14 Mar 2024

Overnight & Singapore Window

ONYX ADVISORY

Flat Price

May Brent futures opened around $84/bbl in the early hours of the morning before rallying up to $84.53/bbl at 08:10 GMT and then swiftly correcting down to $84.17 by 08:40 GMT. Price action did find support once again, rallying up to highs of $84.77 at 09:10 GMT. In headlines the IEA has increased its Q1 oil demand growth estimate by 270kbbls/d, with the full year demand outlook also up by 110kbbls/d to a total of 1.3mbbls/d. Shell has lowered their carbon intensity reduction target for 2030 from 20% to 15%. The front and 6-month spreads are at $0.71/bbl and $4.05/bbl respectively.

Crude

A volatile morning in Dated, with Balmo DFL aggressively lifted up from $0.35/bbl to $0.71/bbl, before coming off again to $0.44/bbl. With the buyside aggressors turning sellers the aggressive offering returned to the front of the curve, with 18-22/3 v Cal Apr sold from $0.56/bbl to $0.45/bbl, 19-20/3 v 26-27/3 trading $0.30/bbl during the rally only to see the vanilla week roll now sold at $0.07/bbl, and the 25-28/3 1w roll is now offered at $0.03/bbl after trading $0.20/bbl. Apr DFL also rallied in the morning from $0.59/bbl to $0.76/bbl, now trading $0.70/bbl as spreads have softened.

Small retracement seen in Dubai today as Apr BD traded up to -$0.08/bbl from -$0.17/bbl. We saw middle east selling interest in the Apr/May box, trading at -$0.26/bbl. We saw buying interest in Jul/Aug and Sep/Oct Dubai, trading at $0.76/bbl and $0.63/bbl. We saw refiner selling of the Jun for Apr cross month EFS, trading at -$0.10/bbl. There was Sep/Dec selling interest, trading at -$0.17/bbl as well.

Fuel

In HSFO, 380 spreads were well offered, with Apr/May trading at $1/mt and May/Jun trading at $3.25/mt. Visco were better bid in the window, with Apr buying up to $19/mt. Barge cracks collapsed, with Apr gapping down to -$11.40/bbl. Barge spreads came under pressure, with Apr/May trading down to -$3.25/mt.

Then we saw Apr 380 cracks selling interests, trading at -$10.00/bbl in good size by trade houses. 380 E/W were supported, with Apr trading from $8/mt up to $9/mt. Barge cracks rebounded to -$11.20/bbl later due to Q2 barge cracks buying. 380 cracks traded further up to -$9.80/bbl in Apr.

In VLSFO, Chinese were buyers of Jun Sing FP and cracks, with Jun Sing cracks buying up to $13/bbl. Then the prompt Sing cracks sold down in the window, with Apr Sing cracks selling down from $13.70/bbl to $13.50/bbl. We saw large Sing FP selling at the end of the window by trade houses which equivalent to $13.45/bbl. Sing spreads were a touch softer, with Apr/May selling down to $5.50/mt and May/Jun trading at $8.00/mt. European structures were bid, with Apr/May Euro trading at $7.75/mt and May/Jun trading at $7.50/mt. Euro cracks traded around $6.75/bbl post window. The front Sing cracks were supported due to FP and FOGO buying, trading at $13.55/bbl, implying Apr 0.5 E/W at $43.50/mt.

Distillates

ICE Gasoil spreads traded up this morning, with the Apr/May off highs of $15.75/mt at $15.50/mt currently, while the May/Jun spread is at $12.50/mt from $13/mt. The ICE Gasoil cracks also rallied on the morning, with the Apr crack at $26.90/bbl and the Q4 crack at $24.85/bbl, both stronger into the mid-morning period. The European jet diffs saw some deferred interest, with the Aug and Sep diffs trading at $63.25/mt and $62.75/mt into the morning, while the Apr is indicated at $50/mt. HOGOs remained downward trending this morning despite futures strength, as ICE gasoil rallied relatively stronger than HO. The Apr swap is at 4.40c/gal and the Q4 swap is at 10.70c/gal post-window.

