European Window

Flat Price

An exemplary day for the crude bulls as Brent flat price rallied sharply, breaking into $85/bbl handles, hovering around $85.45/bbl at the time of writing (16.50 GMT). In line with OPEC earlier in the week, the IEA revised its view on oil demand growth this year, raising its view for the fourth time since November. The agency forecast demand will rise by 1.3mbbls/d in 2024, a 110kbbl/d increase from last month, albeit still lower than the 2.3mbbl/d last year. At the same time, the IEA cut its supply forecast for 2024 by 800kbbl/d. US inflation data came in higher than expected with the producer price index for final demand rising 0.6% last month, above the 0.3% forecast though this had minimal impact on crude prices today as Tuesday's CPI data had already primed the market for an increase. The one-month and six-month Brent futures spreads are sitting at $0.73/bbl and $4.35/bbl respectively.

Crude

An active and volatile afternoon in Dated, where we saw the front offered whilst the back of the curve was well bid. 25-28/3 1w roll continued to trade $0.03/bbl with a trade house happy to pick up these levels, whilst May rolls saw limited sellers, 29-3/5 v Cal May bid up to $0.39/bbl and yet to trade. May DFL was strong throughout the day, paid up to $0.78/bbl, whilst Apr chopped around with spreads, rangebound between $0.67/bbl and $0.74/bbl throughout the afternoon. In the NS window, we saw trade offering midland towards the front of the strip but was lifted by a British major keeping the physical diff higher than implied through the selling at the front of the curve. 18-22/3 CFD was well offered – again seen as the weakest part of the curve - to trade -$0.10/bbl with trade and refiner selling.

Fuel Oil

In HSFO, mixed interests on 380 FP and crack, but mainly were sellers, with May 380 cracks trading around -$9.40/bbl. 380 E/W were a touch softer, with Apr trading down from $8.75/mt to $8.00/mt. 380 spreads were stable, with Apr/May and May/Jun trading at $1.25/mt and $3.50/mt respectively. Barge cracks were range bound, trading between -$11.35/bbl and $11.25/bbl. Q3 barge cracks traded at -$9.95/bbl. Barge spreads were supported, with Apr/May trading from -$3.25/mt up to -$2.75/mt in the window and May/Jun trading at $1.75/mt. 380 E/W were better offered in the window, selling further down to $6.50/mt on screen post window.

A quiet afternoon in VLSFO, with Sing spreads trading at unchanged levels, Apr/May and May/Jun trading at $5.75/mt and $8.00/mt respectively. Sing cracks were supported on stronger crude, with Apr Sing cracks trading up to $13.75/bbl. Deferred Sing spreads were a touch firmer, with Oct/Nov trading at $6.25/mt and Nov/Dec trading at $5.50/mt. Euro cracks bought up to $6.95/bbl. We saw Jun Euro cracks buying interests by a major, trading at $5.95/bbl. Euro spreads were better bid on stronger crude as well, with Apr/May buying at $7.75/mt and May/Jun trading at $7.50/mt. Sing cracks came down to $13.65/bbl at the end of the window, putting pressure on 0.5 E/W, with Apr implying at $43.25/mt. Q3 0.5 E/W traded down from $42.25/mt to $42.00/mt in good volume.

Distillates

ICE Gasoil spreads trended downwards on US open, with bearish headlines on Gasoil stocks rising in Europe also potentially contributing. The Apr/May spread weakened to $13.50/mt, seeing lows of $13/mt into the window and the May/Jun is also similarly weaker at $11/mt post-window. The ICE gasoil cracks also trended downwards, with the Apr crack at $25.95/bbl and the Q4 crack at $24.80/bbl, both seeing lows in the window but recovering a touch post-window. European jet diffs saw the prompt weaken to $45/mt, while the May diff traded at $59/mt, with the Apr/May diff roll coming off on prompt weakness too. The Jun/Jul roll traded at Flat, while the Q3 traded at $62.50/mt into the evening. The HOGOs remained rangebound at the front despite the ICE Gasoil spreads coming off, with the Apr swap at 4.80c/gal and the Q4 swap at 11.20c/gal, stronger in the back end of the curve.

