

Flat Price

The July Brent futures flat price has had a spiky afternoon, which it began by falling to \$83.10/bbl at 12:40 BST, from which it rapidly rose to the afternoon's high of \$83.75/bbl at 14:10 BST. Subsequently, between 14:15 BST and 16:25 BST, price action bounced between \$83.20/bbl and \$83.60/bbl, before more stability was seen, with the price settling by 17:15 BST (time of writing) in \$83.50/bbl handles. The UK, alongside international allies, has announced a new package of sanctions to target Russia and North Korea's illicit arms-for-oil partnership in response to their respective involvements in the ongoing war in the Ukraine. In related news, India and China are sustaining the market for sanctioned oil, with the world now awash with discounted, sanctioned crudes that now make up around 5% of the global oil trade. Building on this morning's news, Vladimir Putin says Russia is mulling building an oil pipeline besides the Power of Siberia-2 gas pipeline. South Korea's Hyundai Oilbank has cut crude runs temporarily to around 87% of normal levels at its Seosan refinery site after a minor fire, resulting in an estimated cut of around 68kbbbls/d to the 520kbbbls/d total capacity. The front and 6-month spreads are \$0.33/bbl and \$2.82/bbl, respectively.

Crude

Mixed afternoon for Dated. We saw Jun DFL continue to weaken, although found support around flat, now trading \$0.07/bbl last with size buying around

\$0.05/bbl. Jun/Jul DFL remains relatively unchanged from the morning, trading -\$0.33/bbl last having recovered from -\$0.37/bbl whilst the dated roll was a touch softer on weaker spreads, last posting \$0.13/bbl. In the window, we again saw prompt midland offers suppress the physical diff from recovering, although leaving it relatively unchanged from yesterday. There was trade and major buying interest out of 28-31/5, with 28-3/6 v 17-21/6 lifted at -\$0.57/bbl, whilst a refiner was buyside of 20-14/6 v 17-11/7, helping support Balmo to go a touch better bid, trading \$0.86/bbl last – up from lows of -\$0.97/bbl. 10-14/6 1w recovered a touch post window, lifted at -\$0.16/bbl. Post window, we saw better buying of Jun rolls, with 10-14/6 v 17-21/6 lifted at -\$0.16/bbl. 28-31/5 CFD saw trade selling in the window, sold from -\$0.80/bbl to -\$0.84/bbl post window.

Fuel Oil

In HSFO, it was a very quiet afternoon on 380 today, with the Chinese Arbers not big participants. There was very little activity on the 380 crack, with Jun 380 crack trading at -\$6.05/bbl and Sep at -\$8.20/bbl. It was a rangebound afternoon on 380 spreads. Jun/Jul 380 traded at \$8.50/mt throughout the afternoon. The barge crack was a touch softer this afternoon, with Jun barge crack selling down to -\$10.35/bbl from -\$10.25/bbl. However, we saw some MOC hedging which supported the crack back up to -\$10.25/bbl towards the end of the window.

We also saw Q3 barge crack trading at -\$9.25/bbl. It was a stable afternoon on barge structure, with Jun/Jul trading at -\$3/mt. We saw Q3 380 E/W buying interest, with it trading at \$10.50/mt.

In VLSFO, it was a quiet afternoon to end the week on VLSFO. The Sing crack was fairly stable, with the Jun Sing crack trading between \$10.60/bbl and \$10.65/bbl. It was more liquid on Sing structure, with spreads better supported this afternoon. Jun/Jul Sing traded up to \$7.50/mt from \$7.25/mt. The Euro crack opened the afternoon better offered, with the Jun Euro crack trading at \$3.70/bbl to start the afternoon, before selling down to \$3.60/bbl where it met some resistance. It recovered post window to end the week trading at \$3.70/bbl. The 0.5 E/W saw sparse liquidity trading at \$44.50/mt.

Distillates

ICE gasoil spreads were higher this afternoon. The Jun/Jul spread traded higher at -\$1.50/mt from -\$2/mt and likewise the Jul/Aug spread was higher at -\$1.50/mt. ICE gasoil cracks strengthened into the window, with the Jun crack been lifted up to \$19.25/bbl from \$19/bbl. The Jul crack was a touch higher at \$19.80/bbl while in the deferred the Q3 crack traded at \$20.60/bbl. European jet diffs were lower, with the Jun diff trading down to \$61/mt from \$62/mt. Further down the curve, interest was seen in the Sep diff at \$60.75/mt.

