

Flat Price

The July Brent futures flat price has been struggling to garner support this afternoon, sliding down from its daily high of \$83.55/bbl at 11:25 BST to its first low of \$82.25/bbl at 14:20 BST. Following this, Brent rallied up to \$83.15/bbl at 15:00, however these gains have been wiped out since, with the price falling to \$82.10/bbl handles by 17:15 BST (time of writing). OPEC+ countries are reopening the intense debate over members' oil production capacity, with the UAE, Kazakhstan and Iraq's output for 2025 under scrutiny, in a situation mirroring that which prompted Angola to quit the cartel last year. The South Sudanese economy is being pushed to brink of collapse after a months-long halt to its crude oil exports due to a rupture on its export pipeline through Sudan. The country, which was producing 150kbbbls/d of crude until February, has only been able to produce 70kbbbls/d and 60kbbbls/d in March and April, respectively. Japan's Idemitsu has posted a 41 billion yen (\$262 million) loss related to its Vietnamese holding Nghi Son Refinery and Petrochemical due to heavy costs from rising US interest rates, although it expects the facility to turn profitable in 2025 through plans to boost its run rate by 15% to 20% this year. The front and 6-month spreads are \$0.42/bbl and \$2.88/bbl, respectively.

Crude

Yet another weak session for Dated. We saw Jun DFL well offered into the

window, sold to \$0.10/bbl where it continues to trade, whilst the Jun/Jul DFL roll again saw better selling, trading -\$0.28/bbl last and Jun/Aug sold at -\$0.35/bbl. Balmo DFL was very well offered as the physical weakened, gapping down to -\$1.10/bbl, implying all prompt rolls lower. Post window, we saw some trade house buy-side interest out of 28-31/5 at these lower levels, with the 2w bid at -\$0.60/bbl, whilst the 3-7/6 1w is offered at -\$0.20/bbl. The physical continued to weaken with Forties offers from a French Major hammering the diff back to the lowest levels since Jan 2023. CFD's, alongside the weaker DFL's, were equally well offered, with 20-24/5 CFD hit down 10c to -\$1.15/bbl, and 3-7/6's rangebound around -\$0.30/bbl. We saw 28-31/5 v Cal Jun bid post window, sold at -\$0.50/bbl by MM and bid over..

Fuel Oil

In HSFO, the Chinese came out this afternoon buying 380 flat price and cracks. We saw particular interest on Sep 380. The Jun barge crack was a touch stronger this afternoon, with support from the 380 E/W, buying up to -\$6.65/bbl from -\$6.95/bbl. It was a rangebound afternoon on 380 structure, with mixed interest on the front spread. Jun/Jul 380 traded at \$7.75/mt. We saw a fair amount of activity at the beginning of the afternoon on barge cracks. There was selling interest on the Jun barge crack, which sold down to -\$10.35/bbl from -\$9.95/bbl mid afternoon.

Heading into the window the crack turned better bid, and was trading -\$9.95/bbl just after the window. Barge spreads were better offered heading into the afternoon. Jun/Jul barges sold down to -\$2.50/bbl from -\$2/mt, before turning better bid just before the window. We saw the front barge spread buy up to -\$1.75/mt. We saw a fair amount of Jun 380 E/W, buying up to \$21.75/mt from \$21/mt. We did see the E/W give some back with the barge strength later in the afternoon, trading down to \$21/mt.

In VLSFO, it was a quiet afternoon on Sing cracks today. The Sing crack was a touch softer, with both Jun and Jul Sing crack selling down on thin liquidity. Jun Sing crack opened the afternoon at \$11.45/bbl, before selling down to \$11.35/bbl. There was little activity on the Sing spreads this afternoon, with Jun/Jul Sing trading at \$8.50/mt on sporadic trading. It was a quiet start to the afternoon on the Euro crack, however liquidity did pick up heading into the window. The front crack then had a fairly rangebound period in the window, with Jun Euro crack trading between \$3.95/bbl and \$4/bbl. It was a stable afternoon on euro spreads, with Jun/Jul Euro trading at \$4.50/bbl throughout the afternoon. We saw activity on the Jun 0.5 E/W at \$46.75/mt.