Sing Gasoil spreads traded down into the evening on the back of weaker ICE Gasoil spreads. The Apr/May spread came off to £0.62/bbl, while the spreads down the curve were hit down on screen. May/Jun traded down to $0.68/bbl, while Jun/Jul traded at $0.63/bbl and the Aug/Sep traded at $0.55/bbl, all back up post-window. The EW at the front saw strong buying interest at -$45/mt in the afternoon and rallied into the evening, currently at -$40/mt post-window. In the back end, the arbs are similarly stronger, with Q3 trading at -$29.75/mt, Q4 at -$28.75/mt and the Q1 at -$24.50/mt into the close. Regrade saw the prompt trade down from -$1.46/bbl to -$1.50/bbl while the Apr/May regrade roll blocked up for size at -$0.03/bbl. Into the afternoon, the Jun/Sep Kero spread interest returned, trading at $1.59/bbl, while the prompt spreads saw less interest on the day.

Gasoline

A strong afternoon in Gasoline, where we saw cracks trade at the end of the afternoon window around $23.15/bbl in Apr EBOB. RBBRs were stronger this afternoon, up to $27.40/bbl handles in May post-US open, softening to the window to $27.20/bbl. Arb selling continued from the morning, with Apr seeing the best-selling at 11.40c/gal in the Euro window, from majors and phys players. Q4 continued to see selling at 4.80c/gal this afternoon. Apr/May EBOB was sticky trading at $8.25/mt, bid on a stronger screen, and trading up to $8.75/mt in the window. May/Jun was also bid at $16/mt this afternoon, and Jul/Sep to $40.25/mt.

European Window

We saw the Q2/Q3 crack roll offered today, trading at $3.80/bbl, offered from ref. The Apr gasnaphs saw selling interest in the afternoon at the $200/mt mark, from real players. In the east, we had some late buying of May E/W, at the end of the Euro window, at the -$9.80/bbl level from phys. We saw some buying interest in 92 Apr/May at $0.60/bbl post-window, and refiner sell side interest of Q3 cracks at $10.40/bbl.

Naphtha

This afternoon in Naphtha we saw Apr NWE cracks return to morning levels of -$6.35/bbl end window, softening in the afternoon with crude continuing to strengthen and profit taking flat price selling being seen. Cracks fell further post-window with bank and trade selling flows entering pushing the crack down to -$6.80/bbl. Further dated cracks saw good buying by trade, Jun at -$7.85/bbl, Jul at -$8.20/bbl and Q3 at -$8.20/bbl. Structure remained well bid despite crack weakness, Apr/May trading at $14.50/mt and Jun/Jul at $9/mt. The pricing spread fell to $16/mt. E/W continued weakening, trading at $15/mt in window but seeing better buying post-window with major on the buyside of MOPJ spreads and Europe weakening

NGLs

Another weak afternoon for US domestic products. Physical was offered at the US open which kept LST paper structure weak although this found a level as April/May traded consistently at 1c/gal and 0.625c/gal for May/Jun. Butane structure was also well offered over the afternoon; April/May traded down to 1.75c/gal and post window Cal25 traded at 84.375c/gal. Freight softened over the afternoon with $70/mt trading in Q3; this helped keep the arb rangebound with April LST/FEI trading at -$199/mt although it softened to -$202/mt in Q4. Internationally, FEI continued to strengthen in relation to CP as prompt FEI/CP traded at $4/mt although implied higher by flat price. FEI structure firmed; BalMar/Apr was bid up to $13/mt while further out Dec/Dec traded at $60/mt.

A mixed window with bids and offers in the phys helped keep NWE spreads rangebound in the prompt with April/May trading at $8/mt and $8.25/mt; prompt E/W stayed $95/mt throughout the afternoon in April.

To discuss any points mentioned in this report further please do not hesitate to contact us at:
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