



EUROPEAN WINDOW

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FLAT PRICE

The Aug Brent Future flat price has been unsettled this afternoon, trading between \$79.50/bbl and \$80.35/bbl, the latter of which it has twice been unable to break through. Prices hit \$80.35/bbl at 12:50 BST and then again at 15:15 BST following a brief drop to \$79.70/bbl, before falling to \$79.60/bbl handles, where it currently resides as of 17:15 BST (time of writing). Algeria's Sonatrach and China's Sinopec have signed a memorandum of understanding (MoU) that aims to expand their cooperation, especially in areas of exploration, renewable energies, petrochemistry, petroleum engineering and skills development. China's May oil product imports dropped 22% from April's historic high, with product imports likely to fall further in June as May product exports gained 18% m-o-m. Indonesia's Pertamina Patra Niaga has issued its first spot purchase tender for sustainable aviation fuel for delivery in August. Finally, a draft document has revealed that Nigeria may spend 5.4 trillion naira (\$3.7 billion) on fuel subsidies in 2024, 50% more than in 2023. The front and 6-month spreads are \$0.31/bbl and \$2.28/bbl, respectively.

CRUDE

Yet another choppy afternoon in Dated, initially bid then turning much better offered into the window. Jul DFL found highs of \$0.25/bbl, before steadily selling off throughout the afternoon, hit down to -\$0.03/bbl by end of window. Sentiment turned once 10-14/6 v 17-28/6 blocked in at -\$0.36/bbl, with sellers then scrambling to hit rolls bids. 10-14/6 1w was sold at -\$0.32/bbl having traded -\$0.27/bbl earlier, whilst 24-28/6 1w saw selling down at -\$0.05/bbl. There was Major buying of 22-26/7 v 2-8/8, sold at \$0.06/bbl as structure softened. Balmo continued to see volatile price action, trading -\$0.41/bbl at 1pm, sold at -\$0.70/bbl last as the front went much better offered. Jul/Aug DFL roll remains unchanged from the open this morning at -\$0.25/bbl, with the dated spread weaker on softer spreads to trade \$0.16/bbl last. In the physical, offers in Forties returned from Chinese, major and trade house, with bids still yet to be seen, whilst CFD's went offered. 10-14/6's trade -\$1.10/bbl and 17-21/6's -\$0.75/bbl.

FUEL

In HSFO, with no evening trading session in China today, it was a very quiet afternoon on 380. There was a severe lack of liquidity on the 380 crack. The Jul 380 crack had a rangebound afternoon, trading at -\$6.40/bbl. It was a similar story on 380 structure. There was a fair amount of interest on the Balmo Jun/Jul spread, which traded at \$10.75/bbl. A stronger afternoon on the barge crack, with Jul barge crack buying up to -\$7.75/bbl from -\$7.90/bbl. Barge structure was a touch stronger this afternoon, Jul/Aug Barges bought up to \$3.75/mt from \$3.50/mt. There was some buying on the 380 E/W, which pushed the Jul 380 E/W up to \$10.50/mt from \$10/mt.

In VLSFO, a quiet afternoon on the Sing crack. Sing crack opened a touch stronger, with Jul Sing crack trading up to \$8.15/bbl from \$8.10/bbl on sporadic trading. Liquidity did pick up in the window, but there was not a clear axe in the market, with the price remaining around \$8.15/bbl. It was similarly quiet on Sing structure. Jul/Aug Sing traded on \$4/mt throughout the afternoon. The lack of liquidity spilled over into the European market this afternoon. We saw very little OTC trading on the Euro crack until the window. The Jul Euro crack was a touch firmer, buying up to \$1.80/bbl from \$1.70/bbl. Euro structure was also plagued by low liquidity, with Jul/Aug Euro experiencing a rangebound afternoon trading around \$1.25/mt.



