown in the phys window. Deferred cracks saw better buying with Q4 at -\$10.95/bbl and the Cal'25 at -\$10.85/bbl. Spreads softening in the front with Jun/Jul seeing selling at \$7/mt and Jul/Aug at \$5.50/mt. E/W continuing to remain supported in the \$17/mt handles throughout the afternoon with continued buying in deferred MOPJ and Q4 continuing to trade at \$13.50/mt.

NGLs

Another volatile afternoon on NGLs, with the arb trading up \$15/mt dollars in the prompt before retracing back \$12/mt post stats. Offers were lifted in the physical and LST structure firmed as a result with flat price strengthening on a crude percentage basis. Cal'25 bids kept spreads supported as Q3/Q4 LST traded up to -2.375c/gal while Jun strength saw Jun/July firm to flat. Butane weakened in regards to propane with the Jun NC4/LST diff trading up to 11.50c/gal. Butane spreads nevertheless firmed also as Q1'25/Q2'25 butane traded at 6.75c/gal. When stats were announced as a 2.2mn build and arbs were bid up to -\$214/mt in the prompt LST/FEI contract, however, the strength felt overdone by market players and tradehouses and banks came in selling to pressure the arb back down to -\$225/mt in the prompt post window. The window was quiet; despite Jun/July FEI finding support at \$5/mt levels, NWE was better bid as Jun E/W softened a touch trading to \$106/mt.