

Flat Price

The July Brent futures flat price has had a strong afternoon, mitigating the losses it saw this morning. The contract kicked off the afternoon at lows of \$80.80/bbl at 13:50 BST before seeing a stellar rally up to \$82.15/bbl at 17:00 BST. Putin looks set to restart peace negotiations as per a statement during a conference in Belarus today. It is proposed however, that this agreement stands on the basis of claiming land where the current frontlines sit, which could entail Ukraine losing 18% of its land. Ukrainian Foreign Affairs Minister Dmytro Kuleba responded by claiming Putin had no desire to end his aggression. In other news, Saudi Arabia is planning a multi-billion share sale in its NOC Saudi Aramco as soon as June. The offering could reportedly raise around \$10 billion, making it among the region's biggest stock deals. Finally, the market is keenly awaiting the OPEC+ online meeting on June 2nd for some direction on whether the 2.2mbbls/d output cut will be extended. The front and 6-month spreads are \$0.27/bbl and \$2.67/bbl, respectively.

Crude

Another slow session for Dated. We saw Jul rolls better bid into the afternoon, with trade house buying interest of 1-5/7 v Cal Jul, whilst the front roll 28-31/5 1w was better offered, sold to -\$0.35/bbl. 3-7/6 4w trades -\$0.91/bbl last as Jun rolls continued to go offered, whilst in the window we saw a British major aggressively selling 17-21/5 CFD – hitting a -\$0.40/bbl bid in good size,

recovering to be paid at -\$0.28/bbl post window. We saw Jun DFL drift throughout the afternoon, finding highs of -\$0.35/bbl pre window, sold to -\$0.46/bbl with selling of 17-21's, rebounding post window back to -\$0.33/bbl. Jun/Jul DFL similarly recovered post window and now bid at -\$0.65/bbl. The physical continued to see prompt Forties offers pressure the diff, although with trade lifting the most aggressive, the picture looks a touch firmer moving forward, allowing the paper to find better support. 24-28/6 CFD also saw the same British major hit a -\$0.09/bbl bid, recovering to flat by the end of the window.

Fuel Oil

In HSFO, 380 structure was a touch softer this afternoon. Jun/Jul 380 opened the afternoon at \$11/mt, before selling down to \$10.50/mt. It was fairly quiet on 380 cracks, with Jun 380 crack trading sporadically between -\$4.90/bbl and -\$4.85/bbl. Barge structure was fairly stable for the majority of the afternoon, with Jun/Jul barges trading at -\$2.25/mt, however it briefly sold down to -\$2.50/bbl prior to the window, before recovering in the window and post window, buying up -\$2/mt. Barge cracks saw a sell off in the beginning part of the afternoon, trading down to -\$9.20/bbl from -\$9.05/bbl. The front barge crack turned better bid in the window, supported through MOC hedging, it bought up to -\$8.85/bbl.

There was interest past the front 380 E/W this afternoon, with Jun 380 E/W a touch weaker, selling down to \$26.50/mt from \$27.50/mt.

In VLSFO, the liquidity we saw in the morning on Sing 0.5 dried up this afternoon, resulting in the spreads having a fairly rangebound end to the week. Jun/Jul Sing traded between \$4/mt and \$4.25/mt. Sing cracks were slightly more volatile, Jun Sing crack opened the afternoon at \$8.55/bbl selling down to \$8.35/bbl prior to the window. We then saw a recovery both in the window, and post, with the front crack trading back up to where it started the afternoon. There was also low liquidity on the Euro spreads, with Jun/Jul Euro buying up to \$1.25/mt from \$1/mt on sporadic trading. We saw initial weakness on the Euro crack, with which opened at \$1.90/mt before selling down to \$1.75/bbl prior to the window. There was a recovery towards the end of the window as well as after the window, trading up to where it began at \$1.90/bbl. We saw some 0.5 E/W trading, with particular interest on Sep, which traded at \$38.25/mt.

