



FUEL OIL REPORT

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FUEL COMPLEX OVERVIEW

High Sulphur Fuel Oil has recorded a weak fortnight ending 4 July, predominantly driven by the East. The Aug'25 Singapore 380 cst crack climbed to a high of \$2.05/bbl on 16 Jun, but plummeted thereafter, sinking to -\$1.65/bbl at the time of writing on 4 Jul. The 380 cst complex has been pressured lower by sell-side interests in the crack, the Balmo 380 spread, and 380 E/W (Singapore 380 cst vs 3.5% Rotterdam barges) down the curve. The Aug'25 380 East/West fell from \$15.75/mt on 23 Jun but sold off to \$6/mt at the time of writing. Open interest in the M1 and M2 380 E/W declined this fortnight, indicating that this sell-off may have been exacerbated by long-positioned players stopping out. We also saw trade house selling in deferred Q4'25 and Q1'26 E/W contracts at \$16/mt and \$15.75/mt, respectively, which likely pressured the front E/W further. Meanwhile, trade houses sold 895kb of the Aug/Sep'25 380 cst spread to Onyx in the week ending 3 Jul.

In Northwest Europe, the Aug'25 3.5% barge crack eased from -\$1.66/bbl on 19 Jun to -\$2.67/bbl on 23 Jun. Price action briefly met support here and climbed to -\$1.88/bbl on 25 Jun only to finally fall to -\$2.50/bbl at the time of writing on 4 Jul. This weakness arose from sell-side interests in deferred 3.5% barge cracks, although sell-side interests in the 380 E/W capped further weakness in the 3.5% complex. Residual fuel oil stocks in independent storage at the Amsterdam-Rotterdam-Antwerp (ARA) hub fell by 0.56mb in the week ending 3 Jul to 6.10mb, and now stand 32.4% lower y/y and 27.9% below the 5-year average.

Very Low Sulphur Fuel Oil saw a stronger start to July, with the Bal-Jul/Aug'25 0.5% Rotterdam barge spread rallying from \$7/mt on 19 Jun to \$18/mt at the time of writing on 4 Jul amid rising supply-side tightness in the market. Moreover, strength in NWE middle distillates has led to refiners boosting their gasoil output. This has led to more vacuum gasoil being used in hydrocrackers and less diesel being available for blending to make VLSFO. Flow-wise, we have seen 485kb of trade house buying in the Aug'25 0.5% barge crack against Onyx. Front 0.5% barge spreads also saw good buy-side interest from speculative players.

In Singapore, the Aug'25 Sing 0.5% crack strengthened alongside the 0.5% barge crack, with prices rising from \$10.19/bbl on 20 Jun to \$12.20/bbl on 1 Jul. However, the crack subsequently dropped to \$11.45/bbl at the time of writing. Nonetheless, deferred Sing 0.5 spreads saw more buy-side interest from Singapore-based trade houses. The Aug'25 Sing 0.5% East/West (Sing 0.5% vs 0.5% barges) weakened from \$36.70/mt on 19 Jun to \$32.35/mt on 30 Jun. 1 Jul saw a surge in prices up to \$35.25/mt, although this level did not hold well and prices eased to \$31.60/mt at the time of writing on 4 Jul, which further supported the 0.5% barge complex.

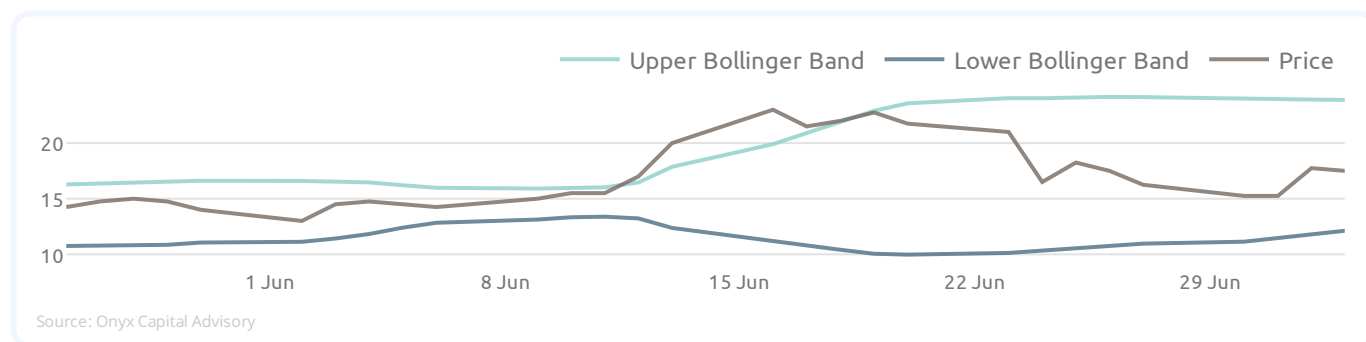


LONG SEP/Q4'25 SINGAPORE 380 CST (\$/MT)

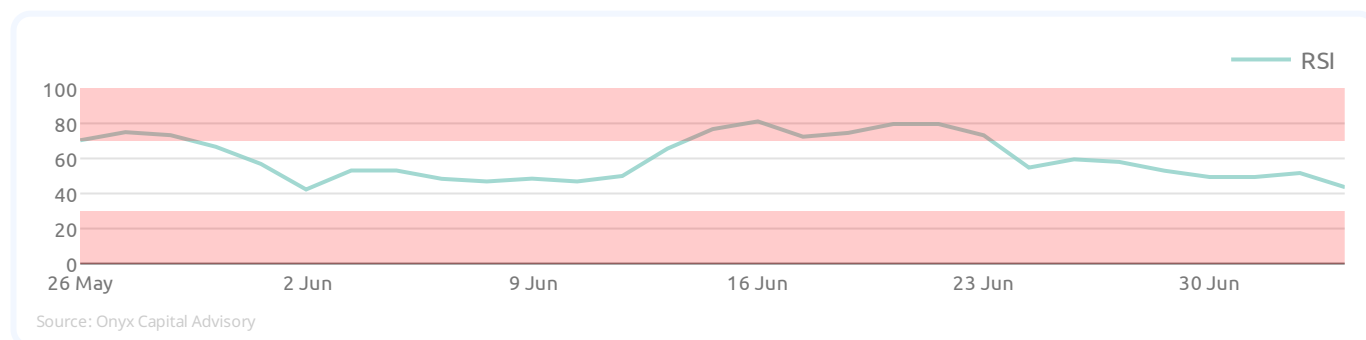
This week, we recommend buying the Sep'25 vs Q4'25 Singapore 380 cst spread, a contrarian trade considering the recent selling down the Singapore 380 cst curve. Looking at the 380 cst forward curve, while 380 prices rise in the summer amid a surge in power generation demand, December historically marks the weakest point of the curve. We anticipate renewed support in the Sep'25 380 contract further into July amid renewed support driven by power generation demand, and thus suggest buying either a Sep/Dec'25 or Sep/Q4'25 380 cst spread. The Sep/Q4'25 spread has fallen to its lowest level for this time of the year since 2022, and we thus expect this to be an opportune time to go long.

Positioning data displays that while the Aug'25 380 contract sits on a 7-day long:short ratio of 40:60, the Sep'25 contract sits on 55:45 long:short. Moreover, despite this week's selling down the curve, trade houses remain net buyers of the Aug'25 380 crack and the Aug/Sep'25 380 spread against Onyx, positions that they may opt to roll over to Sep'25 should the selling in Aug'25 380 continue.

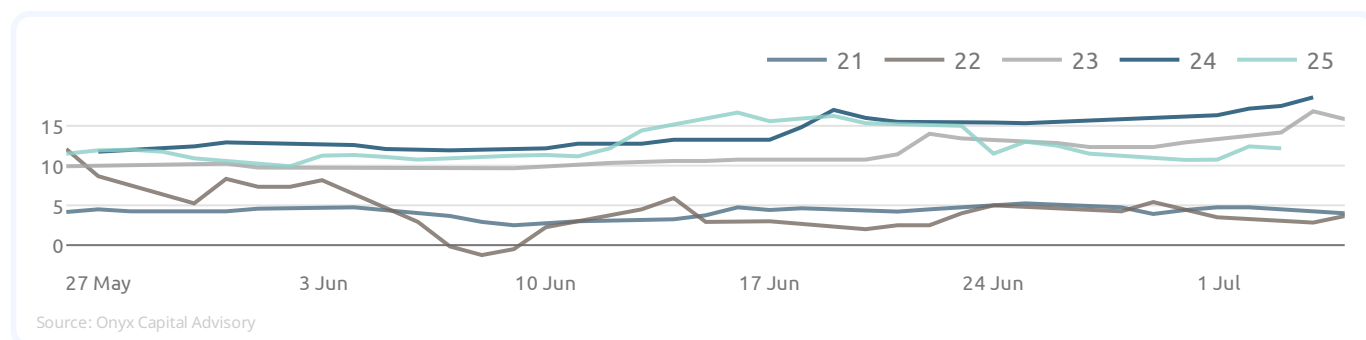
LONG SEP/Q4'25 380 CST (\$/MT)



14D RSI MARKER



HISTORICAL SEP/Q4 SING 380 CST (\$/MT)

