

Flat Price

The July Brent Futures flat price has had a fairly rangebound afternoon. Having risen to a daily high of \$84.35/bbl at 12:00 BST, it has seen a steady decline to twice fall to \$83.50/bbl at both 14:25 BST and 17:00 BST, interspersed with two mini-peaks of around \$84.05/bbl. Since the second low, the price has seen a small rally to \$83.90/bbl, where it currently resides as of 17:20 BST (time of writing). A Ukrainian drone strike hit an oil facility in the Russian republic of Bashkortostan after flying a record distance of 1,500km. China's first oil shipment from Niger has been stymied by a border dispute, with Benin blocking the shipment after Niger refused to open the countries' land border, potentially placing into jeopardy Niger's plans to ship 90kbbbls/d to China in May. Australia's oil product demand rose by 99kbbbls/d to 1,125kbbbls/d, a 5-year seasonal high. Mercedes Benz's CEO Ola Kallenius has announced he no longer sees a full transformation to EVs by 2030 for the firm as they fail to boost its profit. This could be a potential harbinger for other major automotive players that have pursued a similar strategy to follow suit. Petrobras have been ordered by Brazil's environmental agency Ibama to perform a series of studies on the viability of the company's planned offshore drilling in the Foz do Amazonas region, which will assess the project's impact on Indigenous groups in the region. The front and 6-month spreads are \$0.59/bbl and \$3.45/bbl, respectively.

Crude

A weaker afternoon for Dated, despite a firmer physical picture. There was size selling of Jun/Jul DFL roll, sold from -\$0.04/bbl to -\$0.10/bbl pre window, unable to recover significantly from these levels, whilst the outright DFL's came under pressure from weaker spreads, trading \$0.46/bbl and \$0.54/bbl last respectively. Balmo continued to see volatile price action, with refiner and bank selling of Balmo/Jun DFL at -\$0.54/bbl, and Balmo-nd trading -\$0.06/bbl last. Prompt may rolls continued to come under pressure, with 13-17/5 2w sold down to -\$0.22/bbl and offered over, however Bal-week saw buyside interest with a stronger physical. 28-31/5 1w saw a slight recovery into the window, having been sold from 7c to 2c in the afternoon, although was subsequently sold into by trades back down to 3c. In the physical, the sell side aggressor was absent, allowing a prompt midland bid from trade to support the diff, whilst CFD's saw a mixed price action. 3-7/6 CFD saw buyside cares from trade and refiner, trading \$0.50/bbl, whilst 20-24/5's were lifted by trade at \$0.10/bbl at the end of the window.

Quiet afternoon in Dubai, we saw continued selling interest of boxes with Sep/Oct and Dec/Jan Box trading at -\$0.10/bbl and -\$0.06/bbl respectively. The Sep/Dec box initially saw selling interest before trading at -\$0.24/bbl with Chinese Major on the buyside.

There was fairly aggressive trade house selling of Jul and Aug BD, trading down to \$0.03/bbl and \$0.19/bbl. This also translated down into the backend, with trade house selling of Q1 BD, trading at \$0.65/bbl. We saw Jun Dtd/Dubai trade in the window at \$0.29/bbl with interest on the buyside.

Fuel Oil

In HSFO, it was a quiet afternoon on 380 spreads. There was next to no liquidity on the front spread, with slightly more interest on the Jul/Aug. Jun/Jul 380 traded at \$7.75/mt and Jul/Aug at \$8.25/mt. It was a similar trend on 380 cracks, with Jun 380 crack selling down to -\$5.90/bbl from -\$5.80/bbl on very little liquidity. The barge crack started the afternoon better offered, selling down to -\$9/bbl from -\$8.80/bbl in decent size. However, we the crack rebound going into the window buying back up to -\$8.70/bbl after the window. We saw a fair amount of interest on both the Q3 and Jun 380 E/W. Q3 traded between \$9/mt and \$9.25/mt and Jun between \$18/mt and \$18.25/mt.

In VLSFO, Sing 0.5 cracks were better offered to start the afternoon off. The Jun Sing crack started the afternoon trading at \$11.70/bbl before selling down to \$11.55/bbl in decent volume, we saw Sing Hi5 selling, trading down from \$112/mt to \$111.50/mt which put pressure on the crack. The crack did recover later on in the afternoon, buying back up to \$11.65/bbl.

It was a fairly rangebound afternoon on the Sing spreads. Jun/Jul Sing traded at \$7.75/mt for the majority of the afternoon, although it did briefly trade at \$7.50/mt just before the window. Euro cracks had a stable afternoon. The front Euro crack traded between \$4.30/bbl and \$4.35 on fairly thin liquidity. It was a similarly quiet afternoon on Euro spreads, however the spreads were a touch softer. The Jun/Jul Euro traded down to \$4.75/mt from \$5/mt.

