

Flat Price

The September Brent futures contract has seen a downward trend all afternoon, softening from nearly \$85/bbl at 11:35 BST to below \$84/bbl at 14:40 BST. Prices then climbed to \$84.65/bbl at 15:35 BST but saw choppy movement following a bearish EIA stats announcement at 15:30 BST, ultimately seeing the contract fall to \$84.45/bbl at 17:25 BST (time of writing). EIA data for the week ending June 21 showcased a build of 3.591mb in US crude oil inventories against median estimates of a 2.8mb draw, although Cushing stocks recorded a muted 226kb draw. In addition, US gasoline stocks saw a 2.654mb build against a forecast 1.437mb draw, while American middle distillates stocks recorded a 377kb draw against expectations of a more sizeable 1.050mb draw. Also concerning is the decline in refinery utilisation by 1.3ppt at a time when refiners would typically be increasing utilisation to meet the seasonally higher summertime demand. Moreover, while the EIA announced a 433kb/d decline in American crude imports, data from Kpler showcased that imports in May rose to 3.1mb/d, the highest since July 2022. On the macroeconomic side of things, sales of new single-family homes in the US sank to a six-month low of 619,000 units in May (prev: 698,000). Finally, at the time of writing, the Sep/Oct and Sep/Mar'25 Brent futures spreads stand at \$0.59/bbl and \$2.98/bbl, respectively.

Crude

A weaker window for Dated. The physical was finally better offered, with a Midland bid sold by Geneva trade, and a major offering prompt Forties through the curve, pressuring the diff. 1-5/7 1w saw better selling, sold at \$0.40/bbl in the window with the expectation the physical will continue to weaken into next week. Cal Jul v 15-19/7 saw refiner buying, sold at \$0.18/bbl then \$0.17/bbl post window as Jul rolls weakened. Jul/Aug DFL weakened in turn, bottoming out at -\$0.06/bbl before recovering a touch post window to -\$0.04/bbl whilst the outright was sold to \$0.40/bbl and \$0.49/bbl respectively, with Jul seeing a better recovery post window back to \$0.45/bbl. CFDs in the window equally saw better selling despite Geneva trades supporting 1-5/7 CFD at \$0.85/bbl, whilst 8-12/7 CFD was sold from \$0.45/bbl to \$0.40/bbl.

Fuel Oil

Chinese Arbers were sellers of deferred 380 flat price this afternoon. This had a negligible effect on the 380 crack, with the Jul 380 crack having a fairly rangebound afternoon, trading around -\$5.60/bbl throughout the afternoon. 380 structure was a touch stronger, with activity on both Jul/Aug and Aug/Sep 380. Jul/Aug 380 bought up to \$8.00/mt from \$7.75/mt. The barge crack was stronger this afternoon, supported by Q4 barge crack buying as well as MOC hedging. The Jul barge crack bought up to -\$8.85/bbl from -\$9.00/bbl.

The crack strength supported barge structure, with Jul/Aug barges buying up to \$2.50/mt from \$2.00/mt. A fairly stable afternoon on the 380 E/W, which traded between \$21.00/mt and \$21.25/mt.

It was a very strong start to the afternoon on Sing 0.5 on the back of the news at the Dangote Refinery. The Jul Sing crack saw aggressive buying up to \$11.55/bbl from \$10.95/bbl. The market did calm down as the afternoon progressed, with the front Sing crack regressing back down to \$11.00/bbl as real selling came into the market. There was similar strength in Sing structure, with a fair amount of activity on both the front two spreads. Jul/Aug Sing bought up to \$9.00/mt from \$8.25/mt, in a similar timeline to the rally on the Sing crack. Liquidity did dry up as the afternoon went on, with the front Sing spread selling down to \$8.00/mt. The Euro crack saw less liquidity than the Sing crack this afternoon, nonetheless it still saw support from the Sing crack. The Jul Euro crack bought up to \$3.80/bbl from \$3.40/bbl. Liquidity did pick up going into the window, with the front Euro crack coming off, selling down to \$3.35/bbl.

Distillates

ICE Gasoil spreads strengthened into the afternoon but came off on the US open and stats announcement.

The Jul/Aug spread traded down to \$2.00/mt from highs of \$2.50/mt while the Aug/Sep is at \$0.50/mt from \$1.00/mt. ICE Gasoil crack similarly weakened into the window, with the Jul crack weakening to \$20.90/bbl and the Q4 at \$21.85/bbl, before rallying back to \$21.40/bbl and \$22.15/bbl, respectively post-window. The European jet diffs saw support at the front of the curve. The Jul diff rallied to \$57.25/mt but came off a tick to \$57.00/mt in the window, while the Jul/Aug diff roll rallied to \$0.50/mt before trading back down to \$0.00/mt, as the Q3 diff traded at \$57.00/mt through the afternoon. The HOGOs saw strength into the afternoon as the LSGO spreads weakened, with HO spreads also rallying. The Jul swap is at 3.60c/gal and the Q4 swap is at 7.90c/gal post-window, with the front stronger into the evening.

