

## Flat Price

The July Brent future flat price has been well-supported this afternoon, initially rising from \$82.60/bbl handles at 12:00 BST to \$83.75/bbl by 14:35 BST. Subsequently, price action turned negative, with Brent falling to \$83/bbl by 16:15 BST, from which it retraced up to its current level of \$83.15 at 17:15 BST (time of writing). Rain has stalled the large wildfire near the Canadian oil sands city of Fort McMurray and is not expected to advance during wet weather forecast for the next few days, according to the local authority. Foreign firms in Venezuela are flooding the US Treasury's Office of Foreign Assets Control (OFAC) with requests for licenses that will allow them to operate after May 31 after Washington reimposed sanctions last month. Oil and gas producer Crescent Energy will acquire rival SilverBow Resources in a \$2.1 billion deal, creating the second-largest operator in the Eagle Ford Basin in Texas, a move that comes amid an ongoing wave of consolidation in the US energy sector that triggered \$250 billion of deals in 2023. Consumption of petroleum energy products in France is up 11% y-o-y in April 2024, with deliveries of road fuels having increased by 9.9% to 4.087 million cubic metres, representing a 0.7% increase YTD. The front and 6-month spreads are \$0.42/bbl and \$3.03/bbl, respectively.

## Crude

A better offered window for Dated after a sluggish afternoon.

DFL's were better bid earlier in the afternoon with spreads rallying, paid back up to \$0.26/bbl on Jun, whilst Jun/Jul Dtd found resistance at \$0.31/bbl and the DFL roll at -\$0.21/bbl. With the window better offered, Jun DFL was sold to lows of \$0.16/bbl by the end of the window, whilst the Dtd and DFL trade \$0.24/bbl and -\$0.27/bbl last. In the window, we saw structure well offered, with 3-7/6 v Cal Jul sold from \$0.15/bbl to \$0.05/bbl and offered over, whilst the front roll 20-24/5 v 28-31/5 was offered at -\$0.23/bbl with no paper seen on the bid-side, having traded -\$0.22/bbl sporadically throughout the day. 17-21/6 v 1-5/7 saw buyside cares from a British major, although sold into by MM's. The physical was a touch better offered again, with prompt midland offers pressuring the diff another two cents, whilst CFD's saw mainly sell side cares. 20-24/5's were offered by majors, with sticky buying from one European trade house at -\$1.05/bbl, whilst 28-31/5 CFD was hit down to -\$0.75/bbl by trade by the end of the window.

## Fuel Oil

In HSFO, the Chinese were sellers of 380 flat price this afternoon. It was a fairly illiquid afternoon for 380 cracks, with Jun 380 crack trading between -\$6.70/bbl and -\$6.60/bbl. It was a fairly rangebound afternoon on 380 spreads. Jun/Jul 380 traded at \$8.25/mt for the majority of the afternoon, briefly touching \$8/mt mid-afternoon.

Barge cracks started the afternoon a touch softer, offered down to -\$10.60/bbl from -\$10.45/bbl. Post window we saw some recovery, with the crack buying up to -\$10.50/bbl. Barge spreads were weak early afternoon, with Jun/Jul trading at -\$2.25/mt around lunchtime, before gapping down to -\$3/mt. There was more stability this afternoon on spreads, with the front barge spread trading between -\$3/mt and -\$2.75/mt. 380 E/W was fairly stable this afternoon, trading at \$25/mt for the majority of the afternoon, before trading down to \$24.50/mt post-window.

In VLSFO, the Jun Sing crack opened the afternoon well offered. The Jun Sing crack sold down to \$10.30/bbl heading into the window in decent size from \$10.70/bbl. The front Sing crack bottomed out at this level, before turning better bid and recovering all its losses plus some post window, trading up to \$10.75/bbl. The trend was similar on Sing structure, with the front Sing spread selling down to \$7/mt from \$7.50/mt early on, before recovering somewhat post-window to \$7.25/mt. The Euro crack was supported this afternoon through sustained buying, the front Euro crack opened the afternoon at \$3.50/bbl, and steadily traded up to \$3.80/mt. We saw some activity on the Jun and Q3 0.5 E/W, with Jun trading between \$44/mt and \$44.25/mt.