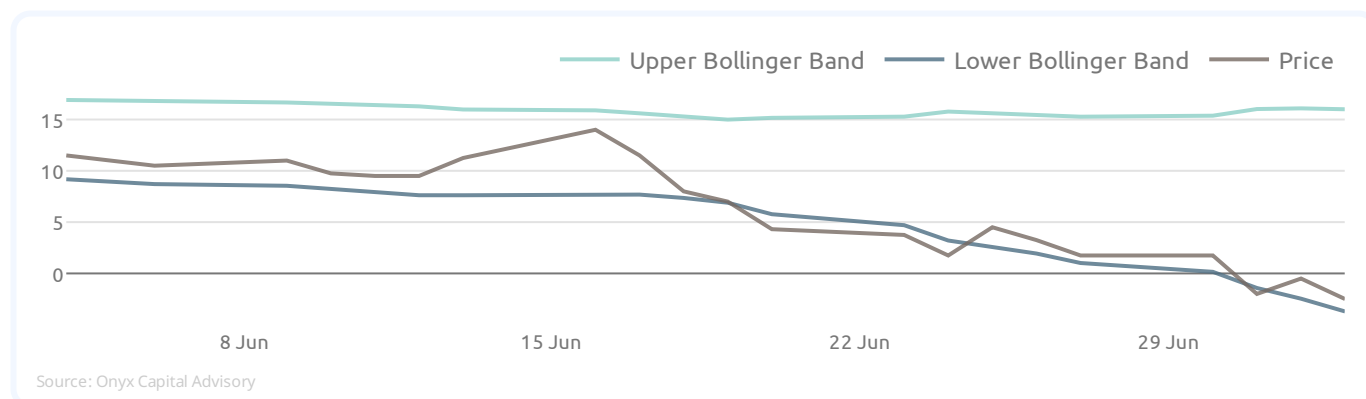




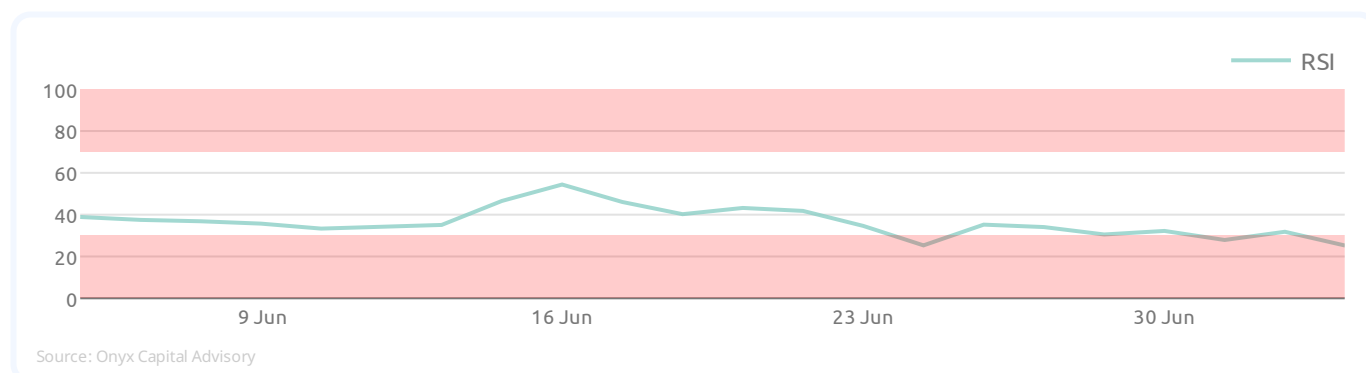
SHORT JUL/AUG'25 SINGAPORE 380 CST (\$/MT)

In our last report, we suggested holding our short Jul/Aug'25 Singapore 380 cst amid noted sell-side interest in 380 cst structure. In line with our expectations, the spread dropped from \$7/mt on 19 Jun to a contango of -\$2.25/mt at the time of writing on 4 Jul.

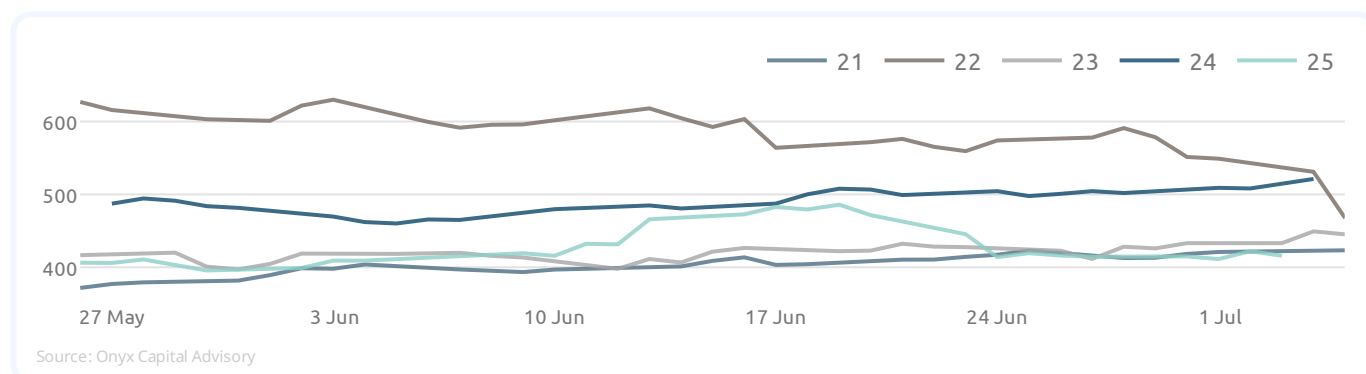
SHORT JUL/AUG'25 SING 380 CST (\$/MT)



14D RSI MARKER



HISTORICAL JUL/AUG SING 380 CST (\$/MT)

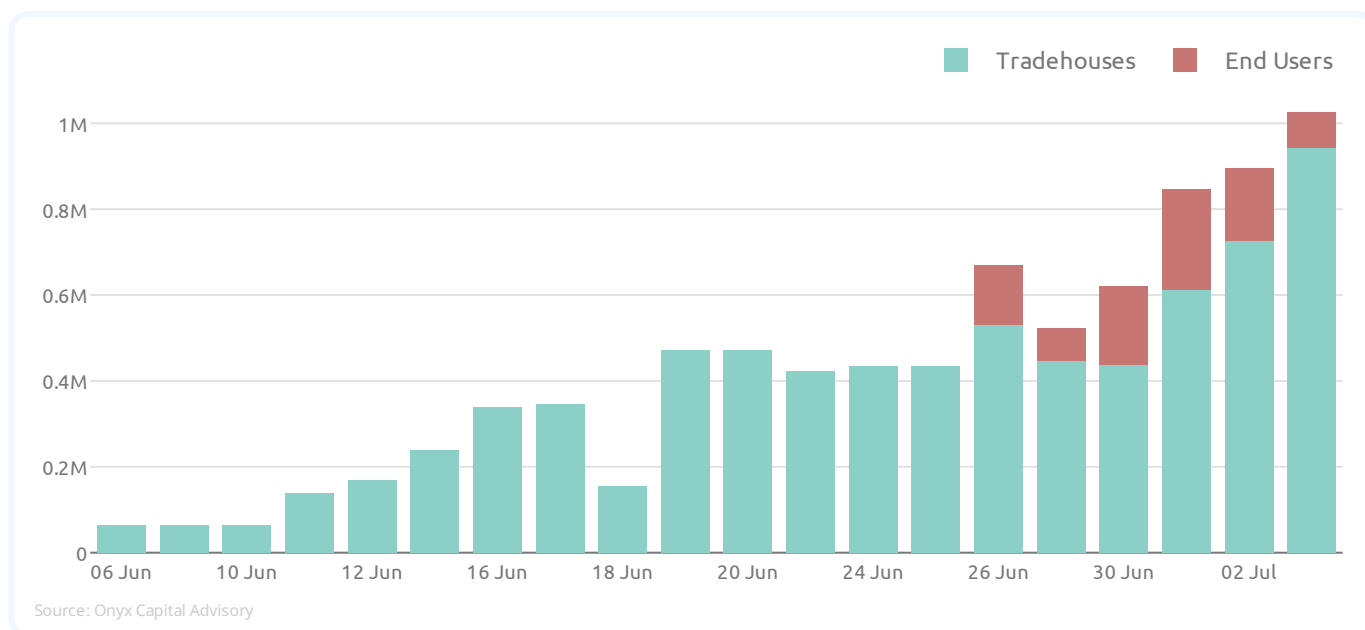




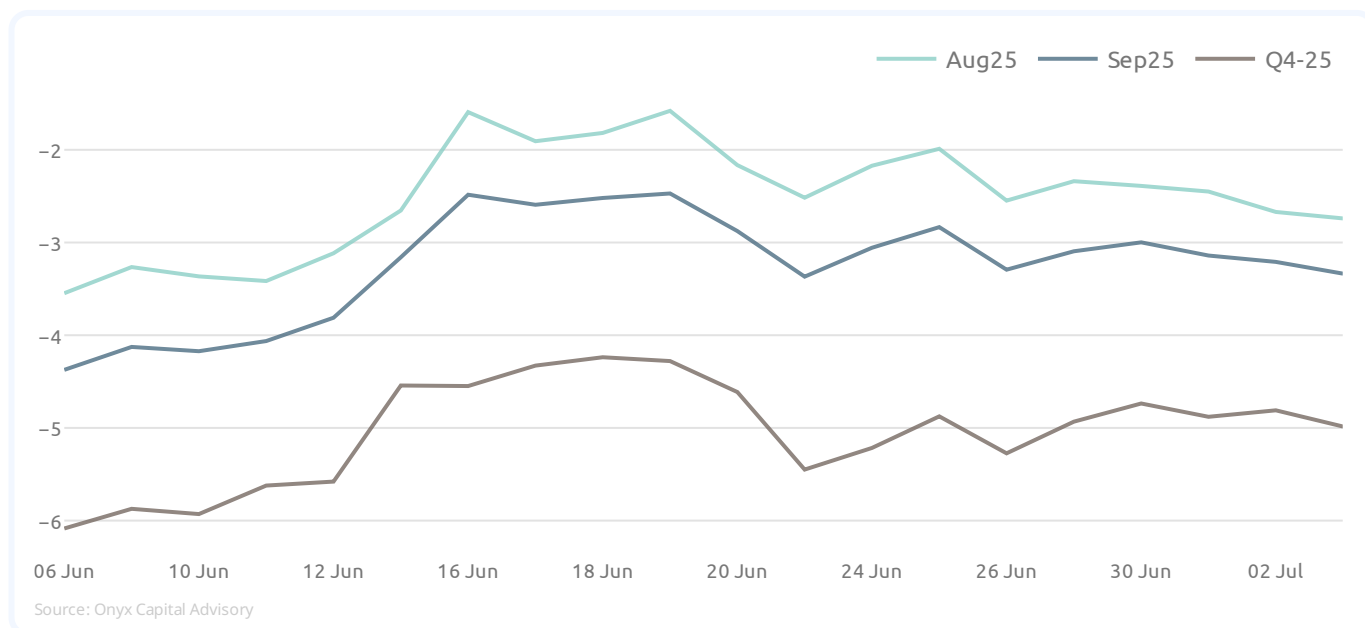
PRICE ACTION & POSITIONING

In the fortnight ending 4 Jul, we saw the Aug'25 3.5% barge crack weaken from -\$1.66/bbl on 19 Jun to -\$2.67/bbl on 23 Jun. Price action briefly met support here and climbed to -\$1.88/bbl on 25 Jun only to finally fall to -\$2.50/bbl at the time of writing on 4 Jul. This weakness emerged despite trade houses buying 470kb of the Aug'25 3.5% barge crack from Onyx this fortnight and end users buying 83kb of the crack in this time. Deferred 3.5% barge cracks saw trade house selling this fortnight, with the Q1'26 crack noting 325kb of trade house and end user selling against Onyx, with trade houses predominantly selling around the -\$5.85/bbl handle (current levels stand at -\$6.15/bbl). This back-end selling pressure front cracks lower.

