European Window

Flat Price

The Jun Brent futures flat price saw rangebound price action until 15:38 BST, when prices rallied to $88.70/bbl only to drop below $87.80/bbl at 16:10 BST. The benchmark crude contract found support here, and rose back to $88/bbl as of 17:20 BST (time of writing). Brent's rally likely emerged on the back of the EIA announcing a draw exceeding 6.4mbbls in US crude oil inventories against estimates of a build in stocks. In addition, while US gasoline stocks saw a draw of over 630kbbls, US distillate stocks recorded a build surpassing 1.6mbbls against expectations of a small draw. In macroeconomic news, German business morale improved more than expected in April enabling expectation that the worst may be over for the EU's largest economy. Finally, the front-month and six-month Brent spreads are currently at $1/bbl and $4.65/bbl, respectively.

Crude

Sluggish afternoon in Dated, with DFLs largely unchanged from the morning as May trades a touch lower at $1.06/bbl and Jun $0.85/bbl. Jun did not see as good buying today, whilst July was well bid, in turn seeing the Jun/Jul DFL roll offered down to $0.04/bbl. May/Jun Dtd continued to weaken also to $0.96/bbl. In the NS window, the physical saw a cargo of Midland lifted by a European trade through the curve, supporting the diff, whilst the paper was very quiet.

No CFDs traded in the window, with only one clip of 13-17/5 CFD sold at $1/bbl post window. We saw the front roll 29-3/5 1w offered a touch better, before it was lifted in size at $0.26/bbl whilst the 3w trades lower at $0.62/bbl. Jun rolls were a touch softer although continued to see predominantly buyside cares, with 3-7/6 2w trading $0.44/bbl pre window and the 3w $0.64/bbl post.

Fuel Oil

In HSFO, the Chinese were selling of 380 flat price as well as cracks with Aug 380 crack trading around -$8.90/bbl. The interest in deferred 380 spreads continued into the afternoon, with Jun/Jul 380 trading up to $5.50/mt and Jul/Aug $6.50/mt respectively. The interest in May/Jun 380 was less in the early part of the afternoon, however interest picked up as the afternoon went on, with it trading at $3.25/mt in decent size towards the end of the day. There was a fair amount of buy-side interest in the barge spreads this afternoon, with May/Jun barges opening the afternoon at -$4/mt, before trading up to -$3.25/mt. The barge crack was up and down this afternoon, it opened the afternoon a touch stronger, buying up to -$11.55/bbl from -$11.75/bbl. However, the crack then gave some back, selling down to -$11.70/bbl heading into the window before eventually, turning better bid in the window and buying up to -$11.20/bbl. The strength of the barges put downward pressure on the 380 E/W, which saw the May 380 E/W trade down to $17.25/mt from $17.75/mt.

In VLSFO, it was a quiet afternoon on Sing 0.5 spreads. The May/Jun Sing spread traded rangebound the whole afternoon at $4.75/mt. The Sing cracks had a slightly turbulent afternoon, the May Sing crack opened the afternoon at $11.05/bbl, trading up and down, before selling down to $10.85/bbl. It was also a quiet afternoon on the Euro spreads, with May/Jun Euro trading down to $4.50/mt from $4.75/mt on thin liquidity. The May Euro crack opened the afternoon trading at $4.05/bbl, buying up to $4.10/bbl going into the window and then selling down to $4/bbl at the end of the window. Remaining at this level for the rest of the afternoon. We saw some activity on the Q3 0.5 E/W trading at $41/mt.

Distillates

Another rangebound afternoon for ICE gasoil spreads. The May/Jun spread traded in a range between -$2.75/mt and -$2.25/mt while the Jun/Jul spread traded around -$1.50/mt. ICE gasoil cracks traded lower this afternoon after a bearish stats release where distillates saw a build +1.614mbbls versus an estimated draw of -1.437mbbls. The May crack traded down to $17.80/bbl from $18.15/bbl. The Jun crack traded lower $19/bbl, while down the curve interest was seen in the Q4 crack at $21.87/bbl. European Jet diffs trended lower this afternoon with the May diff coming off to $51.50/mt from $53/mt.

