



EUROPEAN WINDOW

INSIGHT@ONYXCAPITALADVISORY.COM
ONYX CAPITAL ADVISORY

07 FEB 2025



FLAT PRICE

The Apr'25 Brent futures flat price was lower on Friday afternoon after testing the \$75/bbl resistance level, coming off to \$74.35/bbl by 17:00 GMT (time of writing). Crude is on track for a third consecutive weekly decline, with players taking profit and selling into any rallies amid heightened volatility on the back of Trump's actions. In the news, Venezuela's state oil company, PDVSA, has resumed regular light crude imports due to declining domestic production, as stalled trade with Iran and a gas supply shortage have worsened blending bottlenecks, despite increased exports and slight overall output growth. The European Union is discussing a deal to partially lift sanctions on Syria's oil industry and banks, including removing bans on crude imports and energy financing, as part of efforts to support Syria's transition under new President Ahmed Al-Sharaa, while some EU nations push for conditions limiting Russian influence in the country. Singapore-listed oil company Interra Resources is seeking legal advice to assess whether its subsidiaries violated foreign laws by supplying oil to military-controlled Myanmar, following allegations from activist group Justice for Myanmar, while also reviewing the adequacy of its risk controls amid Western sanctions on the nation. Chevron is accelerating the expansion of Kazakhstan's Tengiz oilfield, reaching 900kb/d in early February - well ahead of schedule - with full capacity of 1mb/d expected by June, complicating Kazakhstan's efforts to stay within its OPEC+ production quota. Finally, the front (Apr/May) and 6-month (Apr/Oct) Brent futures spreads are at \$0.40/bbl and \$2.46/bbl respectively.

CRUDE

This afternoon in dated, we saw spreads come off and balmo hit \$0.55/bbl and the 17-21 Feb 1-week roll trading \$0.11/bbl. March DFL was offered aggressively down to \$0.40/bbl with April DFL starting to come off down to \$0.35/bbl. In the phys window saw a Norwegian major offering Midland down to curve and lifted by a trade house, leaving the phys unchanged. In paper, balmo was sold down to \$0.41/bbl and the 10-14 Feb 1-week was offered down to -\$0.08/bbl by a trade house. CFDs also went offered with the 17-21 Feb CFD trading down to \$0.28/bbl and 24-28 Feb CFD down to \$0.28/bbl. Post-window saw the 17-21 Feb 2-week trade at \$0.24/bbl and the 10-14 Feb 1-week traded down to -\$0.12/bbl.

This afternoon was quiet and range bound in Brent/Dubai with March Brent/Dubai trading between -\$0.66/bbl and -\$0.61/bbl. We saw some more quarterly selling, with Q2, Q3 and Q4 trading between -\$0.14/bbl to -\$0.17/bbl, -\$0.21/bbl and \$0.32/bbl to \$0.33/bbl respectively. Dubai spreads continued to come off slightly, with the Mar/Apr and Apr May/Dubai spreads trading down to their intraday lows at \$0.67/bbl and \$0.63/bbl respectively. The boxes were quiet with only Apr/May trading OTC at -\$0.21/bbl.

FUEL

Chinese arbers were initially sellers of May 380 flat price, this supported the front 380 crack at \$0.90/bbl. We continued to see buy-side interests in Mar/Apr 380 from \$14.75/mt to \$15/mt. Heading into the window, we began to see some selling in Q2 barge crack at -\$4.15/bbl. This put some pressure on the front barge crack, trading from -\$3.15/bbl to -\$3.30/bbl. As a result, the front EW became stronger trading from \$25.50/mt to \$26/mt. However, the front barge crack turned bid in the window trading up to -\$3.10/bbl at close. Barge structure became better bid with Apr/May trading at \$5.75/mt at close.

Front Sing 0.5 crack continued to be strong this afternoon, we also saw buying in Q4 Sing crack up to \$9/bbl. This and the buying supported the front crack, trading up to \$11.80/bbl. As a result, front Sing structure was better bid, with Mar/Apr trading from \$6.25/mt to \$6.50/mt. Front Euro crack was also stronger at the beginning of the afternoon following the strength of the Sing crack, trading up to \$5.30/bbl. However, front Euro structure turned better offered with Mar/Apr from \$6.25/mt to \$6/mt. As a result, the front Euro crack was sold into the window, and ended the day a touch softer at \$5.20/bbl.



DISTILLATES

This afternoon in distillates, the front Sing gasoil spreads ticked higher with ICE gasoil firming up with the Mar/Apr lifted to \$0.60/bbl as the EW remained rangebound, the Mar trading between -\$18.75 and -\$18.50/mt. Regrade continued to strengthen on some late kerosene selling, the Mar to -\$0.63/bbl as the 2Q was lifted to -\$1.10/bbl.

ICE gasoil spreads rallied into the evening, the Mar/Jun to \$23.00/mt as the Mar crack traded up to \$19.50/bbl. European jet diffs softened in the prompt, the Mar to \$49.75/mt as the 2Q remained supported at \$52.00/mt. Heating oil spreads similarly rallied into the window, as did the HOGs, the 2Q to 11 c/gal.