AUG25 3.5 BGS CRACK COUNTERPARTY NET POSITIONS IN THE LAST MONTH (BBLs)



2-WEEK OVERVIEW (\$/BBL)

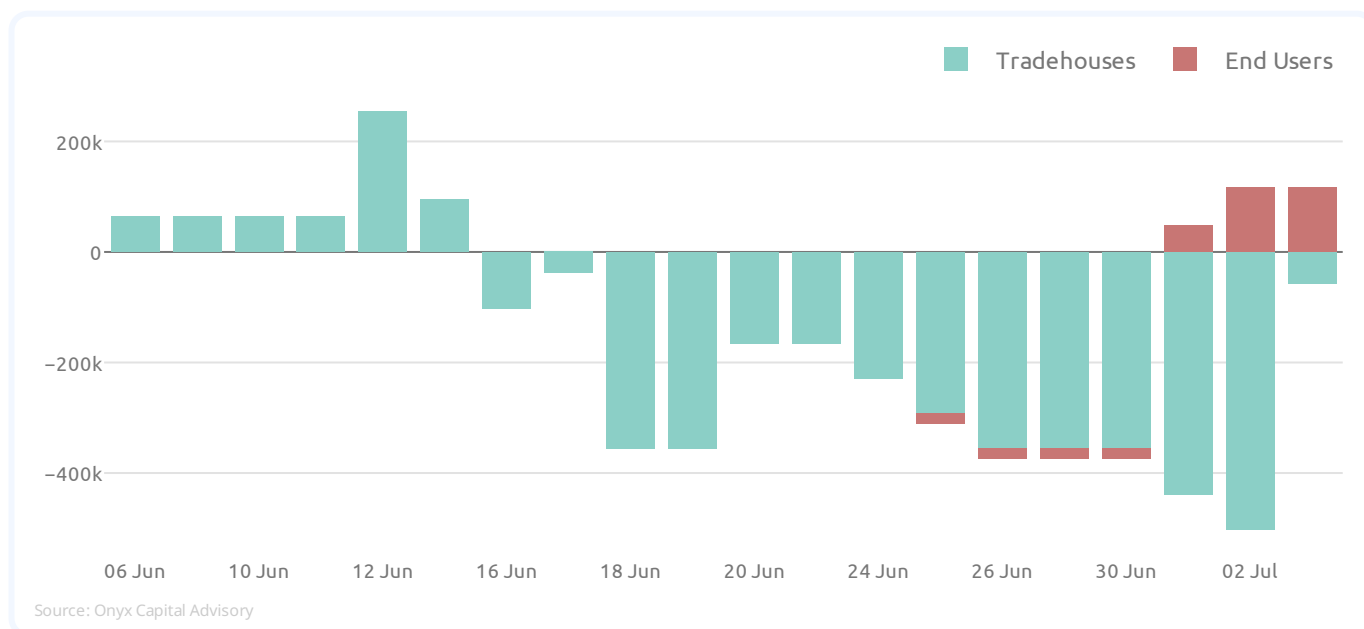




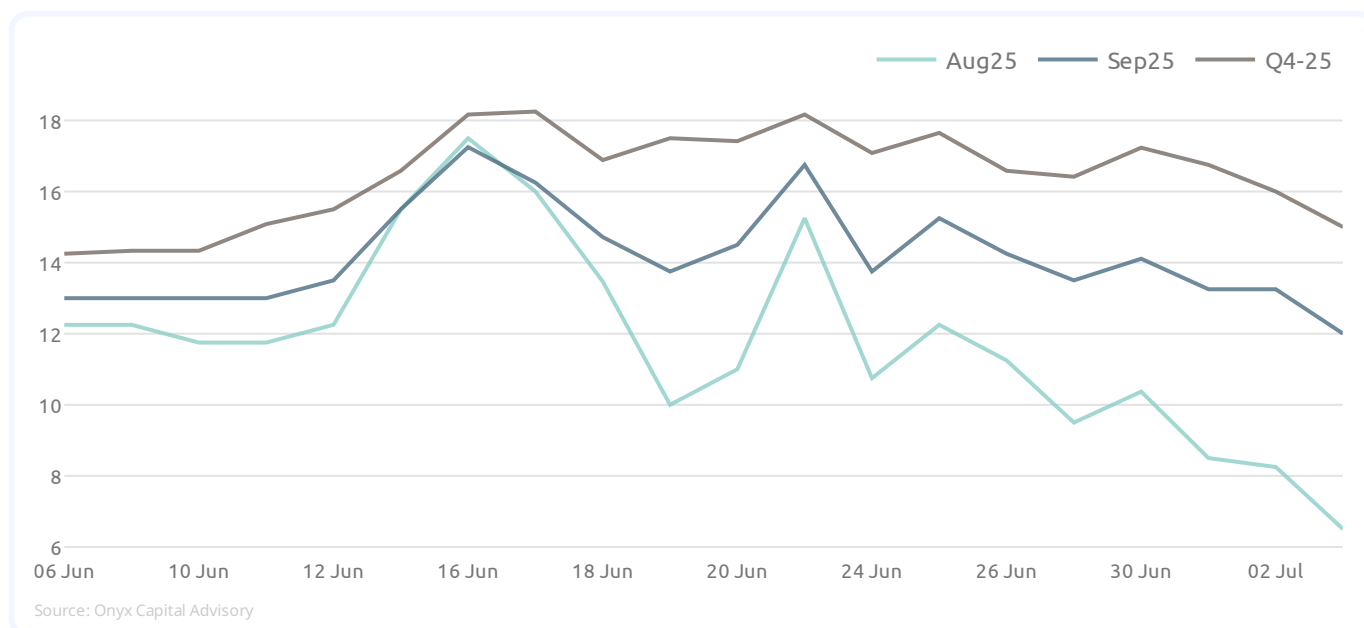
PRICE ACTION & POSITIONING

The Aug'25 380 East/West (Singapore 380 cst vs 3.5% barges) climbed to a high of \$15.75/mt on 23 Jun amid weaker crude, but sold off to \$6/mt at the time of writing. Open interest remains well above the 5-year maximum, although it has declined by 7% over the past fortnight to 20.2mb. We have seen trade houses flip from buying to net selling the 380 E/W, and open interest data highlights that this sell-off may have been exacerbated by long-positioned players stopping out of their positions. We also saw trade house selling in deferred Q4'25 and Q1'26 E/W contracts at \$16/mt and \$15.75/mt, respectively, which likely pressured the front E/W further. However, while long players remain substantially out of the money, having, based on a 90-day average, entered at \$11.37/mt, shorts, who, on average, entered at \$11.11/mt, remain comfortably in the money and may choose to take profit here. Among hedgers, end users were seen buying the E/W at low levels this week.

AUG25 380 E/W COUNTERPARTY NET POSITIONS IN THE LAST MONTH (BBLs)



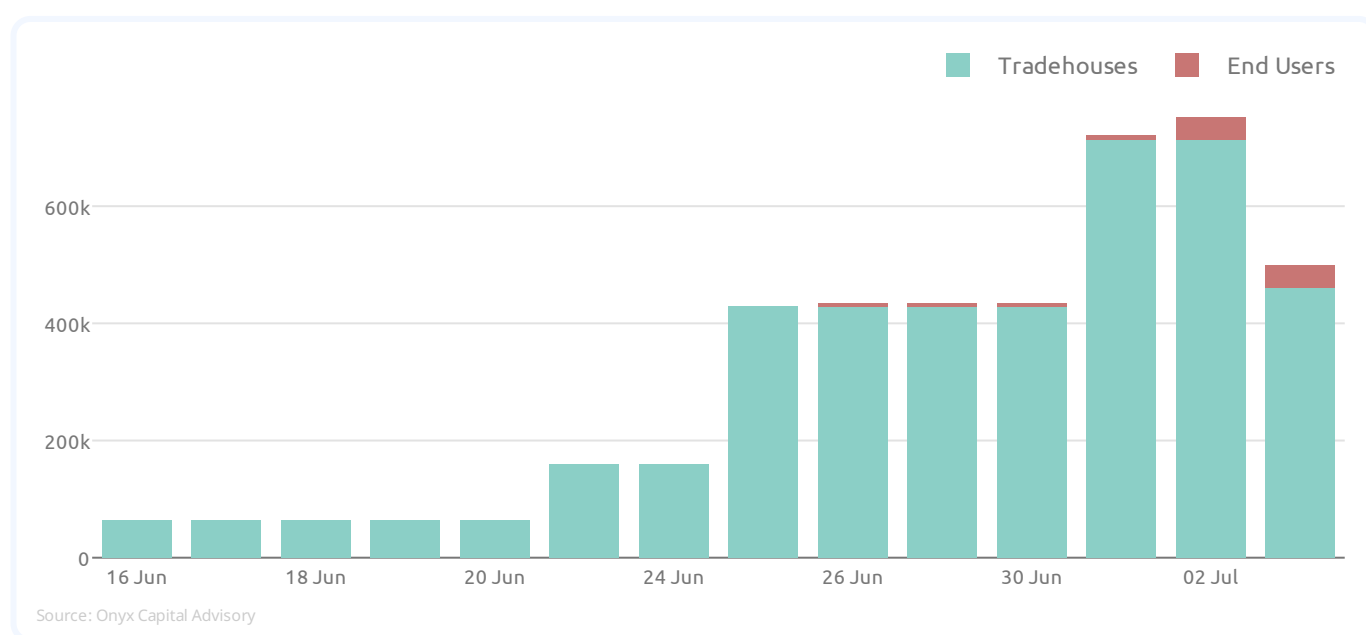
2-WEEK OVERVIEW (\$/MT)



