



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The front-month Brent futures contract recorded weakness this morning after strengthening on news of additional US sanctions on Iranian oil sales. Prices initially climbed to \$72.30/bbl at 08:15 GMT, but continue to see resistance above \$72/bbl and weakened to just under \$71.70/bbl at the time of writing (10:40 GMT). Nonetheless, at the time of writing, prices remain higher than last week's close of \$70.60/bbl. Russia's foreign ministry has accused Ukraine of violating its proposed ceasefire on energy sites by attacking a Russian oil depot, as per Russia's TASS news agency. Russian foreign ministry spokeswoman Maria Zakharova has further told state television that it was up to the US to confront Ukraine over this alleged violation. In macro news, Japan CPI in Feb'25 came in at +3.7% y/y (exp: +3.5% y/y, prev: 4.6% y/y). CPI excluding fuel costs rose by 2.6% y/y (prev: +2.5% y/y). In other news, British consumer morale rose for a second consecutive month in Mar, rising from -20 to -19, a three-month high albeit still below the survey's long-term average of -10. Finally, at the time of writing, the May/Jun'25 and May/Nov'25 Brent futures spreads stand at \$0.53/bbl and \$2.64/bbl, respectively.

CRUDE

This morning in Dated, we saw strength in the front with the 31-4 Apr 2w going bid and Bal Mar/Apr Dated lifted up to \$0.38/bbl. There was support for the Apr/May DFL which traded up to \$0.03/bbl and the May/June implied higher with some June selling. There was continued strength in back-end Apr rolls with the 28-2 Apr 3w lifted up to \$0.41/bbl and bids coming in for the 22-02 vs Cal May roll and offers for Cal Apr vs 23-29. The Q2 and Q3 DFL opened strongly with Q2 lifted up to \$0.58/bbl and Q3 going \$0.42/bbl bid.

FUEL

In HSFO, the front 380 crack was initially better offered at -\$2.60/bbl, as MOC was well offered. However, we saw some buyside interests in Q3 380 crack, which gave some strength to the front trading up to -\$2.50/bbl. Post window, we saw some buyside interests in structure down the curve, with Apr/May trading from \$5/mt to \$5.25/mt. As a result, 380 E/W was better bid in the front trading from \$5.75/mt to \$6.25/mt. In 3.5% barges, front crack was better offered initially at -\$3.50/bbl handles, however, structure in the front saw better buyside interests with Apr/May at \$4.75/mt.

This morning in VLSFO, the front Sing crack was better offered at open, at \$7.50/bbl. In the window, we saw better bids in front sing structure with Apr/May trading from \$1.25/mt to \$1.50/mt. As a result, this supported the front sing crack. Front Sing crack then also saw outright buying up to \$7.60/bbl. However, we saw mixed interests in spreads as the morning progressed. In Euro, structure in Jun/Sep saw better buying up to \$7.50/mt, this supported front structure, with May/Jun trading at \$3/mt. The front 0.5% barge crack saw better buying initially at \$2.85/bbl, but interests turned mixed as the morning progressed.

GASOLINE

This morning in Gasoline we saw flat price valued at the end of the window equivalent to around \$8.35/bbl on a crack basis in Apr 92. Front spreads saw better support with refiner and trade on the buyside, Apr/May trading up to 61c and May/Jun at 71c. Q3 92 cracks saw buying by trade around \$7.30/bbl. E/W saw selling interest at -\$3.75/bbl in Apr. Quiet morning in Europe which saw buying interest on front spreads with Apr/Jun trading at -\$1/mt.



NAPHTHA

This morning, Apr'25 MOPJ flat price traded equivalent to $-\$0.88/\text{bbl}$ crack level. We saw May MOPJ flat price buying in the early morning by Chinese fund in size and there were real buying interests on the naphtha E/W down the curve, with May buying up to $\$20.25/\text{mt}$ and Q4 trading at $\$19.25/\text{mt}$. The prompt MOPJ crack went up artificially due to the flat price buying, with Apr trading at $-\$0.80/\text{bbl}$. However, the front MOPJ spreads were offered, with Apr/May trading at $\$8.75/\text{mt}$ and May/Sep trading at $\$20.00/\text{mt}$. NWE were a touch softer, with Apr/May trading at $\$8.75/\text{mt}$. Apr naphtha crack came off later in the window after MOPJ flat buying interests gone, with Apr trading down to $-\$3.10/\text{bbl}$ and Jun selling at $-\$3.95/\text{bbl}$.