GASOLINE

This afternoon in gasoline we saw flat price trade at the end of the window at \$715.5/mt with matching offered. The front was bid in the window by refiners trading up to \$11.9/bbl in the window up from \$11.5/bbl in the morning and there was continued buying interest in the Q2 up to \$15.7/bbl during the window. MarApr remained valued around -\$30/mt in the afternoon and post window saw buying up to -\$29.5/mt as Q2 arb buying continued. The Q2/3 crack roll saw better selling this afternoon up to \$2.1/bbl while deferred spreads saw some buying with Q4/1 trading at \$0.2/bbl. Arbs saw more buying in the afternoon with Q2 arbs trading up to 17.6c/gal from lows of 17.1c/gal early afternoon as we saw RBBRs rally on US open from around \$22/bbl to trade up to \$22.7/gal end window. EW came off initially to trade down to -\$2.1/bbl in the window on ebob strength but saw NOC buying post window at -\$2/bbl. Eastern cracks in the front were valued at \$9.7/bbl going into the window and early in the afternoon there was tradehouse and major interest in the Q3 crks up to \$7.8/bbl while spreads remained supported with Mar/Jun trading at \$2.15/bbl.

NAPHTHA

This afternoon in naphtha we saw flatprice trade at the end of the window at \$638.5/mt with matching mixed. The front crack was stronger in the afternoon getting bought from lows of -\$2.6/bbl to trade at -\$2.3/bbl during the window and in the afternoon the Q2 crk saw buying up to -\$3.5/bbl. Spreads were bid; MarApr rallied from \$9/mt val this morning to trade up to \$9.75/mt post window and we saw JunDec crk roll buying in the afternoon at \$0.85/bbl. EW was mixed in the afternoon but there was better sellside interest in Apr E/W with it sold down to \$18.5/mt in the afternoon. MOPJ was supported by NWE strength with Mar/May trading at \$18/mt.

NGLS

This afternoon in NGL's, LST gained strength with prompt spreads balanced but deferred spreads strengthening. In prompt, we saw Mar/Apr trade up to 4.75c/gal and Apr/May trade at 2.75c/gal; whilst in deferred, we saw Q2/Q3 and Q1/Q2 26 trade up to 1.875c/gal and 6.75c/gal respectively. Arbs gained significant strength with Mar and Apr trading up to -\$150/mt and -\$161/mt respectively; whilst Euro arbs also gained strength with 2H trading up to -\$90/mt. EW gained strength owing to slight FEI strength with Mar trading up to \$60/mt. Prompt FEI structure gained strength with Mar/May and Apr/May trading up to \$24/mt and \$11.5/mt respectively; whilst in deferred, we saw Jun/Dec and Q2/Q3 trade up to -\$8.5/mt and \$12.5/mt respectively. FEI/CP was quiet in the afternoon with Mar implied slightly higher at -\$19/mt owing to FEI strength. Butane was weaker along with structure, with Mar C4/C3 trading at 18.375c/gal then implied lower 17.875c/gal. In prompt structure, we saw Mar/Apr and Apr/may trade down to 5.5c/gal and 3.125c/gal respectively; whilst in deferred, we saw Jun/Sep and Oct/Nov both trade at -0.5c/gal.



Disclaimer Notice: This report contains proprietary information and is solely intended for subscribed users in accordance with our terms and conditions. It is unlawful for you to forward this report to unauthorized persons or for them to otherwise access this report.

Any recommendation, prediction, or suggestion as to an investment strategy has been prepared by Onyx Capital Advisory Limited ("Onyx") in accordance with legal requirements designed to promote the independence of investment research ("Research"). This research is directed at, and therefore should only be relied upon by, clients who have professional experience in matters relating to investments. Onyx's Research is not directed at retail clients or those in a jurisdiction in which this distribution may be restricted by local regulation or law. Onyx's publications are prepared without taking into account your specific investment objectives and financial situation, therefore before acting on any information, you should consider its appropriateness. Onyx's Research should not be regarded as a substitute for obtaining independent professional advice, including investment, tax and legal advice. Onyx's policy is to only publish Research that is impartial, independent, clear, fair, and not misleading. Any views expressed are those of Onyx's at the time the Research was prepared. No assurances or guarantees are given as to the reliability, accuracy, or completeness of any such information or any matter contained in Onyx's Research and such Research may contain statements which are matters of judgement and which are subject to change at any time without notice. Onyx accepts no duty or liability, whatsoever, to any party in respect of its Research. Under no circumstances will Onyx be responsible for any losses incurred (whatever their nature) by its clients resulting directly or indirectly from the use or interpretation of any information contained in its Research. Such Research is solely produced and published by employees of Onyx and based on publicly available information. Past performance is not indicative of future performance. Analysts are required to ensure that they have a reasonable basis for their analysis, predictions, and recommendations. Onyx maintains strict regulatory controls to mitigate any conflicts of interest including information barriers and restrictions on the undertaking of personal transactions in financial instruments. Onyx is registered in England & Wales (company number 11472304) with its registered address at 95 Cromwell Road, Second Floor, London, United Kingdom, SW7 4DL. Onyx is authorised and regulated by the Financial Conduct Authority (FCA no. 822509).