Weakness was seen across the Sing Gasoil structure, as the spreads and E/W saw mainly sell-side interest this morning.

The Apr E/W came off from -$39/mt to -$44.75/mt, with the May similarly weaker at -$34/mt and Jun at -$31/mt post-window as the entire E/W curve moved lower this morning, reflected further down the curve by the Q3 E/W trading down to -$30/mt. The spreads similarly saw weakness, with the Balmo/Apr spread coming off to $0.15/bbl, and the Apr/May at $0.60/bbl post-window. Regrade opened weaker but remained stable through the mid-morning, with Apr getting hit down to -$1.50/bbl and indicated there, while the Q3 traded at -$1.18/bbl before coming off to -$1.25/bbl. Kero spreads saw back-end interest as the Jun/Dec traded at $3.55/bbl and the Oct/Mar trading at $2.00/bbl, with front spreads seeing little interest.

Gasoline

This morning in Gasoline, we saw flat price trade at the end of the morning window equivalent to $13/bbl on a crack basis in Apr 92. MOC saw mixed interest, but slightly better bid in Apr and May. In the morning we saw a more offered sentiment on 92, with refiners stepping down and selling May/Jun to $1.40/bbl and $1.30/bbl. Apr/May traded down to $0.50/bbl where we saw bids post-window from trade. E/W was offered in the front, but the Q2/Q3 E/W box saw bids again this morning at the -$1.30/bbl. Deferred 92 saw offers through Q4 cracks at $7.45/bbl, and with the Q3 92/RBOB well offered at -$9.85/bbl from phys. We saw bid-side interest on Q3 92/MOPJ this morning, from phys, between $17.80/bbl and $17.90/bbl. RBBRs softened a touch this morning, following strong gains yesterday. Arbs came in offered in the prompt at 11.20c/gal from Majors in Apr and offered in Q4 again at 4.10c/gal. The front EBOB spread felt more offered this morning, trading down to $8.50/mt, and we had trade houses selling May/Sep EBOB at $71.50/mt, and Jun/Jul at $16.75/mt. Deferred EBOB saw offer side interest with Q4 cracks well offered from real players at $9/bbl and Q3 offered at $18.50/bbl.

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

This morning in Naphtha we saw flat price valued at $705/mt in Apr24 MOPJ, on a -$4.45/bbl crack equivalent as crude continued its strength pressuring the front NWE crack down from -$6/bbl to -$6.50/bbl post window. Deferred cracks seeing buying at lower levels from refiner with Q2 trading at -$7/bbl and Q3 seeing buying at -$8/bbl. Little activity on Eastern spreads leaving them relatively unch with Apr/May trading at $13/mt and Jun/Jul at $9.50/mt. Front E/W saw strength this morning with buying in the front, Apr trading up to $16.50/mt and Jul seeing trade buying at $14.75/mt. Q4 E/W seeing buying at $13.5/mt. Europe spreads saw bids by phys with Apr/May seeing buying at $14.25/mt and major buying Jun/Jul at $8.75/mt.

NGLs

Another firm morning for FEI on NGLs. Although structure softened initially as Apr/Jun traded to $14.50/mt from $15/mt pre window, spreads went bid over the morning and April/May traded up from $9/mt to $10/mt. FEI strength outpaced CP as April FEI/CP traded from a negative differential up to $3/mt. CP spreads weakened as Jun/Dec traded at -$20/mt. The front of the curve fell when CP was offered in the physical window; H2 April was offered 50% at $588/mt and 50% April CP settle -$22/mt and as a result the paper April/May CP spread weakened enough to trade at $28/mt. FEI, on the other hand, was well bid in the physical window which helped support structure. Despite the FEI strength, arbs were bid with trade houses on the buyside, potentially looking to take profit at the lower levels; further down the curve Q3 LST/FEI traded at -$191/mt.

Global Macro

Eurozone industrial production at lowest since 2020
U.S. data today at 12.30
Retail sales, PPI and weekly jobless claims.