



# EUROPEAN WINDOW

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## FLAT PRICE

The Sep'25 Brent futures contract fell from \$69.80/bbl at 12:25 BST to \$68.60/bbl at 16:55 BST, increasing slightly to \$68.95/bbl at 17:10 BST (time of writing). Reuters reported that the European Commission plans to propose a floating Russian oil price cap this week as part of its 18th sanctions package, aiming to overcome opposition from some EU states. The current G7 cap of \$60/bbl, set in December 2022 to limit Russia's war financing, has become ineffective due to falling global oil prices, prompting the EU to draft a mechanism starting around \$45/bbl that adjusts with market prices. OPEC's 2025 World Oil Outlook projects global oil demand rising by over 19 mb/d by 2050, reaching nearly 123 mb/d, and requiring up to 19.5 mb/d of new refining capacity. India, Other Asia, the Middle East, and Africa will drive growth, adding 22.4 mb/d combined, with India alone contributing 8.2 mb/d, while Chinese growth slows and developed economies see declining demand. Emerging markets, policy shifts, and stronger economic prospects will support medium- and long-term demand. The UAE reaffirmed its 5 mb/d production capacity target by 2027 but signalled it could increase to 6 mb/d if markets demand, potentially making it the world's fourth-largest producer. Energy Minister Suhail al-Mazrouei stressed this is not an official target, and the ministry confirmed the current goal remains unchanged. OPEC+ granted the UAE a higher quota in 2024. It is set to rise by another 300,000 bpd through September 2025, as part of a 2.5 mb/d group-wide output increase, while 3.65 mb/d of cuts remain until end-2026 amid ongoing quota disputes within the group. US pipeline safety enforcement actions fell to a record low at the start of Donald Trump's new term, as his administration prioritises deregulation. The Pipeline and Hazardous Materials Safety Administration opened just 40 cases between January 20 and June, the lowest for any presidential term in two decades and 68% lower than during Trump's first months in office in 2017. Finally, the front-month Sep/Oct and the 6-month Sep/Mar'26 spreads are at \$1.13/bbl and \$3.04/bbl.

## CRUDE

This afternoon in Dated, we saw the 4-8 Aug 1w roll lifted up to \$0.48/bbl with balmo trading down to \$1.70/bbl pre-window. In the phys window, we saw offers across Midland and Brent with two Midland cargos lifted, pushing the diff down to around \$0.43/bbl. In paper, we saw the 14-18 Jul 1w roll bid up to \$0.15/bbl in size by a major and strong lifts on the 14-18 Jul CFD up to \$1.74/bbl and the 21-25 Jul CFD up to \$1.70/bbl. Post-window, we saw spreads rally with the Aug DFL trading up to \$1.65/bbl and the Aug/Sep DFL bid at \$0.52/bbl. We also saw a low hit on the cal Aug vs 1-5 Sep roll down to \$0.85/bbl, and the cal Aug 26-01 Sep roll traded at \$0.72/bbl

## FUEL

In VLSFO, the front Sing crack initially saw small bids, trading around \$10.70/bbl. This supported front structure with Aug/Sep and Sep/Oct both trading at \$4.75/mt. As the afternoon progressed, Euro structure in the front became better offered, with Aug/Sep trading at \$7.75/mt. This put some pressure on the front euro crack, as we saw some selling at \$5.80/bbl. Heading into the window, we saw aggressive buy-side interests in Euro MOC, the front crack, therefore, strengthened due to MOC hedging. The front crack ended the day at \$6.05/bbl, as a result, front structure in Aug/Sep Euro traded back up to \$8/mt. The stronger front euro crack also supported the front sing crack, trading at \$10.80/bbl post window.

In HSFO, 380 E/W had a rangebound afternoon. Front 380 crack initially saw some sell-side interests, trading around -\$1.80/bbl. This caused the front 380 E/W to sell off from \$0/mt to -\$0.50/mt. As the afternoon progressed, we saw aggressive selling in the front barge crack trading from -\$1.70/bbl to -\$2.05/bbl, therefore the front 380 E/W traded back up to \$0/mt. Post window, front 380 crack became more offered than the barge crack, trading down to the lows of -\$2.20/bbl, this caused the front 380 EW to weaken down to -\$0.5/mt. In structure, front 380 spreads was a touch better offered with Aug/Sep trading at \$3.75/mt, similarly in barges, we saw better sell-side interests with Aug/Sep trading at \$10.50/mt.



## DISTILLATES

This afternoon in distillates, Sing gasoil spreads were better offered, Aug/Sep sold down on screen to \$0.95/bbl post-window as the Aug E/W was lifted to -\$28.50/mt on softer ICE gasoil. Regrade continued to be better bid in the prompt, trading up to -\$1.60/bbl and bid on as the Q4 was bid at -\$0.44/bbl.

ICE gasoil spreads softened for the afternoon, Aug/Dec to \$47.75/mt as the cracks ticked lower, Aug to \$23.80/bbl. European jet diffs continued to firm in the prompt, Aug to \$42.00/mt as the Q4 ticked off to \$47.75/mt. Heating oil spreads similarly sold off for the afternoon as the HOGOs rallied, Aug to 16.5 c/gal.

## GASOLINE

This afternoon in gasoline, EBOB flat price traded at the end of the window at \$15.20/bbl on a crack equivalent with matching more offered and RBBRs opening down before rebounding slightly to \$19.75/bbl and staying rangebound at that level in the window. There was real selling on spreads with Aug/Sep coming off from \$14.50/mt to \$13/mt before recovering slightly to \$13.50/mt in the window with Sep/Dec at \$72.50/mt. Cracks in the front similarly traded down from \$15.50/bbl to \$15.20/bbl at the end of the window with Q4 at \$8.40/bbl. Arbs moved up from \$13.60/bbl to \$13.80/bbl on weaker EBOB. The east traded down on lower crude with front spreads trading \$1.03/bbl and cracks trading up to \$8.65/bbl while the E/W strengthened to -\$6.50/bbl on weaker EBOB.

## NAPHTHA

This afternoon, flat price traded at the end of the window at -\$5.45/bbl on a crack equivalent with MOC better offered. Weaker crude offered support to the front crack as it strengthened from -\$5.60/bbl to -\$5.45/bbl. Deferred cracks saw mixed interest with Q4 getting hit at -\$4.70/bbl and Q1'26 getting lifted at -\$5.05/bbl. Spreads were weaker again as Aug/Sep fell from \$3/mt to \$2.25/mt, helping E/W to firm slightly from \$25.25/mt to \$25.50/mt. MOPJ spreads came off from \$3.75/mt to \$3.25/mt in the front, and we saw a good amount of flat price buying from Chinese players.



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