Sing gasoil spreads saw the Jul/Aug remain rangebound into the afternoon, trading between -\$0.08/bbl and -\$0.07/bbl while the Aug/Sep rallied to \$0.13/bbl before coming off to \$0.11/bbl into the window. The E/W at the front ticked up but also remained muted overall, trading up to -\$27.25/mt with ICE Gasoil spreads coming off. The Q1'25 E/W traded at -\$21.25/mt while the Q2'25 saw interest at -\$19.50/mt.

Regrade saw buying interest keep the prompt Jul regrade at -\$1.47/bbl with the Aug trading between -\$1.40/bbl and -\$1.39/bbl, while the Jul/Aug regrade roll traded at -\$0.10/bbl earlier in the afternoon. The kero spreads remained rangebound at the front, with Jul/Aug trading at -\$0.18/bbl as Aug/Sep saw strengthen and rallied to \$0.02/bbl from \$0.00/bbl.

Gasoline

This afternoon in Gasoline, we saw flat price trade at the end of the window equivalent to \$15.60/bbl on a crack basis in Jul EBOB. RBBRs ticked lower on EIA stats down to \$20/bbl handles, after reaching highs of \$20.45/bbl handles. A small rebound in the Euro window to \$20.20/bbl handles, after initial headline of a draw in gasoline. Arbs softened from the highs and saw selling at 12.70c/gal this afternoon, and 10.25c/gal in Aug from physical players and majors. We saw better EBOB spread selling this afternoon, with Jul/Aug down to \$2/mt, and Aug/Sep seeing offers between \$13.75/mt and \$13.25/mt. Aug EBOB cracks found better bids around \$15.90/bbl - \$15.95/bbl from trade houses. Gasnaph selling was strong again in Jul at \$150/mt, seeing refiners selling, as well as the Jul/Aug gasnaph box offered at -\$8/mt. In the East, Q4 E/W remained well bid at -\$2/bbl, and it was quieter in spreads, trading between \$0/bbl and \$0.05/bbl in the front spread in the afternoon.

Funds and banks had sell side interest on Jul 92 cracks at \$6.15/bbl this afternoon.

Naphtha

This afternoon in Naphtha we saw Jul24 NWE cracks continue to strengthen into the window as crude trended downwards, leading the front to trade from lows of -\$8.05/bbl to -\$7.65/bbl end window. Gasnaph selling in Jul and Aug further supporting cracks on a volatile RBBR screen. Deferred cracks seeing a lack of offers into the afternoon and we saw trade lifting Q4 at -\$8.50/bbl, Q1'25 at -\$8.70/bbl and Cal 25 bid at -\$8.10/bbl by bank. Front spreads firming with Jul/Aug NWE getting lifted at \$10.25/mt and Aug/Sep trading at \$7.50/mt. Front E/W remaining relatively well supported trading between \$17/mt to \$17.25/mt with Q2'25 seeing buying at \$12.75/mt.

NGLs

On NGLs it was a well bid afternoon for US LPG; although flat price initially weakened on a crude percentage basis at the US open as bids were hit in the physical, post stats flat price went better bid and spreads firmed down the curve. A build of 2.1mb was larger than forecast, but PADD3 region saw only a small build which led to bullish market sentiment at the front of the LST curve.

Much of the flat price buy-side interest came in August. Aug/Sep LST was supported at -0.25 c/gal, while Q4/Q1'25 LST was pressured up to 1.75 c/gal. ENT saw good buy-side interest too as the ENT/LST diff traded up to 0.25 c/gal in Aug. LST outperformed Conway; the N/S diff weakened to -0.875 c/gal in Cal 25. Butane continued to weaken in relation to propane as Aug C4/C3 traded to 15.50 c/gal. Butane spreads were still, however, supported and firmed out of the prompt with Jul/Aug trading to -0.375 c/gal. Internationally, the arb continued to climb with August LST/FEI trading up to $-\$201$ /mt and August ENT/FEI trading to $-\$197$ /mt. FEI/CP weakened down to $\$44.50$ /mt in July and $\$40$ /mt in Q4, FEI spreads softened a touch too with Dec/Dec'25 trading at $\$74$ /mt. NWE spreads were quieter this afternoon although flat price buy-side interest at the front of the NWE curve in window helped pressure the E/W diff down to $\$77$ /mt.

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