# Overnight & Singapore Window

ONYX ADVISORY

## Flat Price

The July Brent futures flat price has rallied significantly this morning following a weak overnight period. The price hit a low of $81.30/bbl at 06:50 BST, however since then it has shot up aggressively to $82.50/bbl handles, where it currently sits as of 11:15 BST (time of writing). Russia has pledged to make up for crude overproduction in April and will soon submit its plan to rectify this to the OPEC secretariat. This comes at the same time that Russian President Vladimir Putin stressed his desire for his country to supply more energy to China, stating Russia is ready to provide "uninterrupted" and "ecologically clean" energy. A shadow fleet oil tanker transporting Russian crude had an engine failure as it passed through Turkey's Dardanelles strait, forcing a temporary blockage to maritime traffic. Singapore's fuel oil stockpile has sunk to its lowest level in 5 ½ years in the week to May 22, with inventories falling 17.46% w-o-w to 15.8mbbls, a figure that came despite a rebound in net imports, which rose 186.1% w-o-w to 873,675 tons. Finally, Chinese refinery runs rose by 1.33mbbls/d to 15.9mbbls/d and was 9% above the 5-year average. The front and 6-month spreads are $0.28/bbl and $2.70/bbl, respectively.

## Crude

A supported morning in Dated. Initially, we saw sell side interest in Jun, sold to -$0.20/bbl, before turning better bid and lifted to -$0.07/bbl. Jul DFL saw better buying across the morning, paid to $0.38/bbl, seeing Jun/Jul DFL come under pressure to trade -$0.46/bbl, and equivalently flat on the Dtd roll. We continued to see buying of 9-15/7 v Cal Jul, paid at $0.07/bbl multiple times, whilst a major and refiner were buyers of 24-28/6 2w, lifting $0.18/bbl in good size, also seeing 24-28/6 v Cal Jul lifted at $0.23/bbl and bid over. Jul/Aug was better bid this morning, now bid at -$0.08/bbl with buyside interest in both the DFL and Dtd roll.

A Strong morning in Dubai with sellers of Brent/Dubai coming out in full force. Jun and Jul BD traded down to -$0.68/bbl and -$0.35/bbl with trade houses, majors and banks selling. In the deferred, we saw trade house and bank selling interest of Q1 and Q4 BD, trading at $0.42/bbl and $0.29/bbl respectively. There was also trade house selling of the Q4/Q1'25 box as well, trading at -$0.19/bbl. The Jul/Dec box was also offered, trading at -$0.70/bbl.

## Fuel Oil

In HSFO, 380 spreads were a touch stronger this morning pre-window, with Jun/Jul 380 buying up to $11.25/mt from $11/mt. We saw a strong sell off post-window, with the front 380 spread selling down to $9.75/mt.

We saw a similar trend on the 380 crack. The Jun 380 crack opened the morning a touch stronger, buying up to -$5.10/bbl from -$5.25/bbl. Post-window however it turned better offered, selling down to -$5.75/bbl. Barge spreads held fairly firm this morning, with Jun/Jul barges trading around -$3.50/mt. Barge cracks were weaker this morning, with the Jun barge crack selling down to -$10.20/bbl from -$9.80/bbl in decent size. We saw some outright selling on the 380 E/W, with Jun 380 E/W opening the morning at $30/mt, before selling down to $28.50/bbl.

In VLSFO, Sing structure opened the morning fairly stable, with Jun/Jul Sing trading at $4.75/mt earlier on. Heading into the window the front spread bought up to $5/mt, before turning offered in the window, and selling down to $4.50/mt post window. The Sing crack was fairly rangebound earlier on, with Jun Sing crack trading between $8.95/bbl and $9.05/bbl. There was a sharp selloff post-window, with Jun Sing crack selling down to $8.55/bbl. It was a quieter start to the day on Euro 0.5. Euro structure was however weaker on thin liquidity, with Jun/Jul Euro selling down to $1/mt from $1.50/mt. Euro cracks were also weak this morning, with Jun Euro crack opening the morning at $2.25/bbl, before selling down to $1.65/bbl.

