

## Flat Price

This afternoon witnessed another win for the crude bulls amid the May Brent futures contract rallying to \$87.60/bbl at 17:25 GMT (time of writing). The contract hit its highest value since October 2023, with players happy to add length alongside news on lower crude exports from Saudi Arabia and Iran and positive demand-side signals from China. In other news, US oil production is expected to grow to exceed 14 mbpd and then plateau, as per ConocoPhillips CEO Ryan Lance at the CERAWEEK energy conference. ExxonMobil is reportedly set to bring Delaware Basin oil output to 2 mbpd by 2027 from its 2017 Bass acquisition, while also accelerating production in Guyana. Market participants will be on the lookout for US crude and refined products inventory data due to be announced by the API tonight at 20:30 GMT and the EIA tomorrow at 14:30 GMT. Finally, the front-month and six-month Brent spreads are currently at \$0.76/bbl and \$4.58/bbl, respectively.

## Crude

This afternoon in Dated, we initially saw predominantly sell side cares in Apr DFL, trading around the \$0.55/bbl handles, before turning better bid later into the afternoon, finding \$0.65/bbl highs, now trading \$0.60/bbl with softer spreads. May was better bid throughout the later afternoon to now trade \$0.79/bbl, seeing Apr/May come under pressure with the DFL roll trading -\$0.16/bbl. In the NS window, we saw offers for Midland in the physical, but not aggressive enough to move the physical diff, whilst in the paper we saw sell side cares of Cal Apr v 29-3/5, sold by majors and trade down from \$0.25/bbl to \$0.22/bbl. CFDs trade higher on the day, with 8-12/4 CFD around the \$0.54/bbl handles, and 25-29/3 CFT \$0.48/bbl, although with mostly sell side cares from refiners and trade houses.

Dubai remained rangebound into the end of the day with Apr BD finishing the day at -\$0.13/bbl.

It was a quiet afternoon in general, but we did see some Q3 selling interest, trading down to \$0.48/bbl. We saw buying interest in Cal Mar/Apr, trading in a range from -\$2.02/bbl to -\$1.70/bbl in line with the movements in flat price. There was also selling interest in the Apr/May/Jul/Aug condor, trading at \$0.18/bbl. The Jun for Apr EFS remained offered, trading at -\$0.13/bbl in the early afternoon.

## Fuel Oil

In HSFO, Chinese players were sellers of May and Sep 380 FP, with 380 E/W trading around \$2.25/mt in Apr. 380 spreads were better offered, with Apr/May trading at -\$1.50/mt and May/Jun trading at \$2.25/mt. Barge cracks came under pressure due to 380 FP selling and outright selling interests, with Apr gapping down from -\$11.10/bbl to -\$11.25/bbl. Barge spreads traded at unchanged levels, with Apr/May at -\$3.75/mt and May/Jun at \$1.50/mt. The prompt barge cracks recovered gradually after Chinese players disappeared, trading back to -\$11.10/bbl at the end of the window. 380 E/W were weakened, with Apr selling down to \$1.25/mt post window. Viscos sold further down to \$16.50/mt in the afternoon.

In VLSFO, the front Sing cracks sold down, with Apr selling down from \$13.20/bbl to \$13.00/bbl. Sing spreads were better offered down the curve, with Apr/Jun trading at \$11.50/mt and Jun/Sep trading at \$24.50/mt. Then Sing cracks were range bounded between \$13.00/bbl and \$13.15/bbl in Apr and Jun trading at \$12.90/bbl on higher crude. Euro spreads were a touch softer, with Apr/May and May/Jun trading at \$6.50/mt and \$6.75/mt respectively. Q3 Euro cracks were offered, putting pressure on the front Euro cracks, with Apr trading down to \$6.30/bbl at the end of the window. Then we saw buying interests on Q3 Euro cracks, buying at \$5.20/bbl in good volume and the front Euro cracks buying up to \$6.40/bbl post window.

## Distillates

ICE gasoil spreads and cracks weakened into the afternoon and evening. The Apr/May spread saw lows of \$12.50/mt, but recovered to \$12.75/mt post-window while the May/Jun spread is stronger at \$12.25/mt from lows of \$11.50/mt. The cracks are similarly off the lows of the window into the evening, with Apr at \$26.90/bbl and the Q4 crack at \$25.40/bbl, both having come off on the day. The European jet diff saw a rangebound day at the front, trading between \$42.50/mt and \$41.50/mt, coming off into the end of the window while the May diff traded at \$56.75/mt into the close. The quarterly tenors saw Q2 interest at \$53.50/mt, while the Oct/Dec diff roll traded at \$0.00/mt. HOGOs were weaker into the evening, but weak ICE gasoil ensured that the HOGOs at the front did not come off too sharply. The Apr swap is at 4.00c/gal and the Q4 swap is at 10.40c/gal.

