# Overnight & Singapore Window

ONYX ADVISORY

## Flat Price

The Aug Brent Futures flat price has seen a slight uptick this morning following some choppiness. The contract rose from $81.70/bbl at 06:45 BST to a high of $82.20/bbl at 10:25 BST, before rapidly dropping to $81.60/bbl by 10:45 BST. Subsequently, it recovered most of these losses to sit at $82.05/bbl as of 11:10 BST (time of writing). Missiles fired by the Ukrainian navy struck an oil terminal at the Russian port of Kavkaz in the Krasnodar region on Friday, with the Russian military reporting explosions from Ukrainian-made Neptune missiles and currently working to verify the damage. This occurred at the same time as Ukrainian drones also reportedly struck another oil depot in the Krasnodar region. Malaysia will implement a floating diesel price mechanism alongside target diesel subsidies this year according to state news agency Bernama. Mexico's crude output is set to stagnate without private investment, with its NOC Pemex requiring funding as its debt has ballooned to $100 billion. Energy policies to address this are yet to be announced by Claudia Sheinbaum Pardo, who is now almost certain to become Mexico's next president in this Sunday's election. The Aug/Sep and Aug/Feb'25 spreads are $0.24/bbl and $2.25/bbl, respectively.

## Crude

Weak start to expiry day for Dated, with the cash roll trading -$0.65/bbl in the first window with a French major selling. With spreads collapsing off the back of this, we saw outright DFl's sold down to -$0.82/bbl in Jun and $0.03/bbl in Jul. Despite this, we saw a trade house a strong buyer of the DFl roll, lifting good size at -$0.81/bbl and bid on having found lows of -$0.88/bbl. 13-19/6 v Cal Jul was sold at -$0.58/bbl and 12-18/6 v Cal Jun sold at -$0.03/bbl, whilst there was continued better selling down the curve, with a refiner sell side of 22/7-16/8 v 19-23/8 and 8-12/7 2w roll trading down at $0.08/bbl. Jul/Aug continued to come under pressure, trading -$0.22/bbl and $0.15/bbl respectively on the DFl and Dtd rolls.

Choppy morning in Dubai. BD opened lower and remained in a range bouncing back and forth between -$0.30/bbl and -$0.20/bbl. There was producer buying of Jun/Jul box at -$0.13/bbl and trade house Jun/Jul Dubai selling, this caused a bounce in BD from the lows before promptly trading lower under low liquidity and a strong pricing window. We saw fund buying of Q3 BD, with the highs trading at -$0.12/bbl down to -$0.17/bbl. In Dated Dubai, there was strong buying of Jul Dtd Dubai and Selling interest in Aug, trading at -$0.21/bbl and $0.07/bbl respectively.

## Fuel

In HSFO, 380 structure opened strong this morning, with Jun/Jul at $13.50/mt early on, relative to levels seen last night. However, this morning we saw a strong sell off, with the front spread selling down to $12/mt. With it being the last day of the month, interest turns to Jul being the front month. This was clear on the 380 crack, with a fair bit of activity on the Jul 380 crack. Jun 380 crack opened at -$3.55/bbl before selling down to -$3.85. Jul 380 crack was slightly more rangebound, trading between -$5.35/bbl and -$5.30/bbl. Barge spreads enjoyed a strong start to the end of the week, with Jun/Jul barges buying up to $0/mt from -$0.50/mt. There was similar strength on the barge crack, with Jun barge crack buying up to -$7.60/bbl from -$7.80/bbl. The barge strength put pressure on the 380 E/W, with Jun 380 E/W selling down to $25.50/mt from $28/mt.

In VLSFO, Sing structure was weaker earlier this morning. Jun/Jul Sing opened the day at $5.75/mt before selling down to $5.25/mt heading into the window. There was a slight recovery later on in the morning with the front spread, buying back up to $5.50/mt. It was a rangebound morning for the Sing crack, with Jun Sing crack trading between $8.75/bbl and $8.80/bbl. It was a quiet start to the last day of the week on Euro 0.5. Euro structure was stable, with Jun/Jul Euro trading at $2.75/mt throughout the morning. There was interest on deferred Euro cracks, with very little activity towards the front of the curve. Q3 Euro crack traded around $1.90/bbl. It was fairly illiquid on 0.5 E/W, with Jun trading around $43.25/mt.

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## Distillates

The ICE gasoil spreads remained rangebound at the front, with Jun/Jul between -$2.75/mt and -$2.50/mt and the Jul/Aug spread between -$3/mt and -$2.75/mt. The cracks also similarly were rangebound, with the Jun swap crack at $16.90/bbl and the Q4 swap crack at $19.60/bbl post-window. The NWE Jet diffs saw a quiet start to the morning, with the Jun jet diff opening at $54.50/mt but getting hit down to $54.25/mt on screen. In the back end the Q4 is seeing buying interest at $57.50/mt while the Cal'25 is offered at $61.75/mt post-window. HOGOs remained weak into the morning carrying last night's post-stats weakness with it. The Jun swap is at 3.70c/gal while the Q4 swap is at 8.50c/gal.

