# Overnight & Singapore Window

ONYX ADVISORY

## Flat Price

The Aug Brent futures flat price primarily traded around $82.10/bbl all morning although it ultimately climbed to $82.35/bbl as of 11:15 BST (time of writing). Today's marginal price movements may be attributed to the public holidays in the UK and the US. CFTC data for the week to May 21 highlights a removal of over 38mbbls of speculative long positions in Brent futures alongside an addition of over 28mbbls in money managed shorts, taking net positioning down to its lowest level since mid-December 2023. Sentiment in the previous week saw jitters regarding how soon the US Fed will begin cutting rates which may be more clear this week amid US personal consumption expenditure (PCE) data due on May 31. This sentiment may also be clearer following OPEC+'s long awaited meeting on June 02. In other news, Iran has approved a plan to increase its oil output to from 3.6mbbls/d to 4mbbls/d. Pipeline operators in Poland and Russia have agreed on a solution which will permit Kazakh oil transit to Germany, curbing fears that the transit would end in June. Finally, the Aug/Sep and Aug/Feb Brent futures spreads are currently at $0.40/bbl and $2.90/bbl, respectively.

## Fuel

In HSFO, it was a fairly strong start to the week on 380 structure. Jun/Jul 380 started the day off at $10.75/mt, before buying up to $11.75/mt in decent size. It was a fairly stable morning on 380 cracks. Jun 380 cracks traded between -$4.60/bbl and -$4.55/bbl up to the end of the window. Combined with MOC hedging, and outright buying, we saw the front 380 crack buying up to -$4.35/bbl after the window, with liquidity drying up as the morning progressed. It was a fairly strong morning on the barge crack. Jun barge crack began the day trading at -$8.80/bbl, before steadily buying up to -$8.35/bbl. It was a quiet morning on barge spreads, with Jun/Jul barges trading at -$1.50/mt on very thin liquidity. The 380 E/W was weaker this morning, with pressure put on by the barge crack strength. Jun 380 E/W opened the morning at $26/mt, before selling down to $25/mt.

In VLSFO, The Sing crack started off the week a touch softer. The Jun Sing crack was offered to start the morning off, selling down to $7.90/bbl from $8.05/bbl early on. The crack did then turn bid, heading into the window as well as post-window, with the front Sing crack buying up to $8.45/bbl. Sing structure was fairly rangebound prior to the window, with Jun/Jul Sing trading at $3.50/mt. We saw some strength on Sing spreads in the window, with the buying continuing after the window, with the front Sing spreads ultimately trading up to $4.25/mt. Back end Sing Hi5's were fairly well bid this morning, with Q3 and Q4 Sing Hi5 trading at $90.50/mt and $102.75/mt respectively. It was a very quiet morning on Euro 0.5 with it being a UK Bank holiday. There were no trades on spreads, with Jul Euro crack trading once at $1.90/bbl. We saw sporadic trading on the 0.5 E/W with Jun trading between $41.75/mt and $42/mt.

## Distillates

A relatively quiet morning in Gasoil. Jun/July Sing 10ppm continued to trade up from Friday's levels – rallying from -$0.10/bbl to pre-window highs of -$0.05/bbl, before then coming off slightly into the window. There was some good buying on prompt E/W seen pre-window, with Jun trading up to -$24.50/bbl before coming off to trade at -$25.50/bbl post window. Similarly buying seen on prompt E/W with July trading up from -$27.50/bbl to -$26.25/bbl before coming off again. The Kero/10ppm was relatively unchanged over the morning, trading at -$1.50/bbl.

## Gasoline

This morning in Gasoline, we saw flat price trade at the end of the morning window equivalent to $6.85/bbl on a crack basis in Jun 92. An offered morning in 92, with E/W trading down to -$11.90/bbl, from -$11.45/bbl on Friday night. 92 spreads saw further selling, with Jun/Jul sold down to $0/bbl, and the Jun/Jul/Aug fly seeing strong selling at -$0.30/bbl. We had some Chinese Q3 crack buying at $7.5/bbl. A quiet morning in EBOB, with smalls crack buying at $18.50/bbl handles.

## Naphtha

This morning in Naphtha we saw flat price valued at $673/mt in Jun24 MOPJ, on a -$6.30/bbl crack equivalent. Petchem buying came in with deferred MOPJ FP seeing bids on Q4 at $648/mt. Cracks saw better bids, with Jun MOPJ cracks trading up from -$6.60/bbl to -$6.30/bbl.

Post window we saw E/W in the front trading higher, up from $16.50/mt to $17/mt in Jul. A quieter morning in spreads, with Jul/Aug trading up to $6/mt, seeing Chinese buying on spreads. In Europe, we saw cracks bid, with limited spread activity.

**NGLs**

A quiet morning on NGLs with US and European players out; there was limited early morning activity from DCE players although Jul/Sep FEI spread saw buying interest at -$2/mt. Approaching the window, FEI flatprice went bid in Oct and Sep tenors; structure firmed out of the front of the curve with Jun/July FEI trading up to $11.50/mt from opening at $10/mt while July/Aug was pressured up to $3/mt by trade houses and importers (albeit in lower size than the Jun/July spread). Further out structure was also supported with Dec/Dec FEI trading up to $75/mt. CP was well bid at the front of the curve although outpaced by FEI strength; the CP C3/C4 diff traded up to $5/mt in the prompt Jun contract while Jun/July CP traded at $20/mt. The window saw several bids for 1H July FEI at premiums of $11/mt which kept the paper supported but an offer for 46kt of 1H July was seen by a major at Jun FEI + US$1.68/MT level.