Distillates

ICE gasoil spreads remained rangebound, with the Jun/Jul and Jul/Aug spreads both trading around -\$2.25/mt. ICE gasoil cracks rallied early in the afternoon before coming off into the window.

The Jun crack traded up to \$18.50/bbl before coming off to \$18/bbl. The Jul crack traded lower at \$18.75/bbl and in the deferred, the Q3 crack traded around \$19.50/bbl. European Jet diffs continued to come off this afternoon. The Jun diff traded down to \$61/mt from \$63.25/mt. The Jun/Jul diff traded lower at \$1.50/mt, indicating the Jul diff at \$59.50/mt. The HOGOs were unchanged from this morning, with the Jun swap around 6.20c/gal and the Q4 swap around 9.40c/gal.

A quiet afternoon was seen in Sing gasoil. The Jun/Jul spread was lifted up to -\$0.11/bbl from -\$0.13/bbl and the Jul/Aug traded rangebound around -\$0.18/bbl. The front E/W continued higher trading up to -\$25.50/mt before retracing back to -\$26/mt. Jul E/W traded higher at -\$27/mt while down the curve Q3 traded at -\$28.25/mt. A mixed afternoon for regrades. The Jun regrade traded around -\$1.50/bbl and the Jul regrade traded back up to its opening level of -\$1.33/bbl from -\$1.40/bbl. In kero, the Jun/Jul spread traded a touch higher at -\$0.28/bbl.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$19/bbl in Jun EBOB. RBBRs dipped to \$21.30/bbl handles before staying rangebound in the \$21.80/bbl region in the Euro window.

RBBRs were stronger post window, up to \$22/bbl handles in Jul. We saw arb buying with the RBBRs moving up over the afternoon, in Aug at 6.80c/gal from refiners, with stronger EBOB crack buying end window at \$18.95/bbl. EBOB spreads saw buying in Jun/Jul and Jul/Aug up to \$9/mt and \$12/mt. Gasnaphs saw stronger selling interest from phys players this afternoon, with Jun between \$186/mt and \$187/mt, and Q3 at \$176.5/mt. In the East, we saw spreads weaken, with Jun/Jul trade down to \$0.15/bbl and Jul/Sep trading down to \$1.05/bbl.

Naphtha

This afternoon in naphtha we saw Jun NWE crack trade up to -\$8/bbl in Jun, before retracing in the window where we had majors and trade houses on the buy side of cracks between -\$8.40/bbl and down to -\$8.50/bbl in Jun. RB/Nap saw strong refiner buying this afternoon around \$30.70/bbl. We saw spread selling from majors in Nap, with Jul/Aug at \$5/mt and Aug/Sep down to \$3.75/mt. We saw spread selling in Cal'25 spreads, with Apr/Jun at \$6.50/mt. Q4 cracks found a bid at -\$8.85/bbl levels today, with the Cal'25 crack being bid as well. E/W saw more sell side interest continue from the morning from banks, at \$13.75/mt in Jun, and we saw some more selling of MOPJ FP this afternoon in Jan, at \$633/mt, following strong Chinese buying in the morning.

NGLs

A stable and supported afternoon for NGLs; US propane was lifted in the physical at the US open helping flatprice go bid in prompt LST which firmed on a crude percentage basis trading up to 74 c/gal in June. Jun/July LST was well bid at -0.125 c/gal by banks in particular but stayed rangebound here over the afternoon. Deferred spreads saw buy side interest too as Nov/Feb traded at flat. Butane moved in line with propane for most of the afternoon as winter butane traded at 89.5 c/gal although butane softened over the second half as Jun/July softened to 0.375 c/gal and 13.625 c/gal traded in the 4q C4/C3 diff. Internationally, arbs remained rangebound around the \$-225/t level in July LST/FEI as the US strength was balanced out by well bid FEI flatprice from DCE players in the Sep and Oct tenors especially. FEI structure was less supported Jun/July softened to \$10/t after its rally this morning while Sep/Oct softened to \$-5.5/t. Despite a quiet window in the phys, European propane's flatprice strength saw the EW diff fall to \$-112/t \$3 down from this morning.