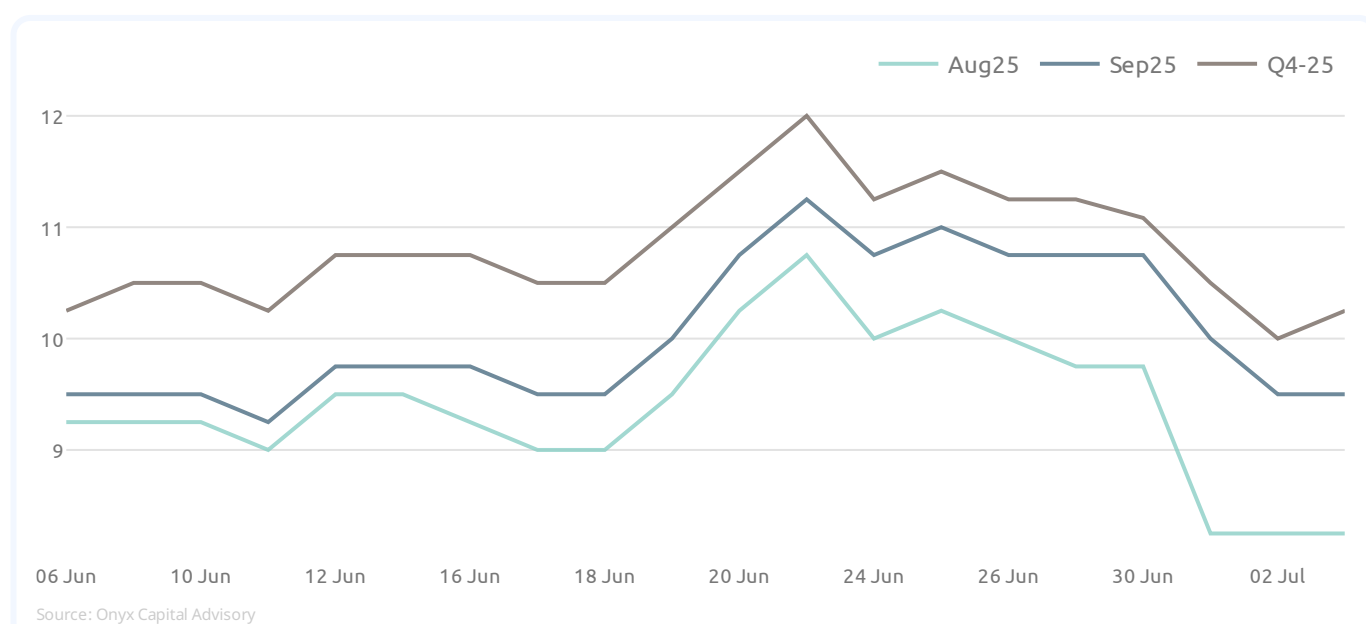
PRICE ACTION & POSITIONING

The Aug'25 Visco (Sing 180 cst - Sing 380 cst) initially ticked up from a low of \$8.75/mt on 19 Jun to \$10.75/mt on 23 Jun, but sold off to \$8.25/mt at the time of writing on 4 Jul. While we saw outright trade house buying in the Aug'25 Visco differential against Onyx, the contract ultimately fell in line with 380 cst and amid 180 selling in the window. Moreover, trade houses offloaded around 255kb of the Aug'25 net length on 3 Jul, possibly stopping out amid the price decline. Open interest in the Aug'25 Visco stagnated from 4.2mb on 19 Jun to 3.9mb on 24 Jun, highlighting that the previous support for the contract may have come from shorts exiting. However, open interest climbed to nearly 5mb on 1 Jul before finally easing to 4.9mb on 2 Jul.

AUG25 VISCO COUNTERPARTY NET POSITIONS IN THE LAST MONTH (BBLs)



2-WEEK OVERVIEW (\$/MT)

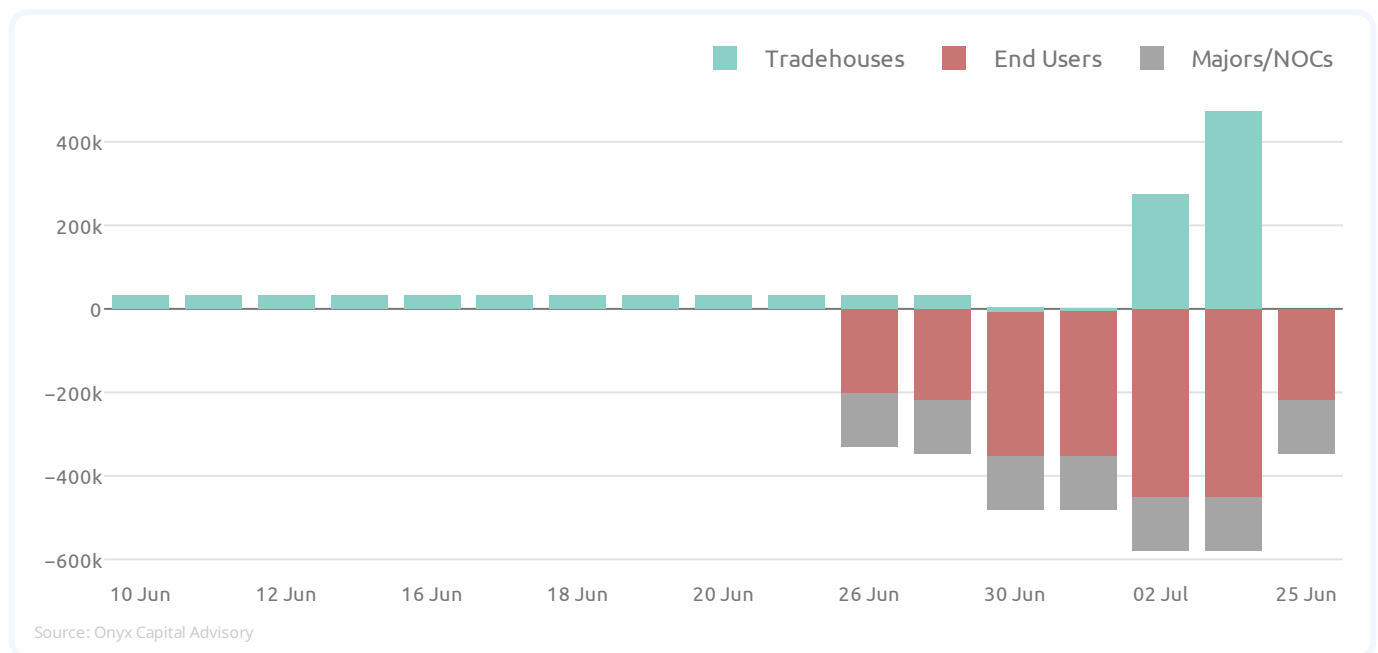




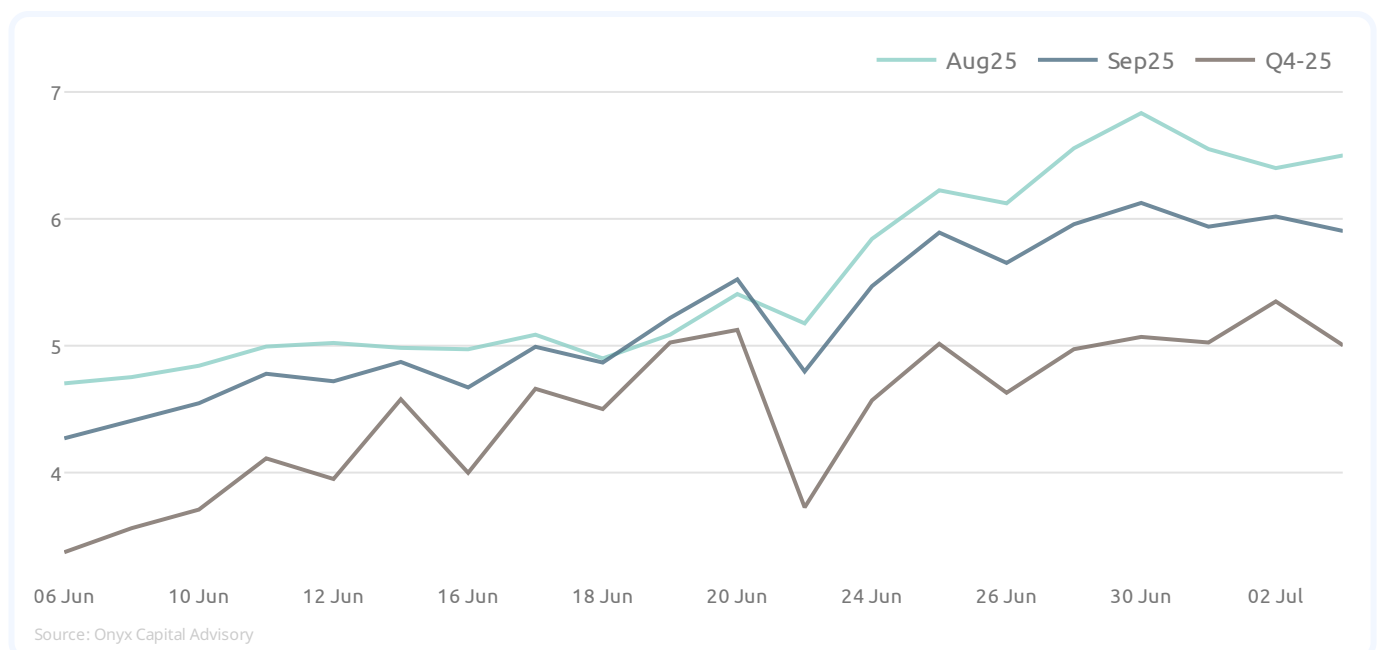
PRICE ACTION & POSITIONING

The Aug'25 0.5% barge crack rallied sharply from a low of \$4.60/bbl on 19 Jun to a high of \$7/bbl on 1 Jul, where it met resistance and softened to \$6.55/bbl. The Bal-Jul/Aug 0.5% barge spreads strengthened from \$7/mt on 19 Jun to a significant backwardation of \$18/mt at the time of writing on 4 July, highlighting substantial supply tightness in the near term. This fortnight, we have seen 485kb of trade house buying in the Aug'25 0.5% barge crack against Onyx. Among hedgers, end-users and majors were seen selling circa 575kb of the crack to Onyx. Front 0.5% barge spreads saw good buy-side interest by London-based trade houses and a major, with the Bal-Jul/Aug'25 spread seeing 985kb of buy-side interest.