Distillates

ICE gasoil spreads remained rangebound, with the Jun/Jul spread trading around -\$3/mt and the Jul/Aug spread around -\$2.25/mt. ICE gasoil cracks came off a touch before rallying back post the window. The Jun crack was hit down to \$17.95/bbl from \$18.45/bbl this morning, but has since traded back up to \$18.20/bbl. The Jul crack traded lower at \$19/bbl from \$19.25/bbl and down the curve, the Q3 crack traded lower at \$19.80/bbl. European jet diffs continued lower, with the Jun diff trading down to \$60/mt from \$60.75/mt. The Jul diff traded lower at \$59.50/mt from \$60/mt and in the deferred, Q1'25 and Q2'25 both traded at \$61.50/mt. The HOGOs were unchanged this afternoon, with the Jun swap around 4.60c/gal and the Q4 swap at 8.30c/gal.

Sing gasoil spreads remained rangebound this afternoon, with the Jun/Jul spread trading around -\$0.16/bbl. The Jul/Aug spread traded around -\$0.23/bbl while the Bal-ND/Jun continued higher with it trading up to -\$0.01/bbl from -\$0.05/bbl. The prompt E/W traded up to -\$26/mt but has retraced back to -\$26.50/mt post the window. Further down the curve, interest on the sell side was seen in the Aug E/W at -\$28.25/mt and the Q3 E/W was higher at -\$28.25/mt from -\$28.75/mt. The prompt regrade was a touch higher, with it trading up to -\$1.42/bbl. The Jul regrade saw interest around -\$1.25/bbl and in the deferred, Q3 traded up to -\$1/bbl.

In Kero, the Jul/Aug spread was lifted up to -\$0.40/bbl from -\$0.43/bbl.

Gasoline

A weak afternoon in gasoline, where we saw cracks trade at the end of the afternoon window around \$18.15/bbl in Jun EBOB. A weak afternoon for RBOB, with RBBRs dipping to \$20.30/bbl handles, having opened the day around \$21.50/bbl. Arbs saw buying this afternoon, in Jun around the 6.60c/gal handles and in Aug at 6.50c/gal. Deferred arbs (Q4 particularly) were offered around 3.50c/gal today from phys. Spread weakness from the morning continued in EBOB, with Jun/Jul sold down as low as \$9.75/mt, and Jun/Sep down to \$37.25/mt. We saw some signs of spreads rebounding post-window, with Jul/Aug lifted up to \$10.75/mt from refiners, up from \$10.25/mt. Q3 cracks continued to be well bid at \$16.50/bbl, from trade houses and refiners. Gasnaphs in Jun traded at \$205/mt, with refiner interest. 92 spreads continued to see weakness this afternoon, with Jun/Jul trading as low as \$0.38/bbl and Jul/Sep down to \$1.50/bbl. Q3 92/MOPJ was offered into the afternoon at \$18.15/bbl levels. E/W was pulled higher with EBOB weakness, seeing bids up to -\$10.30/bbl in Jun.

Naphtha

This afternoon in naphtha we saw Jun NWE crack price action remain stagnant in the afternoon with lower

crude preventing the crack falling further despite an offered phys window where major sold. The Jun crack saw better buying later into the afternoon moving up from lows of -\$11.60/bbl to trade between -\$11.45/bbl and -\$11.35/bbl into the window. Front spreads continuing their downtrend with Jun/Jul NWE trading down from \$6.50/mt this morning to \$5.75/mt end window with trade on the sell side. Q3/Q4 spreads seeing selling 25c lower as well with Aug/Sep and Sep/Oct trading at \$3.50/mt and \$2.75/mt respectively. Deferred cracks continuing to see buying with Major on the buy side of Q4 cracks up to -\$11.05/bbl with the Cal'25 seeing buying at -\$10.90/bbl. E/W weakening in the afternoon with MOPJ spreads offered leaving the front to trade down from \$17/mt this morning down to \$16.25/mt in window with Q3 E/W seeing selling down to \$15.25/mt.

NGLs

A supported afternoon for US LPG this afternoon; offers were lifted initially at US Open which helped flat price go better bid in the paper and LST strengthen on a crude percentage basis as crude came off over the afternoon. Spreads stayed supported with Augy/Sep LST trading at -0.50c/gal. Butane weakened relative to propane as Jun C4/C3 was offered down to 11.50c/gal by the end of the afternoon.

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

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European Window



Deferred spreads were bid however with Q3/Q4 butane bid up to 3.75c/gal while further out Feb'25/Mar'25 traded up to 5.25c/gal. Internationally arbs were rangebound with LST/FEI trading between -\$225/mt and -\$224/mt in the prompt contract. FEI/CP remained well bid over the afternoon with Jun trading at \$54/mt as DCE players were buyside and July FEI/CP also traded at \$56/mt. The window saw a mix of bids and offers helping E/W remain bid at \$105/mt in Jun.

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