

Flat Price

The July Brent Futures flat price has had a fairly volatile afternoon, rising to a high of \$84.40/bbl at 13:05 BST, before sinking between 13:05 BST and 16:05 BST to a low of \$83.10/bbl. Subsequently it slightly retraced upwards to \$83.70/bbl handles at 16:35 BST before quickly shedding some of these gains to reach its current level of around \$83.45/bbl at 17:10 BST (time of writing). ADNOC has pushed up its self-reported crude output capacity to 4.9mbbls/d, up from 4.7mbbls/d, taking the company closer to its long-term 5mbbls/d target, which it aims to reach by 2027. Kazakhstan's April oil production was down 2% from March to 1.5mbbls/d, yet still above a cap agreed by OPEC+. This was especially important as oil-watchers expect OPEC+ to extend current supply cuts into the second half of 2024, with the group set to decide supply policy on June 1. Venezuelan oil exports also declined 38% in April to 545kbbbls/d from 874kbbbls/d in March, after tanker owners and customers pulled several vessels as the reimposition of US sanctions approaches. In corporate news, Shell has smashed forecasts and recorded a \$7.7 billion Q1 profit, over \$1 billion above expectations, with the company saying it will now buy back a further \$3.5 billion of its shares over the next three months. The front and 6-month Brent Futures spreads are \$0.63/bbl and \$3.44/bbl respectively.

Crude

An afternoon of weakness again for Dated, with Balmo and prompt rolls well offered. Bal-May/Jun DFL was sold down to -\$0.21/bbl, with the out rights trading \$0.40/bbl and \$0.61/bbl respectively. 7-10/5 1w was sold at \$0.06/bbl in the window, having traded \$0.05/bbl earlier in the afternoon, and 20-24/5 2w down 8c to trade \$0.29/bbl last. We saw 20-24/5 v Cal Jun sold aggressively down to \$0.46/bbl in line with May/Jun Dtd going well offered, gapping down to \$0.54/bbl. Backend Jun rolls were bid, with 24-28/6 1w roll lifted at \$0.16/bbl, whilst Jun/Jul Dtd succumbed to the pressure on prompt Jun rolls, in turn sold to \$0.55/bbl and the DFL roll to -\$0.05/bbl. The same European trade was seen offering aggressively in the physical again, this time with two prompt cargoes of Forties implying the physical diff negative, whilst CFD's trade much lower than previously. 20-24/5 was paid at \$0.25/bbl and \$0.28/bbl and 13-17/5's up to \$0.35/bbl – still \$0.22/bbl lower than by the end of yesterday's window.

Fuel Oil

In HSFO, there was a fair amount of activity down the curve on 380 spreads this afternoon. We saw quite a lot of mixed interest on both Jun/Jul and Jul/Aug 380, trading at \$7/mt and \$8.25/mt respectively. 380 cracks had a rangebound afternoon trading between -\$6/bbl and -\$5.90/bbl.

Barge spreads had a weak afternoon, with Jun/Jul barges selling down to \$2/mt from \$2.75 on thin liquidity. Conversely, barge cracks were very active, buying up to -\$8.45/bbl from -\$8.55/bbl in decent size. We saw Q3 380 E/W being well offered, selling down to \$8.50/bbl from \$9.50/bbl. The Q3 selling put pressure on the front 380 E/W, with Jun E/W trading down to \$15.50/mt from \$16.50/mt.

We saw a fair amount of activity on Sing 0.5 spreads. Even though we saw decent size trading interest was mixed, resulting in a rangebound afternoon with Jun/Jul Sing trading at \$5/mt throughout. The Sing crack had a bit of a volatile afternoon. The Jun Sing crack was under pressure earlier on due to both May and Q3 Sing crack selling, selling down to \$10.45/bbl from \$10.50/bbl. However as the afternoon went it was supported by the Euro crack being better bid, where it then ended the day at \$10.50/bbl. Euro spreads were well supported this afternoon with Jun/Jul Euro buying up to \$3.50/bbl from \$3/bbl. We saw buying interest on the Euro crack in decent size, with the Jun Euro crack buying up to \$3.75/bbl in the window from \$3.45/bbl. The front crack gave some back post window trading down to \$3.65/bbl. Jun 0.5 E/W was offered at \$43.75/mt.