AUG25 0.5 BGS CRACK COUNTERPARTY NET POSITIONS IN THE LAST MONTH (BBLs)



2-WEEK OVERVIEW (\$/BBL)

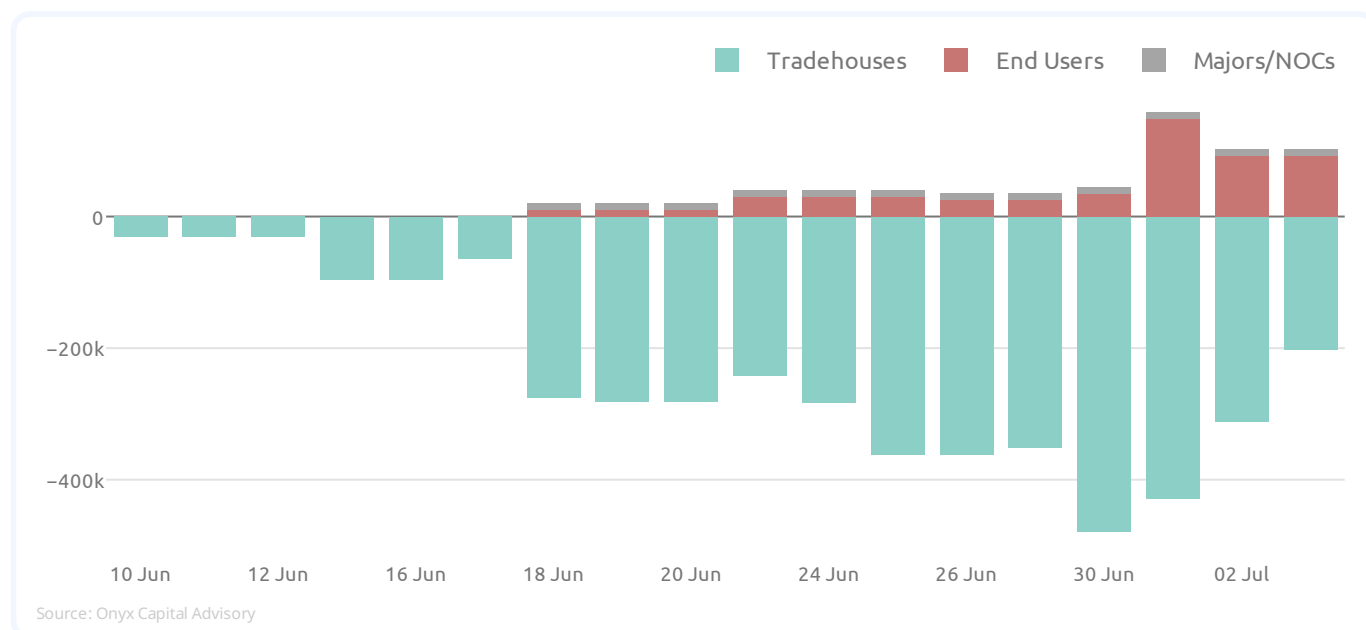




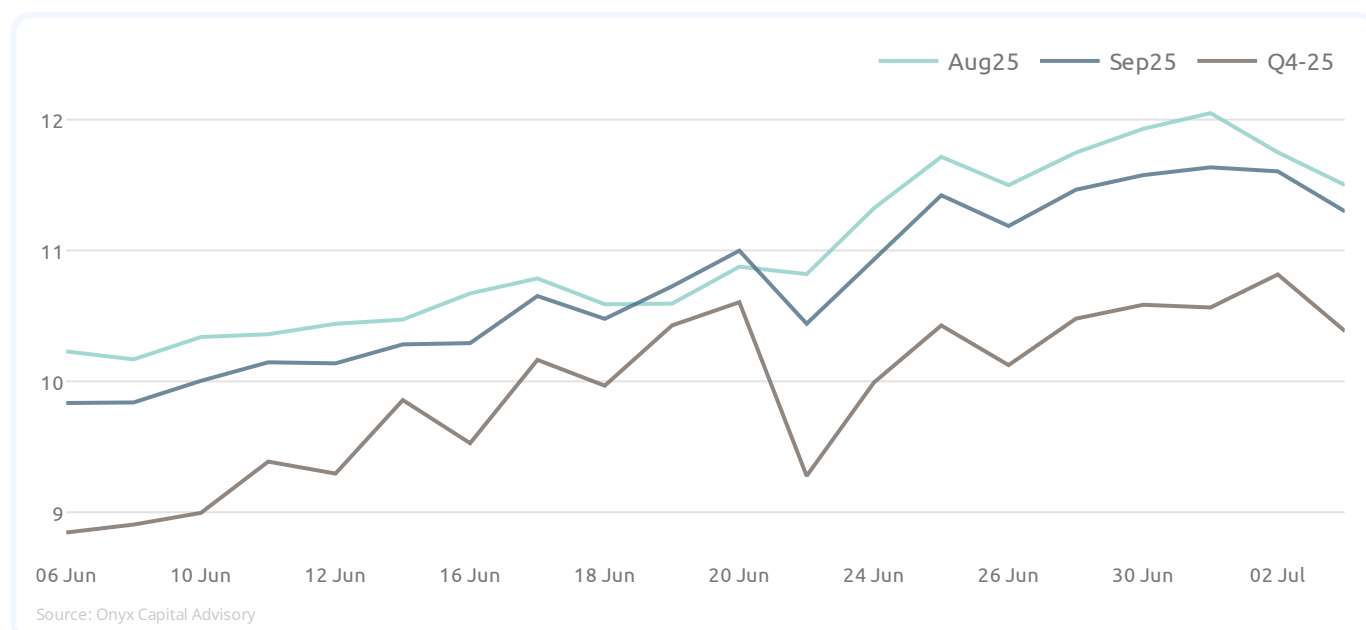
PRICE ACTION & POSITIONING

The Aug'25 Sing 0.5% crack strengthened alongside the 0.5% barge crack, with prices rising from \$10.19/bbl on 20 Jun to \$12.20/bbl on 1 Jul. Prices immediately met resistance here and weakened to \$11.45/bbl at the time of writing. Open interest in the Aug'25 crack has risen 30% w/w to 12.9mb on 2 Jul. We saw trade houses sell over 200kb in the final week of June, before flipping to net buying the crack. End users were seen buying over 110kb of the crack on 1 Jul but trimmed some of their positions on 2 Jul. We also saw good buying in Sing 0.5% spreads in the Cal'26 region by Singapore-based trade houses, and buying in Q4'25 Sing 0.5% cracks around \$6.10/bbl.

AUG25 SING 0.5 CRACK COUNTERPARTY NET POSITIONS IN THE LAST MONTH (BBLs)



2-WEEK OVERVIEW (\$/BBL)