Sing gasoil spreads came off into the evening as the ICE gasoil spreads collapsed. The Apr/May weakened from \$0.59/bbl to \$0.40/bbl before rallying back to \$0.44/bbl post-window, while the May/Jun came off to \$0.71/bbl, strengthening back to \$0.72/bbl post-window. The E/W at the front of the curve rallied after initially coming off to -\$43.75/mt, ending the evening at -\$42.00/mt in the prompt while the May swap rallied to -\$32.00/mt, with the Jun E/W seeing buying at -\$29.00/mt. There was buying interest on the May-Oct E/W strip seeing through the day too. Regrade strengthened back into the evening from the morning's lows, with Apr regrade trading up from -\$2.10/bbl to -\$1.90/bbl, with the May trading at -\$1.90/bbl. Into the evening, on lower ICE gasoil spreads the May/Jun spread was hit down to \$0.45/bbl on screen before recovering post-window, indicated at \$0.50/bbl while the Apr/May saw selling pressure but was supported at \$0.45/bbl.

## Gasoline

This afternoon in Gasoline, we saw cracks trade at the end of the afternoon window around \$23.80/bbl in Apr EBOB. RBBRs rallied to \$28.30/bbl on the US open, however softened over the afternoon back to \$27.70/bbl handles in the Euro window. Arbs in Apr saw selling throughout the afternoon from funds and trade at 11.10c/gal, with Q2 arbs seeing buying interest come in at 0.50c/gal. Spreads in EBOB continued to be bid in Jun/Aug at \$39.50/mt and May/Sep at \$81.75/mt. EBOB flies continued to be bid from real players, Apr/May/Jun bid at -\$7.75/mt and Apr/May/Sep bid at -\$72/mt. In the Euro window we saw offers come in on Apr/May at \$9.25/mt. Gasnaphs in Europe saw selling at \$215/mt from real players, however gasnaphs in the East saw strong selling flow from majors and trade houses, in May, between \$20.90/bbl and \$20.65/bbl. Q4 E/W saw buying at -\$1.40/bbl and Q2 at -\$9.90/bbl from majors. The front E/W was bid up to -\$10.20/bbl. Spreads in 92 saw buy-side interest with the May/Jun up to \$1.55/bbl from trade, Apr/May/Jun fly bid at -\$0.55/bbl, and Nov/Dec bid at \$1.25/bbl from a major. Jun cracks saw some sticky buying at \$12.70/bbl, however little activity in deferred 92.

## Naphtha

This afternoon in naphtha we saw Apr NWE cracks settle at -\$7.40/bbl after a well bid window where cracks were lifted by trade up to -\$7.25/bbl after trading between -\$7.60/bbl and -\$7.50/bbl for most of the afternoon. Strong gasnaph selling was seen throughout the afternoon by phys players lending support to the front crack. Backend naphtha was well offered with Q3 at -\$8.65/bbl and Q4 seeing bank selling at -\$8.20/bbl. Spreads in Europe saw reduced activity with Apr/May seeing trade selling down to \$14/mt and May/Jun saw better buying by major up to \$9/mt. Front E/W saw weakness on higher crude and Europe strength with the front trading at \$12/mt post-window and Q4 seeing selling at \$12/mt.

## NGLs

Overall another afternoon of Arb strength on NGLs, with US domestic structure firm and internationals soft, although there was signs of arb weakness as the afternoon progressed. At the US open initial bids in the physical were hit, but from this point offers began to be lifted especially in butane. Arbs were strong off the back of this as April LST/FEI traded up to -\$172/mt. Low FEI/MOPJ levels, however, helped consistent FEI buying interest as April FEI/MOPJ traded -\$106/mt; FEI structure stayed firm off the back of this as April/May continued trading at \$4/mt and FEI/CP firmed in the prompt trading to -\$10/mt. With FEI firmed, the E/W diff traded up from \$80/mt to \$82/mt. Butane structure was well bid as Q2/Q3 traded to 1.50c/gal; LST structure was initially firm but softened a touch over the afternoon as April/May traded from 1c/gal to 0.75c/gal. Following this, arbs softened into the window with -\$178/mt trading in April and -\$170/mt trading in Cal 25.