European Window

Flat Price

The May Brent futures contract rose into the afternoon, climbing from $81.30/bbl handles at noon today to $82.20/bbl as of 17:15 GMT (time of writing). WTI futures for the same tenor clocked in similar strength, moving from around $76.80/bbl at noon to $77.70/bbl at 17:15 GMT. The benchmark futures recorded this strength alongside uncertainty arising out of the conflict in the Red Sea where comments from a Houthi spokesperson stated that the group would only stop its attacks when Israeli "aggression" towards Gaza comes to an end and the siege is lifted. Volumes remain muted amid the ongoing International Energy Week in London, where Russell Hardy - chief executive of Vitol group - stated that global crude oil markets are expected to be fairly stable at around $80/bbl. Hardy also said that global oil demand was predicted to peak in the early 2030s. In other news, Kansas City Federal Reserve Bank President Jeffrey Schmid said on Monday that he is also "in no rush" to cut rates – continuing the pessimistic outlook on an early US interest rate cut. Market participants will be on the lookout for US oil inventories data announced by the API at 21:30 GMT today and the EIA at 15:30 GMT tomorrow. Finally, the May/Jun and May/Nov Brent spreads are at $0.64/bbl and $3.53/bbl, respectively.

Crude

Quiet afternoon for Dated. Prompt Mar rolls continued to see better buying interest, with 4-8/3 1w roll paid up 7c to $0.42/bbl, whilst Apr rolls continued to perform as 2-5/4 3w roll was bid at $0.55/bbl in the window. DFLs remained rangebound throughout the afternoon with the Mar DFL trading within 2c of $1.00/bbl, and Apr between $0.50/bbl to $0.53/bbl, although now both better offered at the lows of the range post window. Mar/ Apr Dated similarly saw last trades unchanged from the morning at $1.11/bbl.

In the North Sea window, we saw the physical see interest on both sides, with one cargo of Midland lifted after it was offered through the curve, with Geneva trades on both sides. CFDs were muted, with US major paying $0.84/bbl for 2-5/4 CFD, also seen on the bid side in the physical and 2-5/4 rolls.

Fuel Oil

In HSFO, barge spreads were well offered in the Mar/Jun regions in the afternoon, with Mar/Apr selling down to $3.75/mt and Apr/May trading at -$0.50/mt. Then, Chinese players were sellers of 380 FP on stronger crude in good volume. 380 E/W sold down from -$18.25/mt to -$18.75/mt due to 380 FP selling. Barge cracks came under pressure, with Mar trading down from -$11.05/bbl to -$11.25/bbl. 380 spreads were stable, with Mar/Apr and Apr/May trading at -$5.00/mt and -$2.25/mt respectively. We saw 380 cracks buying interests by trade houses, with Mar trading at -$14.15/bbl. Mar/Apr barges sold further down to $3.50/mt in the window. Barge cracks traded around -$11.30/bbl at the end of window due to outright selling interests.

In VLSFO, 0.5 Sing cracks were better bid on screen, with Apr buying at $13.90/bbl in the early afternoon. Then Chinese were sellers of May Sing FP. The front Sing cracks were a touch softer, with Mar Sing cracks trading around $14.60/bbl. The Euro spreads were well bid, with Mar/Apr trading at $8.25/mt and Apr/May buying from $7.50/mt up to $8.00/mt which lent support on Euro cracks, with Mar buying up to $7.00/bbl at the end of the window. Mar 0.5 E/W traded around $42.00/mt. Sing spreads were better bid in the window, with Mar/Apr buying at $9.00/mt and Apr/Jun trading up to $19.75/mt.