## Distillates

Another sideways afternoon observed for ICE gasoil spreads. The Jun/Jul continued to trade around -\$2.50/mt and the Jul/Aug spread around -\$2.50/mt. ICE gasoil cracks traded higher early in the afternoon before retracing back to levels seen earlier in the morning. The Jun crack was lifted up to \$18.65/bbl from \$18.15/bbl, but has since traded back down \$18.20/bbl. The Jul crack traded around \$19.05/bbl while in the deferred, the Q1'25 crack traded at \$21/bbl. European jet diff structure weakened this afternoon. The Jun diff was a tick lower at \$59.75/mt while further down the curve the Aug diff and Sep diff traded lower at \$59.25/mt. In the deferred, the Q4 diff traded at \$59.50/mt. The front HOGOs retraced back to this mornings opening levels, with the Jun swap around 4.80c/gal while the Q4 swap was unchanged at 8.50c/gal.

A rangebound afternoon was seen in Sing gasoil. The Jun/Jul saw buy-side interest from a trade house early in the afternoon with it been lifted up to -\$0.15/bbl from -\$0.19/bbl, however it retraced back to -\$0.17/bbl in the window. The Jul/Aug continued to trade around -\$0.23/bbl. The Jun E/W traded rangebound this afternoon with it trading around -\$28/mt and the Jul E/W traded around -\$29/mt. In the deferred, interest was seen in Q4 at -\$27.50/mt and Q1'25 at -\$24/mt.

The Jun regrade traded in a range between -\$1.50/bbl and -\$1.45/bbl while the Jul regrade was a touch higher at -\$1.25/bbl. The Q3 regrade continued lower with it trading down to -\$1.05/bbl. In Kero, Jun/Jul traded up to -\$0.39/bbl.

## Gasoline

This afternoon in Gasoline, we saw cracks trade at the end of the afternoon window around \$20.50/bbl in Jun EBOB. RBBRs saw volatile price action seeing more bid side interest, trading up to \$22.80/bbl handles. Arbs in Jun and Aug saw selling today, at 6c/gal and 6.05c/gal respectively. Spreads in EBOB saw bid side interest up to \$13.75/mt in Jun/Jul and \$20.25/mt in Aug/Sep from refiners. Cracks in Q3 saw buying up to \$18/bbl levels, where we saw more offers come in from trade houses. Gasnaphs saw phys offers in the Euro window in the \$213/mt region, with Q3 seeing bids up to \$197.50/mt. In the east, we saw E/W go better offered down to -\$10.30/bbl. Jul/Sep traded up to \$1.78/bbl.

## Naphtha

This afternoon in Naphtha we continued to see bullish price action in the Jun NWE crack with the front trading from lows of -\$10.30/bbl this afternoon to settle at -\$10.05/bbl end window with gasoline continuing to see strength and gasnaps offered.

Structure continuing to firm with Jun/Jul still well bid, trading up to \$9/mt post window and bid on by major as Q3/Q4 spreads traded 25c higher with Jul/Oct at \$13.50/mt. Deferred cracks seeing buying with Q4 well bid by trade at -\$10.50/bbl and Cal'25 buying improving to -\$10.50/bbl. Jun E/W seeing buying flows post-window at \$16/mt with deferred E/W still seeing bids.

## NGLs

A weak afternoon for US LPG products across the curve. Arbs were offered and gapped down to \$241/mt in the prompt LST/FEI contract; this coupled with bids being consistently hit in the physical caused LST flat price to go well offered in the prompt, weakening on a crude percentage basis over the afternoon. Augy/Sep LST spread saw consistent buying at -0.50c/gal from US trade houses but this level was overcome and spreads weakened in deferred tenors with Q3/Q4 spread trading at -2.625c/gal. Butane continued to firm in relation to propane with the C4/C3 diff at 12.50c/gal on legs in the prompt; nevertheless deferred butane spreads also weakened with Feb/March butane trading at 5c/gal. Internationally, the arb weakness helped FEI flat price to go better bid at the front of the curve with \$6.75/mt trading in the Jun/July FEI spread post window. CP flat price kept pace however keeping the Jun FEI/CP rangebound around \$56/mt handles.

16 May 2024

# European Window



Europe flat price was better bid in the window helping the Jun/July stay supported at -\$0.50/mt - the E/W diff was well bid down the curve though with FEI strength the main driver as Cal E/W was bid at \$76/mt.

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

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