



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Jun'25 Brent futures contract saw prices fall off from \$67.00/bbl at 07:02 BST down to \$65.92/bbl at 11:38 BST (time of writing). In the news, the US Interior Department has introduced new rules allowing greater pressure differences in offshore drilling in the Wilcox formation of the Gulf of Mexico. The move, led by Trump's Energy Dominance Council, aims to boost oil output and reduce regulatory burdens. The updated downhole commingling guidelines increase the allowable pressure differential from 200 psi to 1,500 psi, potentially adding 100kb/d in output over the next decade. Russia is accelerating new oil well drilling at its fastest pace in five years, despite falling oil prices, according to Bloomberg. Activity is now 30% higher than before the Ukraine war, showing the oil sector's resilience to Western sanctions, which aimed to cripple the industry by cutting off access to Western tech and services. Production capacity has returned to 2016 levels—between 11mb/d and 11.5 mb/d. In other news, some small US shale producers are cutting back on drilling as oil prices fall to multi-year lows and tariffs raise costs, threatening future output growth. US production is still expected to hit a record 13.7mb/d in 2025, but growth forecasts have been cut by both the EIA and IEA. Producers like Blackridge Resources and Arena Resources are delaying drilling plans due to weak prices and high costs, with some saying \$60/bbl isn't profitable in many regions. Finally the front month Jun/Jul and 6-month Jun/Dec spreads are at \$0.91/bbl and \$2.17/bbl respectively.

CRUDE OIL

A weaker morning in Dated lead by a selloff in futures, seeing May sold from \$1.01/bbl to \$0.92/bbl, whilst Jun found lows of \$0.70/bbl. May/Jun was better supported - trading between \$0.20/bbl and \$0.24/bbl on the DFL roll throughout the morning. There was very strong buying of 12-16 Cal May - paid at \$0.08/bbl, whilst 28-2 1w saw better selling, sold down to \$0.30/bbl by US. Size buying of 8-14/5 v Cal Jun was taken out by tradehouse, trading \$0.80/bbl, whilst 6-23/5 v 27-30/5 was sold at \$0.27/bbl.

This morning we rallied strongly in Brent/Dubai, with May Brent/Dubai rallying from -\$1.15/bbl to -\$0.81/bbl. This came despite no aggressive buying OTC, with a lot of the move being screen based and on thin volume. Tradehouses were still predominantly the ones bidding. There was buying in Q3 which traded -\$0.4/bbl to -\$0.29/bbl. The spreads moved lower, with May/Jun trading down from \$0.95/bbl to \$0.79/bbl. There was tradehouse box buying with May/Aug and Aug/Sep trading -\$0.71/bbl to -\$0.64/bbl and -\$0.1/bbl.

FUEL OIL

This morning in VLSFO, the front Sing crack saw aggressive bids pre window, trading up to \$10.30/bbl from \$9.70/bbl. As a result, structure was well bid both front and deferred with May/Jun trading from \$5/mt to \$6.25/mt. We then saw buy-side interests in Q4 Sing crack, which supported the front crack trading up to \$10.40/bbl handles. As a result, front 0.5 E/W strengthened as we saw some buying. In Euro, front crack was also stronger due to the front Sing crack and some outright buying trading up to \$4/bbl. Front Euro structure was bid with May/Jun trading up to \$2.50/mt and this supported structure down the curve. Both front cracks remained strong for the rest of the morning, and we continue to see buy-side interests in structure.

In HSFO, 380 structure down the curve continued to see some bids in Jun/Jul down to Aug/Sep, with Jun/Jul trading up to \$10/mt. However, we then saw some sell-side interests which caused it to soften to \$9.25/mt. Front 380 E/W was initially better bid due to the strength in 380 compared to barges, trading at \$14/mt, but we then saw better bids in front barge crack which caused the front EW to trail down to \$11.75/mt. As a result, this supported the front barge crack trading from -\$1.20/bbl to -\$0.85/bbl. Structure in barges was also better bid this morning, with Jun/Jul trading from \$7.25/mt to \$7.75/mt.

DISTILLATES

This morning in distillates, gasoil spreads continued to be well bid, May/Jun lifted on screen to \$0.82/bbl on screen as the Jun/Sep traded up to \$0.59/bbl. The prompt E/W rallied on better bid MOC to -\$12.75/mt as there was buy-side interest in the H2'26 combos, the Q4 trading at -\$11.00/mt on the E/W and the regrade at -\$0.05/bbl. The May regrade ticked lower to -\$0.83/bbl as the kero spreads were better bid, May/Jun and Jul/Aug trading up to \$0.57/bbl and \$0.09/bbl respectively.