European Window

The Jun diff traded down to $54.25/mt from $55.50/mt while in the deferred, Q1'25 traded at $61.75/mt and Q2'25 at $61.25/mt. The HOGOs were a touch lower this afternoon, with the May swap at 6c/gal and the Q4 swap at 8.70c/gal.

Another quiet afternoon in Sing gasoil, with the May/Jun spread trading around flat and the Jun/Jul spread around -$0.03/bbl. Interest on the sell side was seen in the Jul/Aug/Sep fly at -$0.06/bbl. E/W remained rangebound, with the prompt E/W trading around -$25/mt. The Jun E/W traded at -$26.75/mt and interest on the sell side was seen in May/Jun box at $1.75/mt. Down the curve, the Q3 E/W traded at -$28/mt and Q4 at -$26/mt. Regrades came off a touch after a strong morning, with the May regrade trading back down to -$2/bbl. The Jun regrade retraced back to -$1.60/bbl from -$1.50/bbl. In the deferred, interest was seen in Q4 at -$0.70/bbl. In kero, the May/Jun spread traded in a range between -$0.45/bbl and -$0.40/bbl.

Gasoline

A volatile afternoon in gasoline, where we saw cracks trade at the end of the afternoon window around $22.85/bbl in May EBOB. RBBRs saw volatile screen price action, rallying in smalls post EIA gasoline draw, but rallying in the Euro window up to $25.60/bbl handles.

We saw strong arb selling in the Euro window between 8.50c/gal and 8.90c/gal from real players in May. We saw fund bids on May/Jun crack roll at $0.70/bbl, with spreads seeing better selling, Jun/Sep at $58.75/mt and Jun/Jul at $17.50/mt. We saw offers on Q4 cracks in the Euro window at $9.65/bbl from refiners, but May cracks saw stronger buyside interest end window at $22.80/bbl. Q3 gasnaphs were offered this afternoon, seeing selling at $208.50/mt from refiners. We saw selling of 92 spreads this afternoon, as they came off. May/Jun traded down to $1.60/bbl and Jun/Jul saw major selling at $1.70/bbl. We continued to see deferred E/W selling, with Q3 offered at -$9.05/bbl. Deferred 92 cracks were bid this afternoon, with Sep cracks bid at $9/bbl and Q3 bid up to $10.10/bbl.

Naphtha

This afternoon in naphtha we saw May NWE cracks better offered for most of the afternoon, trading as low as -$10.70/bbl post-stats on thin volume but in the window finding physical buying leading the crack to settle at -$10.35/bbl end window. Naphtha structure remaining strong with May/Jun trading at $10.75/mt and Jun/Jul at $8.50/mt with May/Dec seeing buying at $44.50/mt. Backend cracks saw major selling Q4 cracks at -$10.60/bbl and on the offer side of Q4/Q1'25 crack roll at -$0.23/bbl.

E/W continued to show weakness with trade on the sell side of Jun24, seeing selling at $16.50/mt this afternoon.

NGLs

A firmer afternoon for US domestic propane on NGLs. Pre US open, a US trade house bid May/Jun FEI quickly up to $7/mt and May FEI/CP strengthened up to $16.50/mt. Once the US opened, bids hit in the physical helped flat price weaken on a crude percentage basis. Q3/Q4 LST spread softened and was rangebound to -2.25c/gal while Q4/Q1'25 traded at 1.125 c/gal. Butane weakened in regards to propane as the C4/C3 ENT/LST diff weakened to 12c/gal in the prompt. When stats was announced as a build of 1 million, less than projected by Argus and Opis, bids were lifted in the physical and spreads firmed in both propane and butane. May/Jun LST traded up to 0.25c/gal and May/Jun butane traded up from flat to 0.125 c/gal. Arbs strengthened a touch down the curve as the US domestic complex firmed; the May arb traded up to -$197/mt into the window and -$196.50/mt traded in the Q4 arb.