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## Distillates

ICE gasoil spreads continued sideways. The Jun/Jul spread traded around -$2.25/mt and the Jul/Aug spread also traded around -$2.25/mt. ICE gasoil cracks traded rangebound this morning, with the Jun crack trading around $18.35/bbl to $18.50/bbl. The Jul crack traded around $19.10/bbl and the Q3 crack traded around $19.85/bbl. The front European Jet diff was a tick higher with it trading up to $64.25/mt. In the deferred tenors, the Q4 diff traded at $60.75/mt and Q1'25 at $61.75/mt. The HOGOs were a touch higher with the Jun swap around at 6.30c/gal and the Q4 swap around 9.50c/gal.

The front Sing gasoil spreads were higher this morning. The Jun/Jul spread was lifted up to -$0.20/bbl from -$0.24/bbl and similarly, the Jul/Aug spread traded higher at -$0.20/bbl. The prompt E/W was stronger, with it trading up to -$28/mt from -$28.75/mt. Down the curve, Jul E/W traded up to -$28.75/mt and Q3 around -$29.50/mt. Regrades came off into the window but have since rallied. The Jun regrade was hit down to -$1.48/bbl from -$1.36/bbl but has rallied back up to -$1.40/bbl. The Jul regrade traded lower at -$1.30/bbl from -$1.23/bbl and in the deferred, Q3 traded down to -$1.10/bbl.

In kero, Jun/Jul traded higher at -$0.29/bbl from -$0.34/bbl.

## Gasoline

This morning in gasoline, we saw flat price trade at the end of the morning window equivalent to $8.20/bbl on a crack basis in Jun 92. Cracks in 92 saw better selling from phys in Jun down from $8.45/bbl to $8.20/bbl, but we had trade house buying of Q3 at $8.10/bbl. Q3 E/W saw buying up to -$8.85/bbl again, however post window we saw Jun E/W seeing better selling down to -$11/bbl. We saw better 92 spread buying this morning, at $0.35/bbl in Jun/Jul and $0.60/bbl in Jul/Aug. This morning saw better offers on deferred arbs, with Q3 offered at 2.50c/gal, and Q1'25 offered at 11.75c/gal from trade. We saw some major selling of EBOB spreads, with Jun/Jul at $10.50/mt and Sep/Oct at $51.50/mt, and interest to sell deferred cracks at $8.40/bbl in Q1'25 and $17.10/bbl in Q3. We saw smalls buyside of gasnaphs in Q3 region at $179/mt.

## Naphtha

This morning in naphtha we saw flat price valued at $665/mt in Jun MOPJ, on a -$7/bbl crack equivalent with front cracks seeing better buying, with short-covering from majors and bank buying. Backend cracks continued to find a bid, with Q4 trading -$8.90/bbl. Jul/Dec NWE was better offered with trade selling at $14.50/mt.

Jun/Aug E/W box saw trading buying at -$1.50/mt. Q1'25 E/W saw stronger selling today at $12.25/mt. Jun NWE cracks traded up to -$8.40/bbl in Jun and saw sticky buying at -$9.50/bbl in Aug and Sep from trade.

## NGLs

A varied morning on NGLs; after a flurry of FEI flat price buying from DCE players in Q3 tenors, spreads weakened and FEI flat price softened in the morning with arbs gapping back upwards on news that Panama canal auction fees had fallen to below $1mn. The FEI weakness didn't translate to spreads as Jun/Jul stayed bid $7.50/mt but was absorbed by the arb; Q3 LST/FEI traded up to -$224/mt and the prompt traded up to -$234/mt. Towards the end of the window, however the market shifted; a trade houses bidding H1 Jul FEI in the window caused FEI flat price to go better bid, trading at $611/mt handles in Jun end window; spreads were lifted at the front of the curve as Jul/Aug FEI traded up to $2/mt and Jun/Jul to $9/mt. CP spreads were equally well bid as Jul/Aug CP traded up to $3/mt. FEI/CP weakened on CP flat price strength with Aug FEI/CP trading at $56/mt and Q3 at $55/mt.

## Global Macro

- CME rises silver margins, and the precious metal promptly sells off 3.75%.
- Eurozone PMI services are rolling over, France 49.4 (expected 51.7).
- Nvidia beats estimates - Q1 revenue +262% YoY, data centre revenue +426% YoY, Earning + 629%! And announces a 10:1 stock split.
- U.S. home sales showed largest YoY increase in unsold inventories since 2007. But house prices only start falling when jobs are lost and over-leveraged become forced sellers.
- U.S. delinquency rising fast. The economy is slowing, rate cuts are coming.
- Tesla's car sales in Europe fall to 15-month low.