DISTILLATES

ICE gasoil spreads were also rangebound into the afternoon despite bullish macroeconomic data from the US. The Jul/Aug remained between -\$2/mt and -\$1.75/mt, while the Jun/Sep spread ticked up to -\$2.25/mt, with the Dec/Jun at \$10.25/mt post-window. The gasoil cracks rallied into the window after coming off into the afternoon. The Jul crack is at \$18.15/bbl, with the Q4 at \$19.90/bbl post-window. The jet diffs saw more buying interest at the front of the curve, with the Jul diff rallying to \$58.75/mt, while the Q4 diff also rallied to \$57.75/mt, with the Q1'25 diff seeing interest at \$59.50/mt through the afternoon. The HOGOs dipped into the afternoon, but they recovered into the window. The Jul swap is at 5.10c/gal and the Q4 swap is at 8.70c/gal, both slightly stronger into the evening.

Sing gasoil spreads saw a quiet afternoon with little trading, even at the front. The Jul/Aug spread is indicated at -\$0.16/bbl, while the Aug/Sep spread is indicated at -\$0.16/bbl as well. The E/W at the front saw the Jul trade up to -\$23.00/mt after the morning sell-off, indicating there post-window. Little interest in the back end was seen apart from the Sep trading at -\$24.75/mt, with the Q3 E/W also trading at -\$24.00/mt. Regrade also was largely rangebound, with the Jul trading at -\$1.10/bbl while the Aug was hit at -\$1.05/bbl into the afternoon. The Jul/Aug kero spread traded at -\$0.21/bbl, while the Nov/Dec was hit at \$0.05/bbl into the mid-day period.

GASOLINE

This afternoon in gasoline, we saw cracks trade at the end of the afternoon window around \$16.80/bbl in Jul EBOB. RBBRs stayed rangebound in the \$19.70/bbl handles. Arbs saw stronger buying in the Euro window at 7.60c/gal from phys players. Jul/Sep EBOB saw buying at \$21.75/mt levels, and Jul/Aug saw buying at \$6.25/mt. We saw better crack buying in EBOB in the window. Jul gasnaphs were offered in Jul at \$174/mt from refiner types. A quieter afternoon in 92, with some spread selling in Jul/Aug at \$0.40/bbl and crack buying from phys at \$7.75/bbl in Jul. E/W went better offered at -\$9.05/bbl in Jul.

NAPHTHA

This afternoon in naphtha we saw Jul NWE cracks firm with crude strength subsiding and backend cracks seeing better buying leading the front to settle at -\$8.85/bbl end window with refiner on the buy side of cracks. Structure recovering from the lows of this morning with Jul/Dec trading from \$14.25/mt to \$16/mt this afternoon with market makers on the offer of spreads. Deferred cracks seeing bids with Q4 seeing buying up to -\$8.60/bbl and Cal'25 trading up to -\$8.85/bbl and softening to -\$8.95/bbl post-window. Jul E/W continuing to trade in the \$17/bbl handles with the Cal'25 seeing levels trade at \$13.75/mt.

NGLS

US LPG was again supported this afternoon as flat price firmed on a crude percentage basis. Offers lifted in the physical and arb bids at the front of the curve helped the front LST spreads firm a touch with July/Aug bid up to -0.625c/gal by US trade houses. Further out spreads were less supported as Q4/Q1'25 LST traded at 0.25c/gal. Conway was better supported in relation to LST as the N/S diff firmed to -2c/gal in the prompt Jul month. Butane remained well bid in relation to propane too especially further out as Q4 C4/C3 diff traded at 14c/gal. Internationally NWE propane was the strongest performer with good buy side interest in the prompt flat price and spreads from European majors and trade houses. The Dec/Dec NWE traded at \$41/mt while the Q4 pronap firmed up to -\$98/mt. FEI/CP softened a touch over the afternoon with Sep trading at \$53/mt; FEI spreads further out as Dec/Dec traded at \$65/mt. In the window two trade houses bid NWE which helped to keep the paper supported with July trading at \$513/mt handles end window.