

## Flat Price

The Aug Brent futures flat price has had a fairly flat morning, trading in a narrow range between \$82.75/bbl and \$83.15/bbl. It sits comfortably in \$83.00/bbl handles as of 11:05 BST (time of writing). Norwegian oil and gas investments are expected to hit record highs this year and remain strong in 2025, with the sector now expecting to invest 246.9 billion crowns (\$23.58billion) in 2024, up from a 243.6 billion crown estimate in February. Hess Corp investors will vote today on Chevron's proposed \$53 billion acquisition of the company, after many investors have called for a delay in hopes of obtaining a better offer for their shares. India is seeking bids through a special upstream bidding round for two recently-discovered small oil and gas fields in the Mumbai offshore region and one coal-bed methane (CBM) gas field in West Bengal. Harry Sargeant III, the owner of Texas-based Global Oil Terminals, has acquired a license to continue buying asphalt from Venezuela without breaching US sanctions, with an initial contract for six 95kbbbl cargoes. The front and 6-month spreads are \$0.41/bbl and \$2.85/bbl, respectively.

## Crude

Relatively muted start to Dated, with DFL's rangebound throughout the morning; Jun DFL trades between -\$0.32/bbl and -\$0.30/bbl, whilst Jul trades 1c around \$0.32/bbl with the DFL roll trading -\$0.62/bbl last. Jul/Aug saw sell side interest to see the DFL roll trade at -\$0.12/bbl.

We saw continued better buying out of 1-5/7 with 1-5/7 v Cal Jul lifted at \$0.20/bbl in good size, whilst buy-side interest was also seen in Cal Jun v 28-4/7 and 18-24/6 v Cal Jun, trading -\$0.40/bbl and \$0.24/bbl respectively. In the deferred, we saw Eastern buying of Q4 Dated Dubai, trading \$0.66/bbl in a few clips – equivalent at the time to around \$0.42/bbl on the Q4 DFL.

## Fuel

In HSFO, we saw mixed interest down the curve on 380 cracks this morning. The Jun 380 crack started the morning stronger, buying up to -\$3.75/bbl from \$3.90/bbl. The front 380 crack turned better offered in the window, with the selling continuing post-window, selling down to -\$4.50/bbl. 380 spreads were fairly stable prior to the window, with Jun/Jul 380 trading at \$11.75/mt. Similar to the crack, a sell off began in the window, with the front spread selling down to \$11/mt. It was a weak morning on the barge crack. Jun barge crack opened the morning at -\$8/bbl, before selling down to -\$8.70/bbl. We saw low liquidity on barge spreads this morning, however it was still a weak morning. Jun/Jul barges opened the morning at -\$1.50/mt, before selling down to -\$2.25/mt. We saw some activity on the 380 E/W, with Jun 380 E/W trading down to \$26.50/mt from \$27.25/mt.

In VLSFO, the Sing crack started off the morning better bid, with Jun Sing crack buying up to \$8.70/bbl. This strength however was short lived, with the crack turning offered heading into the window.

The sell off continued post window, with the front Sing crack trading down to \$8.40/bbl. We saw a similar trend on Sing spreads, Jun/Jul Sing opened the day at \$4.50/mt before trading up to \$4.75/mt where it traded into the window. The front spread then weakened back to where it opened at \$4.50/mt. We continued to see some back-end Sing Hi5 buying, with Q4 Sing Hi5 trading at \$101/mt. Euro cracks were weaker this morning trading on thin liquidity. Jun Euro crack opened trading at \$2/bbl, before selling down to \$1.80/bbl. It was a rangebound morning on Euro spreads, with Jun/Jul Euro trading between \$1.25/mt and \$1.50/mt on very little activity.

