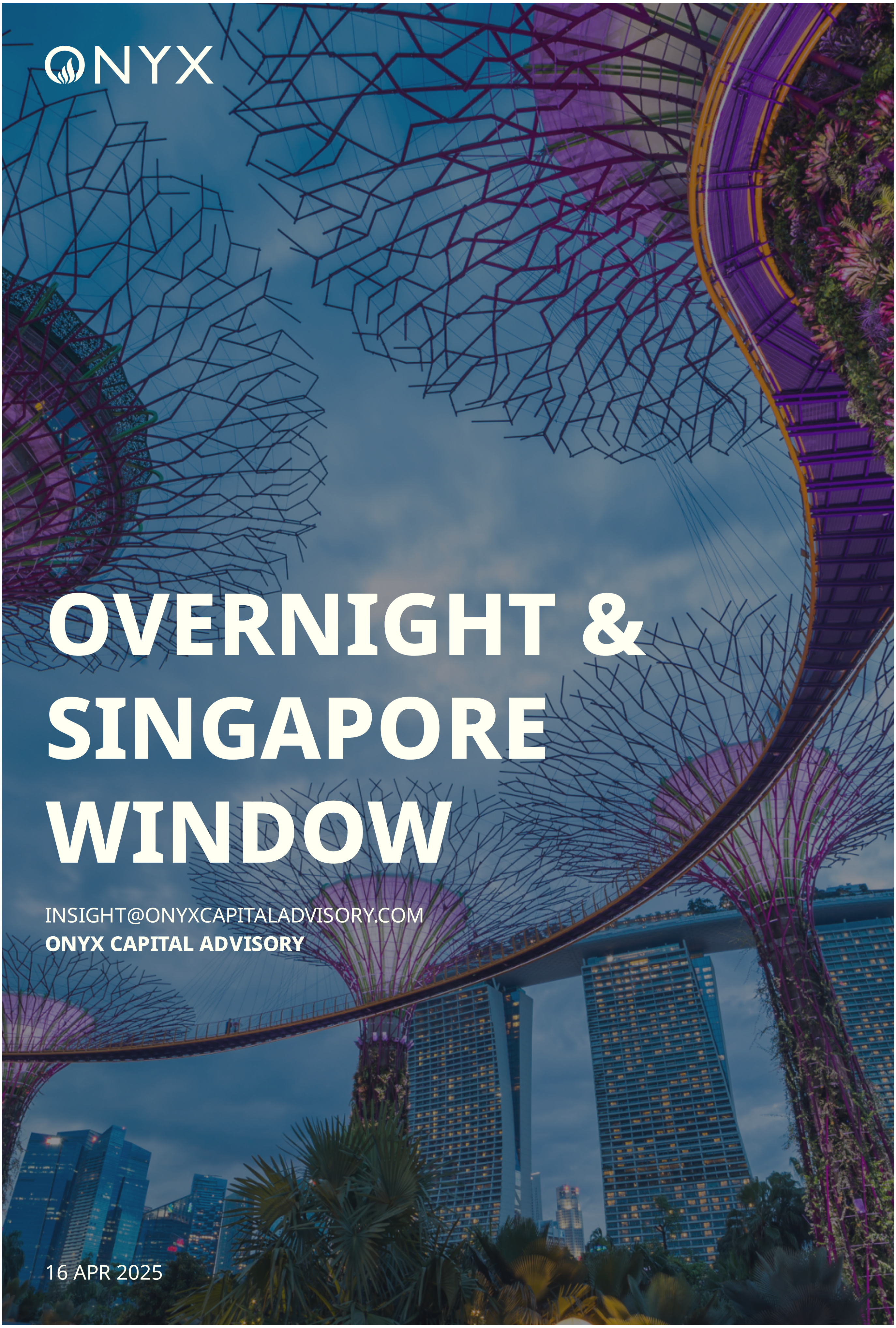

ONYX

OVERNIGHT & SINGAPORE WINDOW

INSIGHT@ONYXCAPITALADVISORY.COM

ONYX CAPITAL ADVISORY

16 APR 2025

FLAT PRICE

The Jun'25 Brent futures contract saw another volatile morning, prices jumped by $0.85/bbl to $65.27/bbl at 09:28 BST and have since some support at $65.29/bbl at 12:00 BST (time of writing). Bloomberg reports that China is open to talks if Trump shows respect. Iran's Foreign Minister Abbas Araghchi stated that Iran's uranium enrichment capability is non-negotiable, rejecting any potential compromise in talks with the U.S. aimed at reviving a nuclear deal. The negotiations, which began Saturday, focus on ensuring Iran doesn't pursue nuclear weapons in return for sanctions relief. Iran insists its nuclear program is strictly for civilian purposes like energy and medical use. In other news, Ampol, Australia's leading fuel retailer, reported a 49% decrease in first-quarter refining margins at its Lytton refinery, dropping to $6.07/bbl from $11.80/bbl a year earlier. The decline is attributed to weakened refining margins in Singapore and the impact of Cyclone Alfred, which caused approximately ten days of lost production and increased demurrage costs due to infrastructure damage. US crude inventories rose by 2.4 mb last week, according to the American Petroleum Institute (API), defying analyst expectations of a 1.68 mb decline. This would mark a year-to-date increase of over 24 mb for US crude inventories. The Strategic Petroleum Reserve also gained 0.3mb, though levels remain far below pre-withdrawal totals under the Biden administration. Gasoline inventories dropped by 3 mb, aligning with the five-year average, while distillates fell by 3.2 mb, deepening the existing supply deficit. Cushing inventories rose by 349 kb, extending last week's barrel hike. Finally the front month Jun/Jul spreads and the 6-month Jun/Dec spreads are at $0.82/bbl and $2.42/bbl respectively.

CRUDE OIL

This morning in Dated, we saw spreads bid with selling out of prompt May rolls with the 28-2 Apr 3w roll offered at $0.92/bbl and the 6-9 May 2w roll trading down to $0.50/bbl and offered over. There was also size selling of the 6-9 May Cal May down to $0.28/bbl. We saw some strength in back-end May and Jun rolls with May/Jun holding with the 12-16 May 1w roll $0.25/bbl bid and the 12-16 May 3w roll lifted up to $0.65/bbl by a British major. There was selling in deferred DFLs with the q1 26 DFL opening -$0.04/bbl offered and the Cal 26 DFL trading down to -$0.02/bbl.