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The HOGOs continued higher this afternoon, with the Jun swap at 5.50c/gal and the Q4 swap 8.90c/gal.

A quiet afternoon was seen in Sing gasoil. The Jun/Jul spread was rangebound around $-\$0.12/\text{bbl}$ and the Jul/Aug spread was unchanged at $-\$0.18/\text{bbl}$. The Jun E/W came back off to $-\$28.25/\text{mt}$ after rallying up to $-\$27.50/\text{mt}$ earlier in the morning. Jul E/W remained rangebound around $-\$29/\text{mt}$ while down the curve, the Q3 and Q4 were unchanged at $-\$29.50/\text{mt}$ and $-\$27.75/\text{mt}$ respectively. Regrades were a touch higher after a weak morning, with the Jun regrade trading back up to $-\$1.66/\text{bbl}$ from $-\$1.70/\text{bbl}$. The Jul regrade traded around $-\$1.36/\text{bbl}$ and in the deferred, Q3 traded down to $-\$1.15/\text{bbl}$ from $-\$1.05/\text{bbl}$.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around $\$21.30/\text{bbl}$ in Jun EBOB. RBBRs saw volatile price action this afternoon, trading down to $\$22.84/\text{bbl}$, and back up to $\$23.40/\text{bbl}$ handles end window. Arbs were offered, with Jun seeing selling between 5.80c/gal and 6c/gal. Q4 arbs saw some bid side interest at 2.95c/gal. We saw Jun/Sep well offered this afternoon at $\$50/\text{mt}$. Q3 cracks continued to be offered at $\$18.50/\text{bbl}$ levels.

Q3 gasnaphs saw buying in the afternoon to $\$197/\text{mt}$ levels, however with RBBRs higher post window, we saw selling from tradehouses at $\$198/\text{mt}$. A quieter afternoon in the East, with Q3 E/W seeing more buying at $-\$9.30/\text{bbl}$ levels. Spreads in 92 saw some selling down to $\$0.56/\text{bbl}$ in Jun/Jul.

Naphtha

This afternoon in naphtha we continued to see bullish price action in the Jun NWE crack with the front trading from $-\$9.70/\text{bbl}$ this afternoon to settle at $-\$9.35/\text{bbl}$ end window with potential stop outs being seen on deferred cracks. Front cracks were pushed up by derivative players given US trade aggressively lifting Q4 cracks above $-\$10/\text{bbl}$ handles, reaching up to $-\$9.80/\text{bbl}$ with Cal'25 seeing buying by refiner at $-\$10/\text{bbl}$. Structure remaining supported with Jun/Jul still bid, trading up to $\$9.25/\text{mt}$ post window with Jul/Dec trading at 22/mt. Jun E/W seeing buying flows post-window getting lifted up to $\$17.25/\text{mt}$ post-window with Jun/Jul MOPJ bid at $\$9/\text{mt}$.

NGLs

Another volatile afternoon on NGLs; initially LST structure was well offered and flat price weakened on a crude percentage basis across the curve after the aggressive move downwards in the arb this morning. Bids lifted in the physical at the lower levels, and real buying of the arb, however,

caused the paper LST to retrace and go better bid. At the front of the curve Jun/July firmed to $-0.125\text{c}/\text{gal}$; further out Q3/Q4 was bid at $-2.50\text{c}/\text{gal}$ while Q4/Q1'25 firmed to $5.50\text{c}/\text{gal}$. Butane softened touch in relation to propane with Jun C4/C3 trading at $12.25\text{c}/\text{gal}$ but Jun/Jul was also bid up to flat thanks to outright flat price interest in the prompt contract. Internationally, FEI spreads initially firmed to $\$10/\text{mt}$ in Jun/Jul but softened back to $\$8.50/\text{mt}$ as prompt arbs went bid; CP maintained its prompt flat price strength, however, with DCE players and importers buyside causing the FEI/CP diff to weaken from $\$60/\text{mt}$ to $\$45/\text{mt}$ in Jun. E/W diff also fell to $\$115/\text{mt}$ in June driven by FEI softening.

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