Sing gasoil spreads opened strong before coming off into the window at the front of the curve, with the Jun/Jul spread rallying to $0.08/bbl before getting hit down to $0.02/bbl where it saw buying interest. The Jul/Aug spread traded down to -$0.06/bbl before strengthening to -$0.04/bbl. The E/W at the front of the curve opened strong and rallied at the front to highs of -$18/mt before coming off to -$19/mt, with the Jul getting lifted up to -$21.50/mt, currently at -$22/mt post-window. The back end continues to see buying interest on the Q3 and Q1'25 E/Ws, with Q3 getting lifted up to -$24/mt while the Q1 rallied from -$23/mt to -$22.50/mt. Regrade saw a quieter than normal morning, with the prompt getting hit down to -$1.45/bbl while the Jul traded from -$1.48/bbl to -$1.42/bbl.

There was some Q1'25 regrade interest, with it trading at -$0.40/bbl. The Jun/Jul Kero rallied from $0.04/bbl to $0.07/bbl, with the regrade roll trading at $0.03/bbl.

## Gasoline

This morning in Gasoline, we saw flat price trade at the end of the morning window equivalent to $5.20/bbl on a crack basis in Jun 92. RBBRs were stronger this morning up $0.60/bbl in Aug to $19/bbl. After some initial spread weakness in 92, down to -$0.45/bbl and -$0.05/bbl in Jun/Jul and Jul/Aug, we saw a rebound up to -$0.35/bbl and $0/bbl. E/W was bid up in Jun to -$10.55/bbl from trade houses, and we saw bids on Q3 E/W post window at -$8.80/bbl. The 92 Q3/Q4 crack roll saw bids between $0.10/bbl and $0.15/bbl from phys. EBOB spreads saw better bids this morning, with Jun/Jul up to $5.50/mt and Jul/Aug up to $7.25/mt. Q3 cracks saw buyside interest up from $14.90/bbl to $15.20/bbl. Selling started to come in post window in Gasnaphs in Jun at the $165/mt levels.

## Naphtha

This morning in naphtha we saw flat price valued at $674/mt in Jun MOPJ, on a -$6/bbl crack equivalent with front cracks seeing better buying. Jun E/W strengthened this morning off the back of market maker lifting offers from $20/mt to $21.50/mt. MOPJ spreads firming with Jun/Jul seeing trade buying at $8.50/mt with Q3/Q4 MOPJ crack selling at $0.15/bbl by a refiner.

NWE cracks opening the morning bid, trading from -$8.85/bbl up to -$8.50/bbl end window with a lack of offers and gasnap selling. Europe spreads remaining supported despite crack buying with major offering Jun/Jul at $7/mt. Deferred cracks opening with refiner selling Q4 NWE cracks, stepping down to -$9.20/bbl.

## NGLs

This morning on NGLs, FEI propane structure weakened at the front of the curve, with trade houses selling out of the prompt as Jun/Jul was offered down to $8.50/mt. Further out spreads were more stable with Nov/Dec seeing buyside interest at $2/mt and Aug/Sep rangebound around -$5/t. The arb traded at the same price as yesterday afternoon; -$241/mt traded in Jun LST/FEI despite the FEI weakness. The E/W diff did weaken however with $105/mt trading in the prompt; European spreads out of Q3 saw buyside interest from majors and trade houses with Aug/Sep bid at -$4.50/mt. The window saw physical bids for H1 and H2 Jul still which helped to offer some support to the weakening FEI curve as flat price was lifted at $619.50/mt handles in June end window, although this strength dissipated quickly post window.

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## Global Macro

- China factory activity unexpectedly dips as property pain persists – Reuters.
- China Manufacturing PMI May: 49.5 (est 50.5; prev 50.4)
- Non-Manufacturing PMI May: 51.1 (est 51.5; prev 51.2)
- Weak U.S. home sales data - US PENDING HOME SALES CHANGE MOM ACTUAL -7.7% (FORECAST -1%, PREVIOUS 3.4%)
- BREAKING: US GDP QOQ 2ND ESTIMATE ACTUAL 1.3% (FORECAST 1.3%, PREVIOUS 1.6%)
- Fed's Bostic: Don't See Rate Cut In July, But Open If Data Justify
- Nvidia falls after hours on reports of U.S. government restricting AI chip sales to Middle East
- Small Banks have increased their Commercial Real Estate exposure by the largest amount in 14 years (Chart 1). Prompting a Bloomberg article - Bloomberg: Don't Be Surprised If Another Regional Bank Fails Soon (linked to CRE delinquency quietly rising)
- Weaker than expected European data:
- France May preliminary CPI 2.2% (expected 2.4%)
- French PPI (Y/Y) Apr: -6.8% (prev -0.2%)
- French consumer spending +April +0.2% (ex 1.4%)
- German retail sales April -1.2% (expected -0.3%)
- UK interest rates should be cut to 3.5%by the end of next year – IMF
- BLACKROCK CEO: G7 COUNTRIES DO NOT HAVE SUFFICIENT POWER SUPPLY TO SUPPORT ARTIFICIAL INTELLIGENCE – more oil & coal anyone?
- Data today – U.S. PCE price index (a Fed preferred measure)