This morning in Brent/Dubai we moved lower, with May Brent/Dubai trading down from -$1.32/bbl to lows of -$1.5/bbl, before rebounding slightly after the window. Brent/Dubai was heavily offered by Tradehouse and Bank down the whole curve, with Q3 and Q4 also trading -$0.65/bbl and -$0.14/bbl. The Dubai spreads were well bid, with May/Jun trading up from $0.8/bbl to $0.91/bbl, Bank on the bid. The boxes were quiet with only Jul/Aug, Aug/Sep and Q3/Q4 trading -$0.26/bbl, -$0.2/bbl and -$0.51/bbl.

FUEL OIL

This morning in VLSFO , front sing crack was better offered into the window, trading down to $9.20/bbl. Post window, we saw better buyside interests, which supported the crack up to $9.30/bbl, however, this did not last for long as we then saw sellside interests, pressuring the front crack down to $9.15/bbl. However, this did not move front structure, but we did see better sellside interests in May/Jun trading at $4.75/mt the whole morning. In Euro, we saw outright selling in front cracks from $3.60/bbl down to $3.40/bbl, as a result, front structure was slightly offered with May/Jun trading from $2.75/mt to $2.50/mt.

In HSFO, front 380 structure remained better bid this morning, with May/Jun trading up to $7/mt. Structure in the Q3 region also saw some buying, which further supported front structure. However, interests on structure turned slightly offered as the morning progressed with May/Jun softening to $6.75/mt. In Barges, front crack saw sellside interests trading from $-1.85/bbl down to $-2.25/bbl, as a result, front 380 E/W gapped up from $20.50/mt to $22.50/mt. Front 380 crack was also a touch weaker, but was supported by the stronger front E/W, therefore stabilising at $1.40/bbl handles. Barge structure down the curve was also better offered with May/Jun trading down to $4.75/mt from $5.25/mt.

DISTILLATES

This morning in distillates, the strength at the front of the curve continued with the May/Jun lifted to $0.70/bbl on screen at the end of the window as the prompt E/W traded to highs of -$11.50/mt, both retracing after the window to $0.67/bbl and -$12.50/mt. Regrade remained relatively rangebound in the prompt, the May trading up to -$0.90/bbl as there was buying in Q2 26 at -$0.33/bbl.

