



EUROPEAN WINDOW

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09 JUN 2025



FLAT PRICE

The Aug'25 Brent futures contract fell to \$66.32/bbl at 14:36 BST before rallying to \$67.06/bbl. Prices have since softened to \$66.63/bbl at 17:40 BST (time of writing). In the news, OPEC's oil output rose by 150 kb/d in May, reaching 26.75 mb/d, according to a Reuters survey. The rise was limited as Iraq cut production to compensate for earlier overproduction. Saudi Arabia saw the largest increase at 130 kb/d, still 100kb/d below its quota. Overall, the five OPEC nations involved in the May agreement raised output by 180 kb/d, below the planned 310kb/d due to offsetting compensation cuts. In other news, California's fuel imports surged to 279 kb/d in May, the highest since 2021, as refinery outages and declining in-state capacity drove the state to rely more heavily on imports, especially from Asia and atypical sources like the Bahamas and India. Imports from South Korea and other Asian countries made up nearly 70% of May volumes, while Bahamas shipments hit a record 38kb/d. Refinery closures and supply crunches are shifting California toward long-term import dependency, raising fuel costs. Kenya plans to begin commercial crude oil production and exports in 2026, according to Energy Cabinet Secretary Opiyo Wandayi. This development hinges on the finalization of Gulf Energy Ltd's acquisition of Tullow Oil's assets in the country, including the long-stalled South Lokichar Basin project. The field is expected to produce between 60kb/d and 100kb/d, with an estimated 560 mb recoverable over a 25-year period. The project could position Kenya as a new oil exporter and boost its standing in the global energy market. Finally the front-month Aug/Sep spread is at \$0.73/bbl and the 6-month Aug/Feb'26 spread is at \$1.89/bbl.

CRUDE

This afternoon was very quiet in Brent/Dubai, as we traded between \$0.18/bbl to \$0.13/bbl in Jul Brent/Dubai. The spreads continued to strengthen, with Jul/Sep trading \$1.25/bbl up to \$1.31/bbl, buying on screen. The boxes were very quiet with only some Q3/Q4 sellside interest, which traded -\$0.37/bbl. There was some buying of backend box, with Q1/Q3 buy-side interest with none trading, and Jun26/Dec26 buy-side bank interest trading \$0.04/bbl.

FUEL

Quiet afternoon in VLSFO, front Sing crack continued to trail down, with Jul trading from \$10.40/bbl to \$10.30/bbl. As a result, front Sing spreads were also weaker, with Jul/Aug trading from \$5/mt to \$4.75/mt. In Euro, front crack was also more offered, trading from \$5.20/bbl to \$5.10/bbl. However, front crack recovered towards the end of the window due to MOC hedging, trading back up to \$5.20/bbl. Euro structure saw very little interests, with Jul/Aug trading at \$6.50/mt.

In HSFO, backend 380 crack saw some sellside interests at the beginning of the afternoon, however, front crack remained relatively stable trading around -\$0.30/bbl. As the afternoon progressed, front 380 structure in Jul/Aug was a touch stronger trading from \$10.75/mt to \$11/mt but remained offered at \$11/mt for the rest of the afternoon. In Barges, front crack saw bids towards the end of the window, trading from -\$3.05/bbl to -\$2.75/bbl. This therefore weakened the front E/W, trading from \$16.50/mt to \$15.75/mt. Barge structure also saw bids, trading from \$7/mt to \$7.50/mt.



DISTILLATES

This afternoon in distillates, Sing gasoil spreads continued to rally on ICE gasoil strength, Jun/Jul lifted after the window to \$0.39/bbl as the E/W remained rangebound, trading between -\$15.25/mt and -\$15.00/mt in Jul. Regrade was similarly rangebound, Jul trading at -\$1.13/bbl as the Aug traded up to -\$0.90/bbl.

ICE gasoil futures continued to rally, Jun/Dec to highs of \$28.75/mt, softening to \$27.50/mt post-window as the Jun crack traded down to \$17.90/bbl. European jet diffs saw strength in the prompt, the Jul trading up to \$47.50/mt as the Q4 ticked down to \$44.00/mt. Heating oil spreads were rangebound, as were the HOGOs, Jul trading at 12.5 c/gal.

GASOLINE

A quiet afternoon in gasoline with EBOB flatprice trading end window at \$14.55/bbl with matching better offered. Cracks in the front were rangebound in the afternoon around \$14.5/bbl as well as sellside int in the Q1 at \$6.8/bbl. The Cal26 had selling at these levels getting hit at \$8.4/bbl but there was buying in Q3'26 in the window at \$10.35/bbl. The front spread was relatively unchanged on the day trading at \$8/mt in the afternoon and Dec/Mar getting lifted at -\$12/mt but softening to -\$12.25/mt. RBBRs opened stronger on US open trading up to \$20.2/bbl and closing the window there and arbs remained strong in the afternoon with European weakness driving the price action to trade up to highs of 15.25c/gal in the afternoon. The east was relatively better supported in the afternoon pushing E/W in the front to trade up to -\$5/bbl as well as crack buying in Aug at \$8.75/bbl.

NAPHTHA

In naphtha, flatprice traded end window at -\$5.1/bbl on a crack equiv. Cracks in the afternoon traded up to -\$4.95/bbl on lower crude but got sold into in the window as crude firmed to get hit down to -\$5.15/bbl in the window with the Jul/Aug softening to \$3.5/mt on the front going better offered. There was winter crack buying this afternoon with the Q4 seeing buying around -\$5/bbl and the Cal26 crack trading a touch higher at -\$6.6/bbl.

NGLS

This afternoon in NGLs, LST weakened on a crude percentage basis with structure balanced in both the front and back of the curve. In prompt structure, we saw Jul/Aug and Aug/Dec trade firm at flat and -3c/gal respectively, whilst in the back we saw Q4/Q1 and Jan/Feb trade firm at 0.5c/gal and 0.125c/gal respectively. Arbs came off in both the front and back of the curve with Jul trading down to -\$146/mt whilst in the back we saw Q4 and Winter arb trade down to -\$142/mt and -\$138/mt respectively. FEI/CP was broadly unchanged in the front with Jul trading at -\$41/mt whilst in the back we saw Q4 trade down to -\$16.5/mt; E/W was broadly unchanged as well with Jul implied slightly higher at \$71/mt. Butane was slightly stronger in the front with Jul C4/C3 implied slightly higher at 10.5c/gal whilst structure in front was unchanged but deferred stronger. In the front, we saw Jul/Aug trade rangebound between -0.5c/gal to -0.375c/gal whilst in the back we saw Q4/Q1 trade up to 1.375c/gal.



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