Distillates

This afternoon in Distillates, prompt ICE Gasoil spreads were slightly stronger, with the Apr/Jun spread trading up from $30.25/mt to $30.75/mt. Further down the curve, we saw the Jun/Jul spread rangebound, trading around $8.00/mt. Prompt ICE Gasoil cracks were overall slightly stronger since noon, with the Mar crack up to $29.20/bbl and the Q2 crack mostly unchanged around $25.80/bbl. HOGOs continued their rebound, with the Mar on an upward trajectory up to 6.10c/gal and the Q2 unchanged at 5.80c/gal. NWE Jet diffs saw the Mar diff indicated lower around $49.00/mt this afternoon, with the Apr/May box indicated unchanged around -$5.50/mt and the Jun/Sep box indicated higher around $2.00/mt.

We saw the prompt Sing Gasoil spreads rangebound. The Mar/Apr spread had what felt like overall better selling interest into the afternoon, however, remained rangebound between $0.78/bbl and $0.82/bbl, ending the day indicated at $0.80/bbl. Further down the curve, there was some selling interest in the Mar/Jun spread, trading at $3.33/bbl. The Apr/May spread was overall stronger, trading up from $1.28/bbl into the afternoon to $1.32/bbl post window. We also saw continued interest in the Nov/Dec spread, seeing it trading at $0.85/bbl. Mar E/W arbs were rangebound this afternoon, trading around -$43.00/mt, strengthening slightly into the afternoon to -$42.50/mt before ending the day indicated around -$43.00/mt. Further down the curve, the Q2 saw better selling interest into the afternoon, trading at -$24.25/mt around noon. Prompt Regrade and prompt Kero spreads were rangebound this afternoon, with the Mar diff indicated around -$2.35/bbl and the Mar/Apr spread trading at $0.67/bbl. Further down the curve in the spreads, we saw May/Jun trading at $1.20/bbl.

European Window

Gasoline

This afternoon in Gasoline we saw cracks trade at the end of the afternoon window around $18.3/bbl in Mar EBOB. RBBRs were strong this afternoon, rallying up to $26/bbl in Apr, before rebounding to $25/bbl in the Euro window. Arbs saw bid side interest in Mar and Apr, up from 18.45c/gal to 18.80c/gal in Mar from phys players. The Mar/Apr EBOB spread remained bid this afternoon, up to -$28/mt, before coming off. Apr/Sep was also bid up to $82/mt, from phys players. Some offers came in post Euro window, with Apr/May offered at $11/mt. The Mar/Apr crack roll was offered at -$4.26/bbl, as well as deferred cracks trading at $21.85/bbl in Q2 and $17.45/bbl in Q3. In the East, we saw some sell side interest in Q2 E/W at -$7.90/bbl from trade houses. It was a quiet afternoon in 92, with some spread activity, with May/Jun and May/Sep both offered from refiners at $1.80/bbl and $7/bbl respectively.

Naphtha

This afternoon in Naphtha we saw NWE cracks soften with crude strengthening at US open and cracks going better offered, leading Mar to move down to -$7.50/bbl after highs of -$7.20/bbl. European structure firmed with Mar/Apr seeing buying a dollar higher than open at $12.75/mt. Jun was the most deferred crack trading, seeing size buying at -$9.05/bbl by major and Q2 seeing levels at -$8.75/bbl. E/W dipped below $15 handles with Mar/Apr and Apr/May MOPJ seeing strong selling at $9.75/mt and $9.50/mt respectively, with the Mar/Apr box getting hit at -$3/mt. Q2 E/W seeing offers by LPG trade at $17.75/mt.

NGLs

More softening in the US LPG structure this afternoon. LST spreads came off; much of the weakness came out of April as April/May traded down to 2.875c/gal. Jun/July saw good selling at 0.375c/gal with US Midstream on the offer side.

The weakness was somewhat felt in butane structure despite the physical being firm in the prompt; butane ENT traded at 3.50c/gal in Mar/Apr although butane was better supported than propane as C4/C3 traded at 14.25c/gal in March. With LST structure coming off, the arb softened trading down to -$155/mt in March. The arb box structure came off a touch in the prompt too as Mar/Apr traded down to $7/mt.