

## Flat Price

The August Brent Futures contract saw a volatile afternoon, rising to a peak of \$83.40/bbl at 12:30 BST before prices fell to \$82.60/bbl at 14:15 BST and subsequently oscillated between \$82.30/bbl and \$83.20/bbl later into the afternoon, printing at \$82.22/bbl at 17:30 BST. EIA figures have emerged highlighting a 4.2 mbbbls draw in US crude inventories, with stocks down to 454.7 mbbbls in the week to May 24th and approximately 4% below the 5-year historical average. Conversely, gasoline stocks rose by 2.02 mbbbls in the week to 228.8 mbbbls, contrasting analyst expectations of a 0.4 mbbbls draw in a Reuters poll. Distillate stocks experienced similar movements, rising by 2.5 mbbbls to 119.3 mbbbls in the week, against expectations of a 0.1 mbbbls draw. In other developments, starting in 2025, Germany will abolish a controversial levy on natural gas storage that has been imposed on central European countries, including Austria, the Czech Republic, Hungary, and Slovakia, for gas piped through Germany. This levy has raised tensions as gas import costs from Germany have risen significantly, undermining efforts to reduce reliance on Russian gas. The Aug/Sep and Aug/Feb'25 spreads have narrowed to \$0.30/bbl and \$2.45/bbl, respectively.

## Crude

Continued weakness was seen this afternoon in Dated, as Jun DFL gapped lower ahead of the window, bottoming out at -\$0.80/bbl and continuing to see a

volatile price action, last trading -\$0.74/bbl. Jul also saw better selling relative to spreads around this time, sold to \$0.07/bbl, recovering a touch to last trade \$0.12/bbl. We saw better selling across the curve, with buying out of 1-5/7 drying up, seeing the 2w trade -\$0.01/bbl with 8-12/7 2w trading \$0.04/bbl pre window. With structure down the curve well offered, the prompt 3-7/6 1w was better supported due to its tie to the physical, with 3-7/6 1w lifted at -\$0.38/bbl, however a major was seen sell side out of 3-7/6 post-window, hitting 3-7/6 2w at -\$0.74/bbl, whilst the 3w is offered at -\$1.00/bbl. Selling of Jul/Aug Dtd continued throughout the day, last sold at \$0.20/bbl having found \$0.19/bbl lows. CFD's were a touch more supported today, with Jun bottoming out pre-window. We saw 3-7/6's lifted from -\$1.39/bbl to -\$1.32/bbl, whilst 10-14/6's traded 3c higher by the end of the window at -\$0.96/bbl, whilst the cash roll was well offered, trading -\$0.14/bbl heading into expiry tomorrow.

## Fuel Oil

In HSFO, there was more interest on deferred 380 cracks this afternoon, in particular Sep and Aug. The Jun 380 crack had a quiet afternoon, trading rangebound at -\$3.60/bbl on thin liquidity. 380 structure was stronger this afternoon, with Jun/Jul 380 buying up to \$12.75/mt from \$12.50/mt. Barge cracks showed some early strength, with Jun barge crack buying up to -\$7.70/bbl from -\$7.90/bbl.

However, with pressure put on by MOC hedging, we saw the front barge crack sell back down to where it started the afternoon. We also saw Q3 barge crack buying this afternoon, around -\$7.65/bbl, which supported the front barge crack early on. It was a rangebound afternoon on the 380 E/W, with Jun 380 E/W trading around \$27/mt.

In VLSFO, it was a slightly volatile afternoon on the Sing crack. The Jun Sing crack opened at \$8.95/bbl, before steadily buying up to \$9.15/bbl steadily throughout the afternoon. However, we saw the crack give most of its gains back towards the end of the day, selling down to \$9/bbl. Sing structure was a touch stronger early on, with Jun/Jul Sing buying up to \$5.75/mt from \$5.50/mt. It then traded at this level for the remainder of the afternoon in decent size. The Euro crack was stronger this afternoon, supported by MOC hedging, the Jun Euro crack bought up to \$2.35/bbl from \$2.10/bbl. Euro spreads were weaker this afternoon, selling down to \$2.50/mt from \$3/mt.