NGLS

This morning in NGLs, FEI was better bid with structure better bid and rangebound in the front and slightly stronger in deferred. In prompt, we saw Apr/May trade up to $\$15/\text{mt}$ before trading rangebound between $\$14/\text{mt}$ - $\$14.5/\text{mt}$ and May/June trading firm at $\$10/\text{mt}$; whilst in deferred we saw July/Aug and Feb/Mar26 trade up to $\$1.50/\text{mt}$ and $\$18.50/\text{mt}$ respectively. Physical window was quieter with just one bid being made and improved for 2H Apr at Apr FEI plus $\$20/\text{mt}$. CP was turbo bid pre-window owing to the news from yesterday regarding Aramco being short supply for Apr with Apr handles trading up to $\$613/\text{mt}$ but calmed down towards end of window with it trading at $\$610/\text{mt}$ levels; whilst structure gained strength with May/July and June/July trading up to $\$37/\text{mt}$ and $\$14.50/\text{mt}$ respectively. Arbs gained strength owing to FEI being better bid with Apr trading up to $-\$156/\text{mt}$; E/W also gained strength owing to a similar ration with Apr trading up to $\$66/\text{mt}$. FEI/CP weakened owing to CP strength with Apr and May trading down to $-\$15/\text{mt}$ and $-\$8/\text{mt}$ respectively.



GLOBAL MACRO

- The dollar finally finds some buyers and rallies back above 104.00.
- US President Trump signed an order to increase the production of critical minerals
- US CEO confidence has officially dropped to its lowest level in 13 years, falling 5 points over the last month. This marks the largest monthly decline in the history of the poll, according to Chief Executive Magazine surveying 220 US CEOs. The current business conditions assessment dropped 20%, to 5 points, the lowest since 2020. Furthermore, economic outlook for the next 12 months fell 28% to the lowest since November 2012. Only 39% of respondents now believe the business climate will improve this year, down from 52% at the beginning of the year. At the same time, 36% expect things to get worse, up from 20% in January.
- Conference Board's Leading Economic Index fell by 0.3% m/m in February ... third consecutive decline and largest drop since last October. (Chart 1, Bloomberg).
- New York business services activity dropped 8.8 points in Mar, to -19.3, (Chart) the lowest since January 2023. The index of expectations fell 24.9 points, to -3.3, its lowest since December 2022. The business climate index fell 16.0 points, to -51.7, its lowest in 4 years..... while Mar Philly Fed Manufacturing Index also fell to +12.5 (est +9. last +18.1) ... new orders and shipments eased from prior month but remain in expansion; workweek accelerated alongside employment (which is at highest since October 2022)
- UK February inflation expectations for the year ahead 3.9% vs 3.5% prior, as the BOE kept rates on hold with a hawkish statement. They expressed concern around the rate of disinflation, but this should be negated by the deteriorating economic outlook. A tough outlook for the central bank..... Meanwhile the UK OBR (Office for Budget Responsibility) halved its UK growth forecasts and announced the government is overshooting on the 'current budget'. Borrowing in the financial year to February 2025 was £20.4 billion more than the £111.8 billion forecast by the OBR last October.
- Japanese CPI come is at +3.7% (est 3.5%), lower than previous month but above estimates and 1% above U.S. Yield differentials favouring the Japanese Yen currency again.
- Weak Aussie employment data -58k (est +30k) saw the Aussie dollar and Australian yields fall.
- Weak German PPI -0.2% m/m (+0.7% y/y, est +1.0% y/y)
- SWISS CENTRAL BANK CUTS KEY INTEREST RATE BY 25BPS TO 0.25%, LOWEST SINCE JUNE 2022.... And a surprise to the market.
- Chinese stocks and yields have turned lower while economic momentum in South Korea and Indonesia is now slowing. Headwinds for iron ore - China's steel industry is considering paying firms to shutter outdated steel plants, amid government efforts to rein in the country's mammoth output. Commerce Secretary Howard Lutnick on Tesla: Lutnick urged the public to buy Tesla shares, calling them "unbelievably cheap" and saying, "It'll never be this cheap again."

No key data today.



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