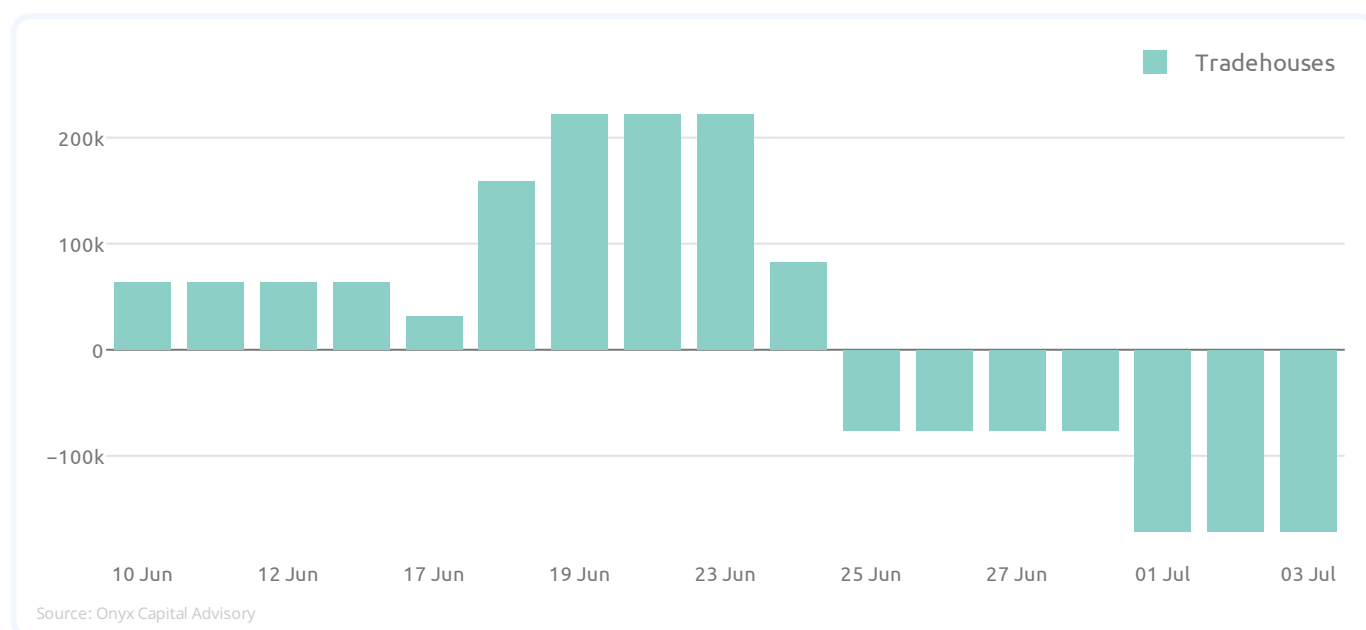




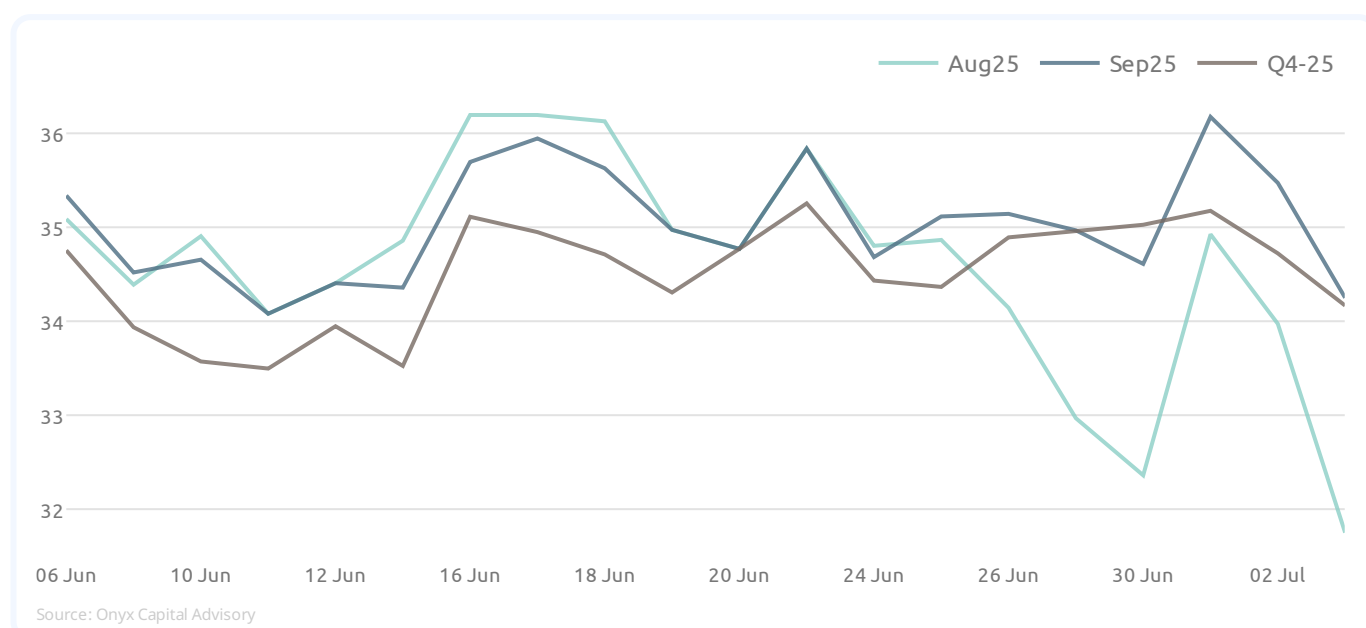
PRICE ACTION & POSITIONING

The Aug'25 0.5% East/West (Sing 0.5% vs 0.5% barge) has weakened this fortnight. Price action fell from \$36.70/mt on 19 Jun to \$32.35/mt on 30 Jun. 1 Jul saw a surge in prices up to \$35.25/mt, although this level did not hold well and prices eased to \$31.60/mt at the time of writing on 4 Jul. Trade houses flipped to net selling the E/W towards the end of Jun, ultimately selling 470kb of the E/W in the fortnight ending 3 Jul. Moreover, while Sing 0.5% spreads saw buy-side interest this fortnight, 0.5% barge spreads were stronger, which further pressured the E/W. However, we see hedge buying interest in the Aug'25 0.5% E/W at \$32.75/mt.

MARKET POSITION CHANGE IN THE AUG25 CONTRACT BY COUNTERPARTY (BBLs)



2-WEEK OVERVIEW (\$/MT)

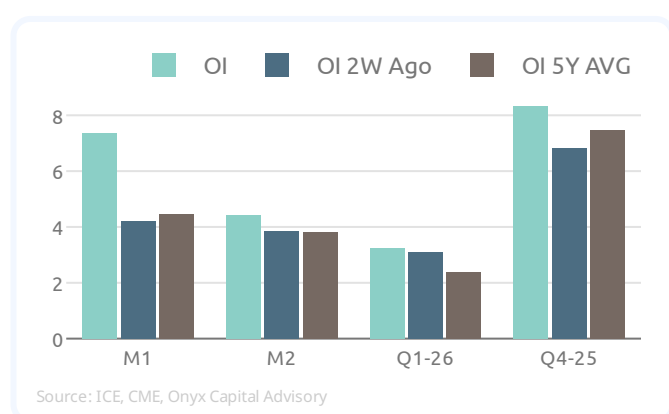




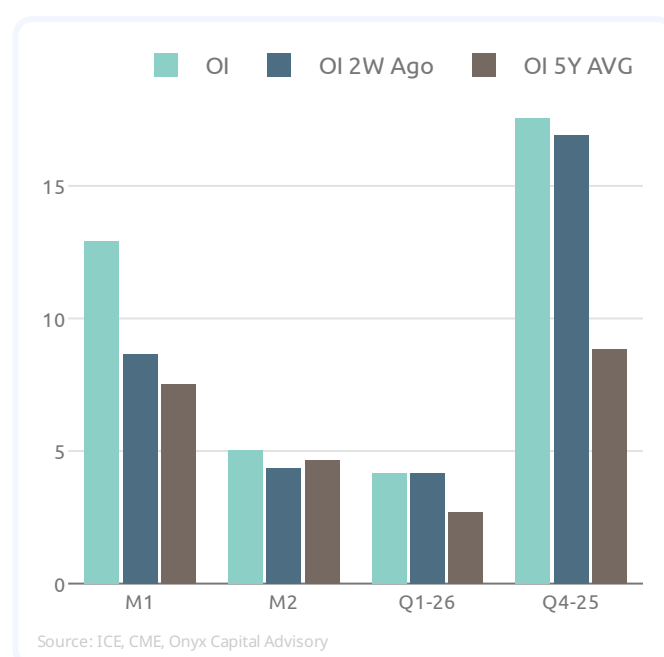
CONTRACT OPEN INTEREST

Open interest (OI) in the selected fuel oil contracts has been concentrated in the prompt in HSFO, while VLSFO contracts note an accumulation of risk in the Q4'25 tenor. In HSFO, we saw open interest in the M1 and M2 380 E/W decline by 4% and 9% this fortnight to 20.2mb and 18mb, which lie significantly above the 5-year average. In 3.5% barges, we saw a rise in OI down the curve, although the Q1'26 contract saw a significant 47% increase this fortnight to 10.7mb, 38% above the 5-year average. In VLSFO, the most significant fortnightly increase in OI was seen in the M1 0.5% barge crack, which clocked in a 75% increase in OI to 7.4mb. Open interest in the VLSFO contracts remains well above their respective 5-year averages, with the M2 0.5% E/W seeing OI rise 230% above its average.

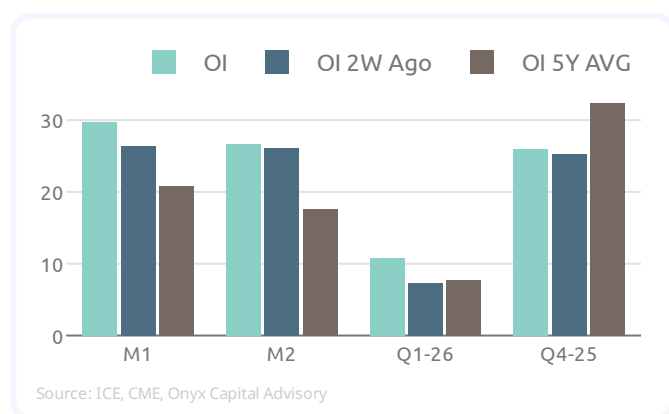
0.5 BGS CRACK (MB)



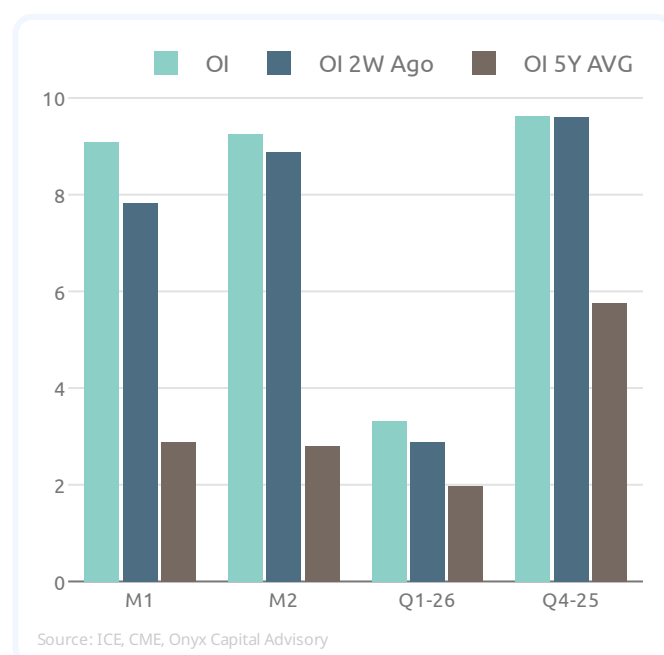
SING 0.5 CRACK (MB)



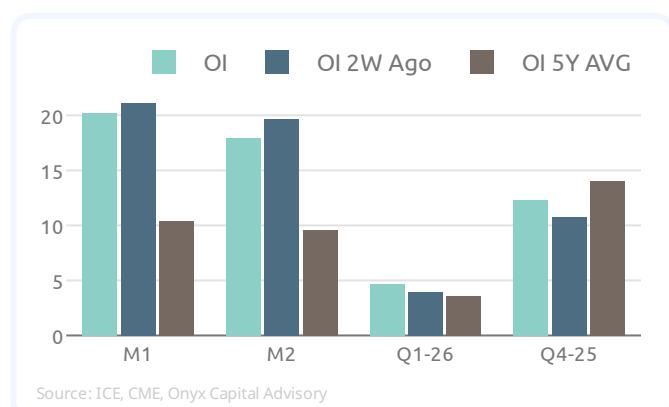
3.5 BGS CRACK (MB)



SING 0.5/BGS (MB)



380/3.5 BGS (MB)





30D CORRELATION MATRIX

0.5BGS CRK	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5BGS	-0.20	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
380	-0.24	0.99	1.00	0.00	0.00	0.00	0.00	0.00	0.00
380 CRK	-0.03	0.16	0.27	1.00	0.00	0.00	0.00	0.00	0.00
380 EW	-0.29	0.01	0.17	0.68	1.00	0.00	0.00	0.00	0.00
3.5BGS CRK	0.21	0.21	0.21	0.77	0.06	1.00	0.00	0.00	0.00
BRT	-0.26	0.98	0.97	0.03	0.02	0.02	1.00	0.00	0.00
DUB	-0.20	0.98	0.95	-0.03	-0.05	0.01	0.99	1.00	0.00
0.5 EW	-0.50	-0.06	0.01	0.38	0.42	0.14	-0.07	-0.11	1.00
	0.5BGS CRK	3.5BGS	380	380 CRK	380 EW	3.5BGS CRK	BRT	DUB	0.5 EW