Distillates

ICE gasoil spreads traded lower this afternoon. The May/Jun spread traded down to -\$4/mt from -\$3.25/mt and Jun/Jul traded down to -\$3.25/mt. ICE gasoil cracks came off, with the Jun crack trading down to \$17.70/bbl from \$18.40/bbl. The Jul crack came off to \$18.65/bbl from \$19.45/bbl this morning while in the deferred, the Cal'25 crack traded down to \$21.25/bbl. The European Jet diffs were slightly higher, with the Balmo diff trading up \$52/mt from \$51.25/mt. The Jun diff traded higher at \$53/mt while down the curve the Q1'25 and Q2'25 both traded at \$60/mt. The HOGOs remained unchanged, with the Jun swap at 5.40c/gal and the Q4 swap at 8.40c/gal.

Sing gasoil structure weakened this afternoon. The Balmo spread traded down to -\$0.25/bbl from -\$0.17/bbl with strong interest on the sell side from trade houses. Jun/Jul was hit down to -\$0.33/bbl from -\$0.25/bbl post the sing window. Further down the curve, Oct/Nov saw interest around \$0.40/bbl. The E/W recovered into the afternoon after a weak morning with the May E/W been lifted up to -\$26.50/mt from -\$27.75/mt. Jun E/W traded higher at -\$27.75/mt from -\$29/mt while in the deferred, Q3 E/W traded up to -\$27.75/mt and Q4 at -\$25.50/mt. Regrades remained rangebound, with the May regrade trading at -\$1.95/bbl.

The Jun regrade traded around -\$1.60/bbl while in the deferred, continued interest was seen in Q4 at -\$0.50/bbl.

Gasoline

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$21/bbl in Jun EBOB. RBBRs ticked up to \$23.40/bbl handles in the window, in Jul, rallying post window to \$23.70/bbl handles. We continued to see buying on front EBOB spreads at \$15.75/mt and \$15.50/mt in Jun/Jul and Jul/Aug, finding some resistance at these levels. Sep/Oct saw buying from refiners between \$54/mt and \$53.50/mt. Jul cracks were well offered this afternoon around \$19.70/bbl, but we had banks on the buy side of Q4 cracks at \$8.80/bbl. We continued to see arbs well bid, trading up from 7.40c/gal in Jun to 7.60c/gal in the Euro window, rallying further post window on stronger RBBRs. Refiners continued to buy Q3 gasnaphs at \$198/mt, with limited activity in the front. Selling came on Q3 E/W today at -\$8.70/bbl as well as down to -\$9.75/bbl in Jun, retreating from the highs in the morning. We had limited activity in 92 this afternoon, apart from funds on the sell side of cracks in Jun at \$11.10/bbl.

Naphtha

A stagnant afternoon in naphtha which saw Jun NWE cracks remaining below -\$10/bbl handles for much of the

afternoon with scarce buy side interest but supported on lower crude and flat price buying.

NGLs

An extremely weak afternoon for US domestic LPG on NGLs. A similar pattern emerged to the last few days; bids hit in the physical helped flat price in the paper weaken on a crude percentage basis. For much of the afternoon LST weakened across the curve but into the European window structure weakened, particularly out of Q4 as Q4/Q1 LST fell to 0.50c/gal while out of the prompt, Jun/July fell to flat. Butane weakened alongside propane and NC4 was well offered in the prompt with Jun/July also weakening to flat while out in Q1'25 C4/C3 diff traded at 12.625c/gal. Internationally, the US weakness saw arbs fall past the -\$200/mt barrier in the prompt to a low of -\$206/mt post window with Q3 also falling to -\$202/mt. FEI firmed as a result into the window with Jun/July bid up to \$3/mt. CP kept pace with FEI; FEI/CP was rangebound over the afternoon with Jun trading between \$439/mt and \$40/mt while Q4 traded up to \$41.50/mt.

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European Window



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

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