## Distillates

ICE gasoil spreads saw a rangebound afternoon with the Jun/Jul remaining between -\$2.75/mt and -\$2.50/mt, while the Jun/Sep spread weakened into the evening, down to -\$8.75/mt before recovering to -\$8.50/mt post-window.

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The ICE gasoil cracks also saw volatility on the stats announcement today, coming off from their afternoon highs. The Jun crack is at \$17/bbl while the Q4 crack is at \$19.70/bbl, both trending downwards into the evening and remaining weak into the close. The NWE jet diffs saw further weakness at the front of the curve, with the Jun diff getting hit down to \$54.25/mt after coming off to \$54.50/mt on screen, while the Jun/Jul jet diff roll came off to -\$1.25/mt as the Q3 remained stable at \$56.25/mt into the evening. The HOGOs also came off on the stats announcement as the news of a large build of distillates saw a bearish reaction from the HOGO futures. The Jun swap is at 4c/gal and the Q4 swap is at 8.70c/gal.

Sing gasoil spreads remained strong into the afternoon but ticked down at the front into the evening. The Jun/Jul spread was sold down to \$0.05/bbl while the Jul/Aug spread traded down to -\$0.06/bbl, while Sep/Oct weakened to \$0.07/bbl. The E/W at the front remained rangebound between -\$20.25/mt and -\$20/mt into the evening, with the Jul E/W getting lifted up from -\$23.25/mt to -\$23/mt with the Q3 seeing buying interest between -\$25.50/mt and -\$25.25/mt into the evening along with the Q3 regrade. The prompt regrade rallied back to -\$1.40/bbl while the Q3 and Q1'25 regrades were stronger into the evening,

trading up from -\$1.32/bbl to -\$1.30/bbl and -\$0.40/bbl respectively. The kero spreads saw the Dec/Feb trade at \$0.20/bbl, while the Jun/Jul weakened from \$0.04/bbl to \$0.02/bbl into the evening.

## Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$16.20/bbl in Jun EBOB. We saw a small rebound from the lows in the morning, helped by RBBRs up to \$20/bbl handles. Jun arbs saw buying in the window 7.20c/gal – 7.35c/gal, and Jun/Jul EBOB saw better buying at \$5/mt, after selling down to \$4.25/mt in the morning. Gasnaphs saw more selling in Q3 region, with Aug trading at \$163.50/mt from phys. In the East, we saw spreads see more buying from the lows, and Jun/Jul trade up to -\$0.30/bbl. We saw some scaleback selling of E/W up to -\$11.25/bbl in Jun as well from real players.

## Naphtha

This afternoon in naphtha we saw Jun NWE crack trade down to -\$9/bbl in Jun in the Euro window, seeing trade houses on the sell side. Funds were on the sell side of the front crack roll at \$0.50/bbl. Spreads saw selling in Jul/Dec continue at \$17/mt from trade. Cal cracks traded up to -\$9.20/bbl with buying from real phys players.

E/W saw some buying in Jul at \$18.25/mt however limited activity in the afternoon. Jul/Aug MOPJ buyers stepped up to \$6.25/mt levels.

## NGLs

A weaker afternoon for US LPG structure on NGLs as flat price weakened on a crude percentage basis. Arbs were offered by real players as Jun LST/FEI traded down to -\$241/mt and the Q3 arb down to -\$228/mt; deferred arbs stayed slightly firmer however with Cal LST/FEI trading at -\$191/mt. Bids hit in the physical caused flat price to be less well bid than previous days and structure softened as a result with Q3/Q4 LST trading down to -2.625c/gal and Q4/Q4'25 trading down to 5c/gal. Butane stayed in line with propane down the curve with \$12.25/mt trading in Cal C4/C3. Stats announcing a 2.1 min build were in line with expectation and had seemingly little impact on market sentiment. Internationally, FEI/CP regained some ground from this morning with Q4 trading up to \$45/mt. FEI spreads softened a touch with Dec/Dec trading at \$69.50/mt. The European propane contract was quiet in the physical window but saw some buying support in the paper spreads from trade houses and majors which helped the Cal E/W trade up to \$77/mt.