Source: Onyx Capital Advisory

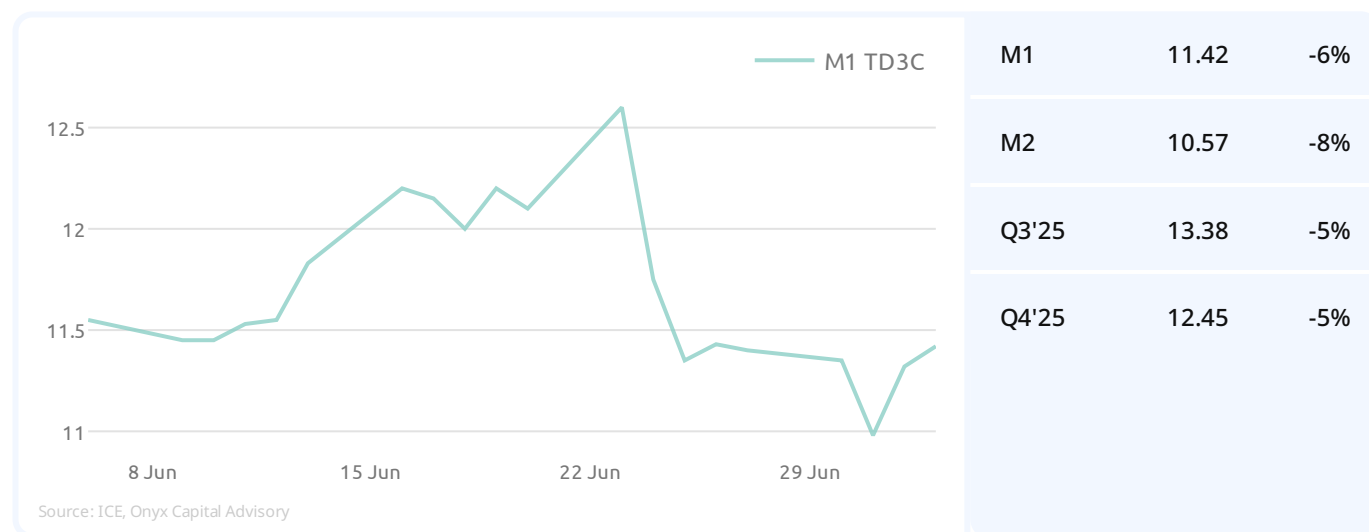
PREVIOUS REPORT 30D CORRELATION MATRIX

0.5BGS CRK	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.5BGS	-0.17	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
380	-0.12	0.98	1.00	0.00	0.00	0.00	0.00	0.00	0.00
380 CRK	0.27	0.16	0.28	1.00	0.00	0.00	0.00	0.00	0.00
380 EW	0.31	0.08	0.25	0.71	1.00	0.00	0.00	0.00	0.00
3.5BGS CRK	0.16	0.16	0.21	0.89	0.30	1.00	0.00	0.00	0.00
BRT	-0.22	0.97	0.94	-0.07	0.02	-0.10	1.00	0.00	0.00
DUB	-0.24	0.95	0.92	-0.13	-0.02	-0.16	1.00	1.00	0.00
0.5 EW	-0.44	-0.06	-0.02	0.30	0.23	0.26	-0.12	-0.14	1.00
	0.5BGS CRK	3.5BGS	380	380 CRK	380 EW	3.5BGS CRK	BRT	DUB	0.5 EW

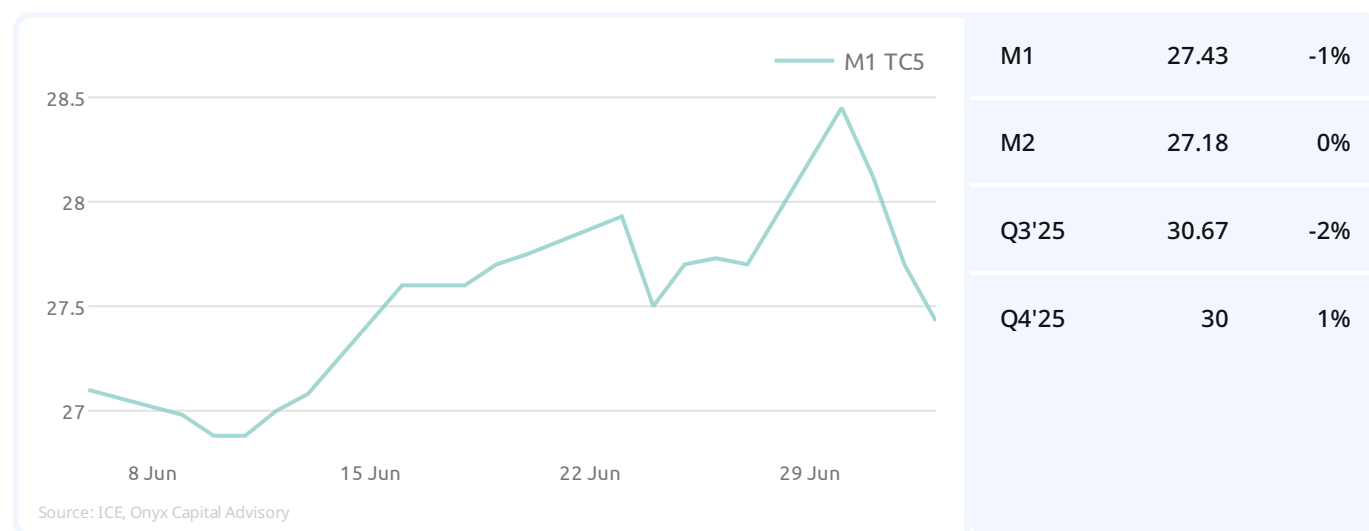
Source: Onyx Capital Advisory



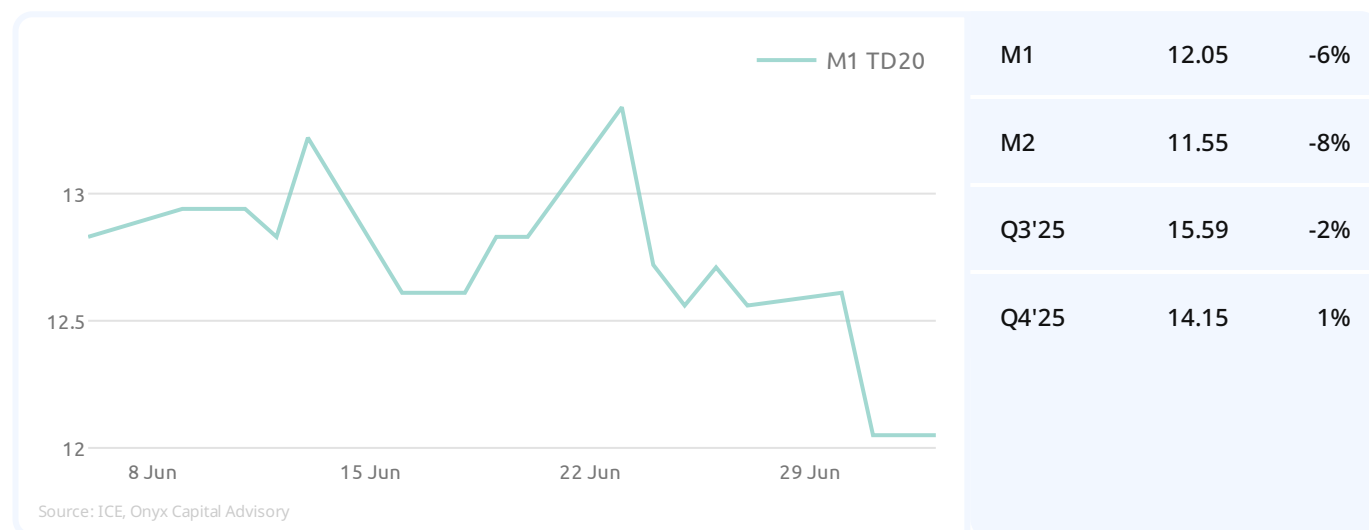
ICE M1 TD3C DIRTY FREIGHT ROUTE FROM MIDDLE EAST GULF TO CHINA (\$/MT)



ICE M1 TC5 CLEAN FREIGHT ROUTE FROM ARABIAN GULF TO JAPAN (\$/MT)



ICE M1 TD20 DIRTY FREIGHT ROUTE FROM WEST AFRICA TO UK CONTINENT (\$/MT)