ICE gasoil spreads ticked higher for the morning, the May/Sep trading up to \$14.25/mt, as did the cracks, the May to \$18.00/bbl. European jet diffs continued to rally down the curve, the May to \$57.00/mt as the Q3 traded at \$50.00/mt. Heating oil spreads remained rangebound, as did the HOGOs, having rallied into the close yesterday, the May trading at 11.6 c/gal.

GASOLINE

A strong morning in gasoline with 92 MOC valued at \$75.76/bbl with cracks trading in the window at \$10.05/bbl with structure down the curve all well bid. There was size buying this morning in Q3 92vsMOPJ this morning at 10.7/bbl pushing spreads up out to Q3 with May/Jun trading up to \$1.12/bbl this morning before softening post window back to \$1/bbl. E/W was strong trading at -\$5.15/bbl in the window but the q3 had some selling trading at -5.5/bbl. EBOB was also strong this morning with front cracks trading at \$15.2/bbl and refiner buying returning on the H2 26 strip at \$7.1/bbl while closer to the front there was cracks selling in Q3 and Q4. Q3 western Gasnaps were also well bid this morning with size buying at \$116/mt in the window putting pressure on Naphtha.

NAPHTHA

The front naphtha crack traded at -\$3.25/bbl end window and MOPJ MOC was better offered this morning. The Q3 92/MOPJ selling put pressure on MOPJ structure this morning alongside MOC switching to better selling. Spreads in the east were supported with May/Jun trading at \$8.25/mt and E/W was balanced at \$20.75/mt. NWE cracks opened at -\$3/bbl this morning and came off to trade down to -\$3.3/bbl end window and continued to see better offerside interest through the morning.

NGLS

This morning in NGLs, FEI went well bid with structure gaining strength pre-window then supported during the window. In the prompt, we saw May/Jun and Jun/Jul trade up to -\$1/mt and flat respectively before May/Jun was supported at -\$2/mt. Whilst in deferred we saw Sep/Oct and Q4/Q1 trade up to -\$3/mt and \$9/mt respectively. Physical window was solely bid and improved for 2H May at May FEI plus \$5.50/mt. FEI/CP gained strength owing to FEI being well bid with May and June trading up to -\$57/mt and -\$26/mt respectively; E/W went well bid owing to a similar ration with May trading up from \$64/mt to \$67/mt. Arbs were weaker owing to FEI strength with May trading down to -\$131/mt; whilst in FEI/MOPJ's, we saw strong Chinese interest in Q3 with it trading up to -\$23/mt and Major buying Q4 FEI/MOPJ at -\$3/mt.

GLOBAL MACRO

Nasdaq rallied 2.7%, S&P 2%, the dollar index edges back towards the key 100 level, and gold drifts back below \$3,300 level (having peaked at \$3,500).

- China is considering suspending its 125% tariffs on some U.S. goods.
- CHINA CONSIDERING REMOVING TARIFFS ON INDUSTRIAL CHEMICALS LIKE METHANE: BBG
- POLITBURO: CHINA'S FISCAL POLICY TO BE MORE PROACTIVE
- POLITBURO: ECO RECOVERY NEEDS TO BE FURTHER REINFORCED
- CHINA POLITBURO: USE WELL MODERATELY LOOSE MONETARY POLICY
- CHINA POLITBURO: PICK TIMING TO CUT RATES, RRR
- POLITBURO: CHINA TO CUT RRR, RATES WHEN NEEDED
- POLITBURO: TO CREATE NEW STRUCTURAL MONETARY TOOLS CHINA VOWS TO FULLY PREPARE EMERGENCY PLANS FOR EXTERNAL SHOCKS
- POLITBURO: SPEED UP ISSUANCE OF ULTRA-LONG BONDS

U.S. Existing home contract closings decreased 5.9% last month to an annualized rate of 4.02 million, the weakest March since 2009.

U.S. trucking volumes down 8.3% month over month... We are approaching COVID low levels in trucking

Mixed UK data. UK retail sales surprise to the upside. Retail sales volumes were up 0.4% in March 2025, following a rise of 0.7% in February 2025 (revised down from 1.0%).

While UK consumer confidence came in weaker than expected. All three sub-indicators below their long term and 6m averages.

Japan Tokyo CPI. All inflation measures accelerated significantly in April 2025. Core CPI reached its highest level in two years (since April 2023). Market expectations for Core CPI were 3.2%, actual came in higher at 3.4%. BOJ expected to keep policy rate unchanged at 0.5% despite inflation uptick. Measure April MoM Chg Tokyo CPI +3.5% yoy, +0.6% mom. (Chart 2, @macro84)

APPLE PLANS TO SHIFT THE ASSEMBLY OF ALL US-SOLD IPHONES TO INDIA AS SOON AS NEXT YEAR – FT

Denmark's Novo Nordisk continues its downtrend, now down 58%.



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