Distillates

ICE gasoil spreads came off on the US open but saw some support into the end of the European window. The May/June spread weakened from highs of -\$1/mt to -\$2.75/mt into the evening ahead of the May ICE gasoil contract's expiry tomorrow. The Jun/Jul spread rallied to -\$1.25/mt before coming back off to -\$1.75/mt. Similarly, the ICE gasoil cracks weakened before recovering a touch into the window, with the Jun crack at \$19.40/bbl and the Q4 crack at \$21.90/bbl post-window. The European jet diffs continued to trade stronger into the afternoon, with the Jun jet diff rallying to \$61/mt as the BalmoND diff traded at \$62.75/mt. Deferred interest was seen in Q3 at around \$60.50/mt and the Cal'25 diff traded at \$62/mt into the afternoon. HOGOs continued to drift downward in the prompt, with the Jun swap at 5.10c/gal and the Q4 also weaker at 8.30c/gal post-window.

Sing gasoil spreads came off from their highs of the day but remained rangebound into the afternoon. The BalNDMay/June spread rallied to -\$0.17/bbl where it saw some sell-side interest, while the Jun/Jul spread traded back down to -\$0.20/bbl from -\$0.19/bbl and the Jun/Dec spreads came off to \$0.75/bbl into the afternoon. The E/W at the front of the curve saw some support and strengthened to -\$28.25/mt, trading there post-window. Similarly, the Q3 also saw some support trading from -\$29/mt to \$28.75/mt. The regrades strengthened into the evening, with Jun rallying to -\$1.45/bbl but seeing some sell-side interest at that level. In the deferred there was little interest into the afternoon, with Q3 seeing some buy side interest at -\$1/bbl. Kero spreads saw the Jun/Jul trade at -\$0.50/bbl before the Jun/Aug spread traded up from -\$0.90/bbl to -\$0.85/bbl.

Gasoline

This afternoon in Gasoline, we saw cracks trade at the end of the afternoon window around \$19.60/bbl in Jun EBOB. We saw selling of arbs in the afternoon down from 8.15c/gal levels, to 7.60c/gal handles where refiners were on the buy side end Euro window. Summer EBOB spreads were bid today, with Jun/Sep bid up to \$46.50/mt, and Aug/Sep bid up to \$20/mt. End window, Jun/Aug went better offered at \$26/mt.

Spreads into 2025 saw better bid side interest, with Dec/June bid from trade houses. EBOB cracks in June were offered in the window, at \$19.60/bbl, up on the day from \$18.90/bbl handles in the morning. Q3 cracks saw offer side interest, and we saw Summer 25 cracks trading at \$12.80/bbl, real buying interest. Gasnaphs saw bids in Q3 today up to \$197.50/mt, with little activity in the front. In the East, Jun/Sep found offers at \$2.65/bbl, and Q3 cracks saw offers at \$8.55/bbl.

Naphtha

This afternoon in naphtha we saw Jun NWE cracks find some support in window with cracks seeing buying by physical players up to -\$10.65/bbl end window after trading between -\$10.80/bbl and -\$10.70/bbl this afternoon. Structure firming with Jun/Jul seeing buying at \$7.75/mt and with deferred cracks seeing better selling from refiner with Q3 getting sold down to -\$11.10/bbl and Q4 down to -\$10.85/bbl. E/W going better offered into the afternoon with Europe seeing better buying leading the Jun to see selling down to \$15.50/mt. Q3 E/W seeing levels continuing to trade at \$14.75/mt with the Q3/Q4 box still seeing bids at \$1.50/mt. Backend MOPJ continuing to see buying from Chinese and with Q3/Q4 and Q4/Q1 MOPJ seeing buying at \$13.75/mt.

NGLs

This afternoon on NGLs we saw US domestic structure soften a touch from their rally yesterday. Initial propane bids were hit in the physical and structure softened with Jun/Jul weakening to -0.125c/gal and staying there for the rest of the afternoon. Q3/Q4 weakened back to -2.50c/gal while further out Q1/Q2 softened to 5.375c/gal. Butane traded in line with propane as Jun C4/C3 diff traded at 11.75c/gal. Internationally arbs were bid up to -\$22/mt high before falling to -\$226/mt post window in the Jun LST/FEI contract. Internationally FEI spreads softened as Jun/Dec weakened to -\$12.50/mt; FEI/CP remained tightly rangebound between \$47/mt and \$48/mt in the prompt. The window saw a mix of bids and offers which helped E/W soften further out as Q1'25 E/W traded at \$80/mt.