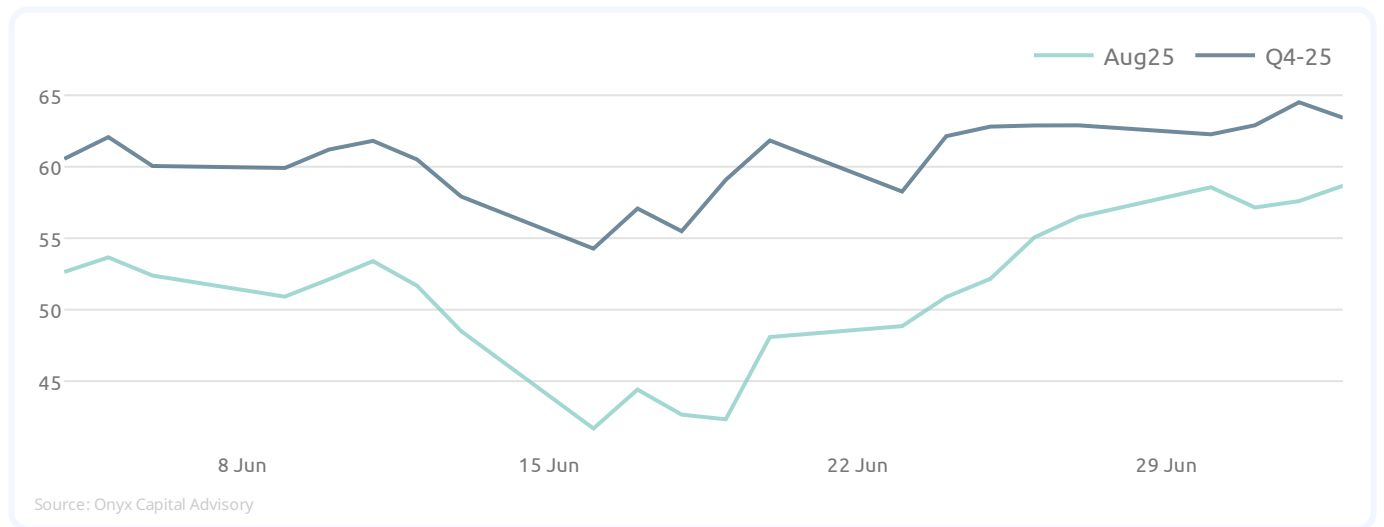


KEY PRICE MOVERS

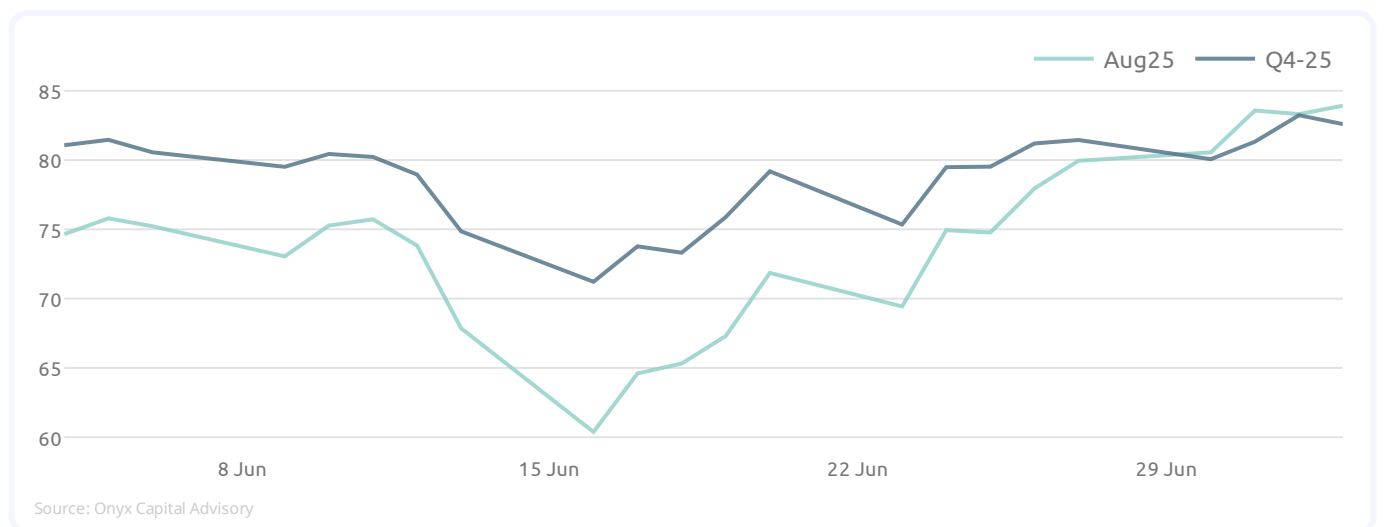
13/15



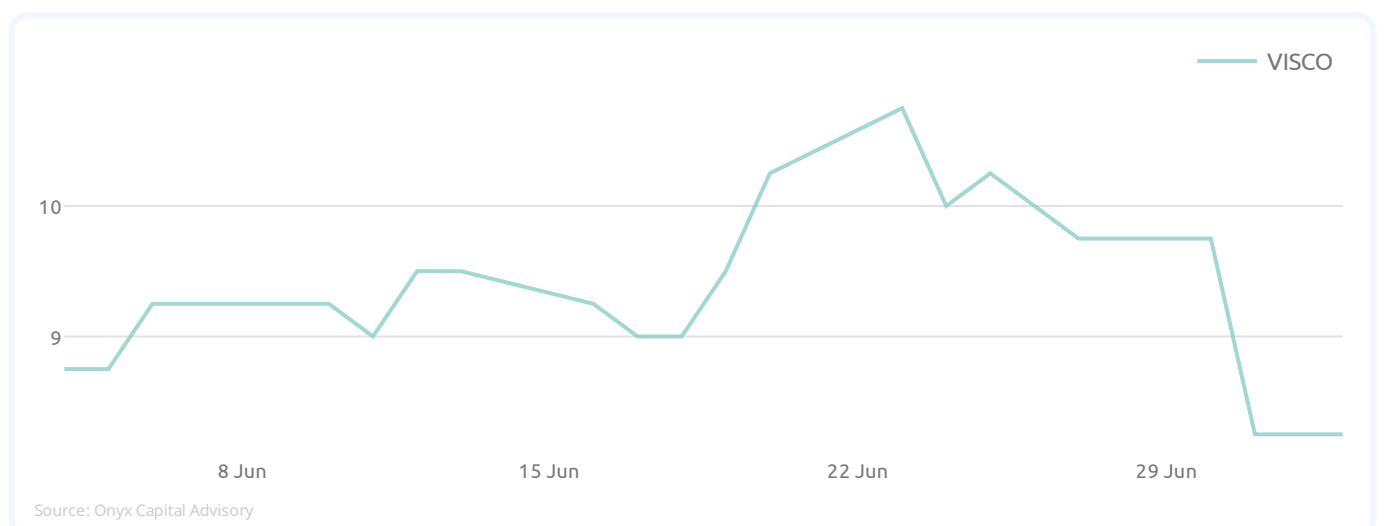
EURO HI-5 (\$/MT)



SING HI-5 (\$/MT)



M1 VISCO (\$/MT)



KEY PRICE MOVERS

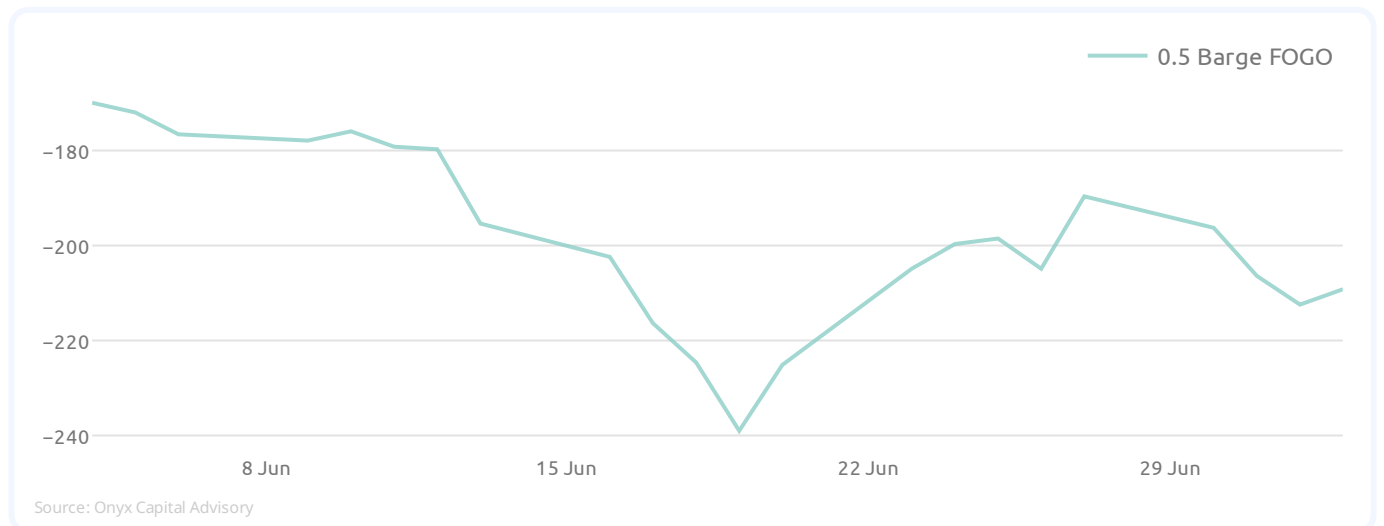
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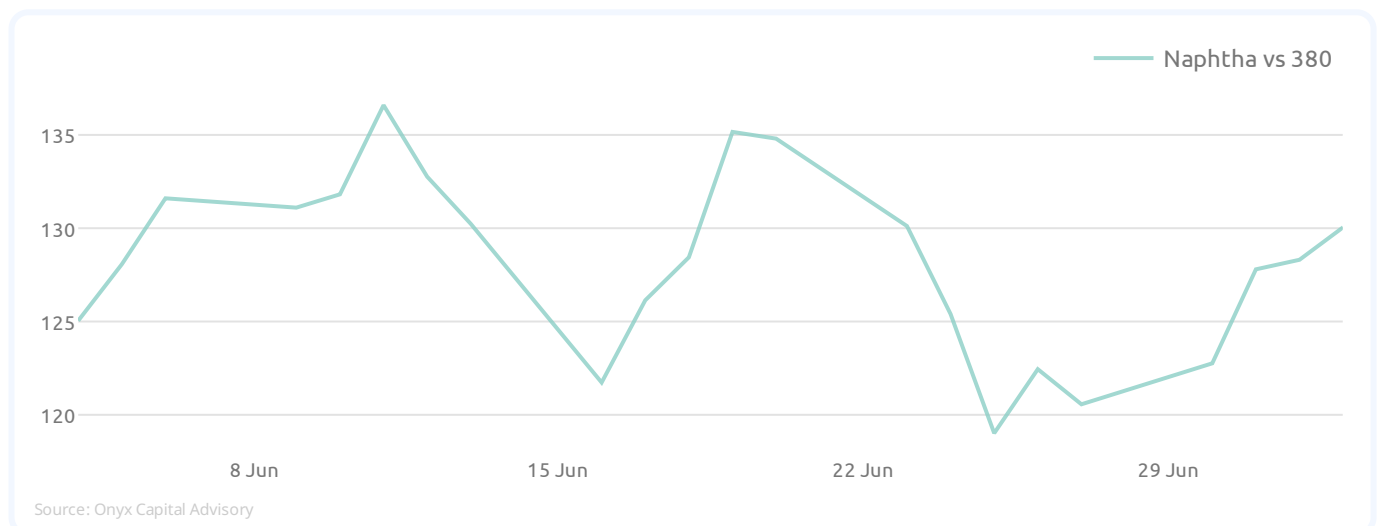
M1 SING FOGO (\$/MT)



M1 EUROPEAN FOGO (\$/MT)



AUG25 380 VS NWE NAPHTHA (\$/MT)





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