## Distillates

Another relatively strong start in distillates. We saw spread buying on 10ppm with Jun/July trading from -\$0.06/bbl to going bid post window at flat (\$0/bbl). Jul/Aug similarly found buying up to -\$0.06/bbl. The July 10ppm Brent crack traded at \$15.45/bbl post window. The prompt kero spreads similarly found support with Jun/Jul trading up from -\$0.15/bbl pre window to mid-morning highs of \$0.02/bbl. The Kero/10ppm diff rallied on kero's strength, with Jun rallying from -\$1.45/bbl to -\$1.22/bbl. The East/West was supported, with Jun trading up to -\$24/bbl in the window, up from -\$24.75 in the morning. We saw the LSGO Jun/July spread trade around the -\$1.80/mt mark post window.

**Gasoline**

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to \$5.90/bbl on a crack basis in Jun 92. Another weaker morning for 92 spreads, with Jun/Jul pricing negative, and sold down to -\$0.25/bbl. Aug/Sep saw refiner selling at \$0.42/bbl and down to \$0.40/bbl, as well as interest to sell Dec/Jan'25 92 down to \$0.35/bbl. Cracks saw Chinese selling down to \$5.50/bbl in Jun post window. With EBOB feeling better bid, we saw E/W sell down to -\$12.60/bbl in Jun and strong trade selling in Q3 down to -\$10/bbl. RBBRs ticked down over the morning, \$0.30/bbl to \$21.50/bbl handles post window. We saw some initial sell side interest in Jun arbs from refiners between 8.20c/gal and 8.40c/gal. Jun/Jul EBOB continued to see sell side pressure, down to \$7/mt. Deferred EBOB cracks saw selling interest today, with Q4 and Q1'25 cracks trading at \$8/bbl, with market makers offering the Q4/Q1'25 crack roll at flat. Refiners were selling gasnaphs in Jun at \$180/mt today.

**Naphtha**

This morning in naphtha we saw flat price valued at \$684/mt in Jun MOPJ, on a -\$6.20/bbl crack equivalent. Post window we saw MOPJ FP selling in Jul at \$675/mt from phys players, and buying interest in Q3 MOPJ cracks at -\$6.90/bbl this morning from trade. Selling came on Jun E/W from trade houses at \$17/mt. We saw selling in NWE cracks from real players between -\$8.10/bbl and -\$8.15/bbl in Jun, as well as selling in deferred cracks with Q4 at -\$8.65/bbl.

We had Chinese buying of MOPJ spreads this morning, with Jun/Jul at \$8.75/mt and Jul/Aug at \$6.50/mt. NWE spreads saw Jun/Jul see better selling as well from trade houses at \$9.25/mt

**NGLs**

A weaker morning for international NGLs as FEI structure weakened from yesterday's strength; Aug/Sep FEI was offered down from -\$3.25/mt to -\$4.50/mt while the prompt spread Jun/Jul reached a low of \$9.50/mt, having traded at \$11/mt yesterday. FEI/CP stayed rangebound trading at \$45/mt in Jun and \$56/mt in Jul; CP spreads softened in line with FEI for the most part as Jun/Jul CP traded at \$20/mt. Into the window, continued bids in the FEI physical saw flat price go better bid in the paper as Jun FEI was bid up to \$629/mt handles by end window.

## Global Macro

- Japanese stock funds suffer biggest weekly outflow on record at \$5.9 BLN.
- More stock selling, this time U.S. - Hedge funds sold stocks at the fastest pace since January while simultaneously increasing their downside hedges.
- Nvidia gained 5% over the weekend (overnight trading session) on no news and closed markets! Which brings up an old but simple S&P trading strategy, buy on the close and sell on the open.
- Hedge Funds build largest long gold position in more than 4 years.
- Japan PPI Services (Y/Y) Apr: 2.8% (est 2.3%; prev 2.3%)
- Australian CPI 3.8% YoY (ex 3.7%)
- ECB Shouldn't Exclude Second Rate Cut in July, Villeroy Tells BZ
- Weaker than expected German IFO Business Climate May: 89.3 (est 90.4; prev 89.4) –
- IFO Current Assessment May: 88.3 (est 89.8; prev 88.9) –
- IFO Expectations May: 90.4 (est 90.8; prev 89.9)