ICE gasoil spreads rallied for the morning, the May/Dec to $15.50/bbl, as did the cracks, the May to $17.52/bbl. European jet diffs continued to see strength down the curve, the May trading up to $52.50/bbl with the Q3 trading at $48.50/bbl. Heating oil spreads rallied for the morning, as the HOGOs remained rangebound, the May trading at 10.7 c/gal.

GASOLINE

A stronger morning in gasoline this morning with 92 MOC bid and structure stronger. Cracks in the front traded up to $8.5/bbl in the morning from $8.2/bbl and there was Cal26 crack buying post window up to $5.1/bbl. Spreads were well bid with May/Jun lifted from $0.75/bbl to highs of $0.84/bbl after the window and there was good buying on deferred spreads with Dec/Jun trading at -$0.25/bbl. Front E/W was balanced around -$5.55/bbl in the morning but deferred saw sellside interest with Q1 trading at -$0.45/bbl. In EBOB, front cracks traded at $14/bbl end window and the backend of the curve was offered with Q4 and Q1 crack selling interest from refiners trading at $6.4/bbl and $5.9/bbl respectively supporting spreads which firmed down the curve, May/Jun traded up to $5.5/mt post window and Dec/Dec had buying at $11/mt. There was scaleback 92vsMOPJ selling this morning in the front and the Q3 was sold at $10.5/bbl and gasnaps were also sellside but had some real buyside int as well with may trading up to $119.5/mt.

NAPHTHA

In naphtha, MOPJ MOC was offered this morning and structure was still offered. May cracks were valued at -$2.15/bbl end window and May/Jul got sold from $12/mt to $11/mt. E/W softened in the window from $20.25/mt to $19.75/mt and sellers stepped down in the east and the Q3 traded up to $20.25/t as there was good flatprice buying and Q3 crack buying from propane flow. NWE cracks opened strong trading at -$4.15/bbl with tradehouse int but softened to -$4.45/bbl end window as crude rallied and MOPJ selling pressured the front crack.

NGLS

This morning in NGLs, post the China news leading up to the window, we saw FEI being well bid with spreads roofing in both the front and back of the curve. In the front, we saw May/June and June/July trade up to -$1/mt and -$2/mt respectively; whilst in deferred we saw Oct/Nov and Dec/Feb26 trade up to -$4/mt and $9/mt respectively. Physical window was solely bid with bids being made for 2H May at May FEI minus $4.5/mt and (13-28) May at May FEI basis Chiba minus $14/mt. CP went well bid in the front with structure initially stronger in the front, with May/June trading firm at $27.5/mt, but came off and went quiet post the news. FEI/CP was weaker pre-window with May and June trading down to -$75/mt and -$45/mt respectively; during the window and as a result of the news, we saw May FEI/CP trading up to -$60/mt owing to FEI being turbo bid. Arbs weakened in the front with May trading down to -$138/mt owing to FEI strength; E/W gained strength owing to the same ration with June trading up to $60/mt.

GLOBAL MACRO

- China now faces up to a 245% tariff on imports to the United States as a result of its retaliatory actions - White House
- According to the National Bureau of Statistics, China grew by 5.4% y/y in Q1, ahead of consensus of 5.2% and much higher than UBS forecast for 2025 growth of 3.4%.
- QoQ, China grew by 1.2%. March retail sales were strong, accelerating to 5.9% y/y and far above consensus estimates of 4.2%.
- Retail sales posted the strongest growth since December 2023.
- Industrial output also outperformed expectations, printing 7.7% growth y/y, ahead of expectations of 5.9%.
- YTD fixed asset investment rose 4.2%, up from 4.1% from the previous month.
- Less reassuring is the YTD property development investment which fell by 9.9% y/y, in line with consensus, but worse than the 9.8% decline for the period Jan/Feb.
- China house prices are down 4.5% y/y, slowing marginally from -4.8% in Feb.
- Equities were more focused on the potential for tariffs to be raised further to 245%:
    - Hang Seng's decline of -2.53%.
    - Onshore bourses were down with CSI 300 -0.93%.
    - Shanghai -0.92%.
    - Shenzhen -2.25%.
- Another all time high for gold at over $3,297/oz.
- According to Statistics South Africa, gold production fell 7.6% y/y in February, down from +1% in Jan.
- The Trump administration has banned Nvidia from selling its H20 chip to China.
    - Nvidia stock fell 6% after hours.

DISCLAIMER

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).