



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The Jul'25 Brent futures contract saw a rangebound morning, initially trading between \$64.81/bbl and \$65.18/bbl. Prices then fell to \$64.45/bbl at 11:31 BST (time of writing). In the news, Guyana has passed a new oil pollution bill that makes companies liable for oil spill damages, including those from vessels. The move comes as Guyana's Exxon-led consortium ramps up offshore oil production, expected to exceed 900kb/d this year. The law aims to strengthen oversight of the rapidly growing energy sector. Brazil's Finance Minister Fernando Haddad said oil exploration near the mouth of the Amazon River should proceed, but warned it must not delay the country's shift to clean energy. The region is seen as Brazil's most promising for new oil discoveries, yet drilling is controversial due to its location in the Amazon basin. In other news, Venezuela's PDVSA has resumed exporting Boscan heavy crude after cancelling US-bound cargoes due to payment issues. This follows the US Treasury's March revocation of a key Chevron license amid political tensions. PDVSA redirected a 920kb cargo to Malaysia marking the first such shipment since Chevron's exports ceased. According to Reuters, China's oil balance lengthened to an estimated 1.89 mb/d in April as strong imports outpaced falling refinery output. While not all surplus oil may have gone into official storage, the large excess gives refiners flexibility. With ample reserves, they can pause imports if prices rise or sanctions bite, maintaining supply without pushing up global prices. Finally the front month Jul/Aug spread is at \$0.59/bbl and the 6-month Jul/Jan'26 spread is at \$1.55/bbl.

## CRUDE OIL

Very quiet morning in Dated, with sell-side interest out of 19-23 May Cal Jun at \$0.24/bbl and buy-side interest in 27-30 May Cal Jun and prompt Jun rolls. The 9-13 Jun 2w roll was lifted up to \$0.39/bbl and the 9-13 Jun Cal Jun roll was bid at \$0.12/bbl. The Jun/Jul Ddated roll reached highs of \$0.69/bbl, \$0.24/bbl equivalent on the DFL roll. There was also back-end Jun into Jul roll buying with the 25-01Jun Cal July trading up to \$0.38/bbl and buy-side interest in the 23-27 Jun Cal July.

This morning was very quiet in Brent/Dubai, as we traded rangebound in Jun Brent/Dubai between \$0.59/bbl to \$0.68/bbl. Almost all of the volume was on screen, with only small margin and refiner buying and selling OTC. OTC we saw spread buying, with all Dubai spreads moving higher. Jun/Jul Dubai spread traded up from \$0.36/bbl to highs of \$0.41/bbl, coming off slightly after the window. There was box selling interest, with only Jun/Jul, Jul/Aug and Q4 25/Q2 26 trading \$0.07/bbl, \$0.04/bbl and \$0/bbl. Major was asking for offers in Aug Ice vs Jul Dub with none trading.

## FUEL OIL

This morning in VLSFO, front Sing 0.5 crack was weaker. We initially saw some buying pre window, but the interests on the front crack quickly turned sellside, therefore, front sing crack softened from \$12.40/bbl to \$12.20/bbl. Sing spreads in the front saw little interests, with Jun/Jul trading at \$9.75/mt and Jul/Aug trading at \$6.50/mt the whole morning. In Euro, front crack was a touch weaker following the weakness in the front Sing crack, trading around \$5.95/bbl. Though euro structure down the curve seemed to be well supported with small buying in the front in Jun/Jul trading at \$7.50/mt.

In HSFO, front 380 structure was better offered this morning, with Jun/Jul trading from \$17.50/mt to \$16.75/mt. Structure further down the curve also weakened, with Jul/Aug trading from \$14.75/mt to \$14.50/mt. We also saw some buying in Q3 380 crack, which supported the front crack this morning at \$3.25/bbl. In barges, front crack was better bid this morning, trading from -\$0.75/bbl to -\$0.65/bbl. As a result, front 380 E/W was weaker, due to the strength in barges compared to 380, trading from \$25.75/mt to \$25/mt. As the morning progressed, barge structure down the curve saw greater buyside interests, with Jun/Jul bid to \$9/mt from \$8.50/mt.



## DISTILLATES

This morning in distillates, front Sing gasoil spreads were more balanced as there was tradehouse selling in the Jul/Aug down to \$0.10/bbl. The Jun E/W traded rangebound, sold down to -\$17.50/mt on better offered MOC before ticking back up to -\$17.25/mt post-window. The prompt regrade was initially sold down to -\$0.98/bbl before rallying back to highs of -\$0.92/bbl as the balmo/Jun Kero spread was hit down on screen to -\$0.19/bbl.

ICE gasoil spreads traded rangebound for the morning, the Jun/Dec at \$13.75/mt as the cracks saw similar price action, the Jun crack softening a touch to \$17.80/bbl. Heating oil spreads were similarly rangebound as were the HOGOs, Jun trading at 13 c/gal.

## GASOLINE

A quieter morning in gasoline with 92 flatprice trading end window at \$73.54/bbl with MOC better offered. Cracks in the front had buying at \$9.3/bbl this morning and spreads initially opened up stronger with Jun/Sep trading at \$2.7/bbl but got sold into by real players with Jun/Jul softening to \$0.93/bbl and Jul/Aug to \$0.86/bbl. E/W in the front was balanced through the window trading at -\$6.5/bbl but the Q4 was well offered this morning trading at -\$1.05/bbl. RBBRs were a touch weaker this morning opening around \$22.8/bbl and better offered through the window to trade down to \$22.65/bbl while arbs remained balanced with refiner int on the sellside trading at 17.95c/gal through the morning. In Europe, there was still better crack selling in the front this morning with Jun cracks softening to \$15.75/bbl end window with RBBRs as arbs remained firm but there was H2 crack buying around \$10.85/bbl. Jun/Jul was also softer trading at \$6.75/mt this morning.

## NAPHTHA

In naphtha, MOPJ MOC was more balanced this morning but still slightly better offered with flatprice trading at \$564/mt end window. Jun/Jul traded at \$7.5/mt through the morning and Jul/Aug at \$5.5/mt while there was still good buying on the Sep/Jun spreads with it trading up to \$9.75/mt. E/W in the front was relatively balanced around \$22.25/mt and there was buying again this morning in Q4 at \$20.75/mt. NWE cracks traded around -\$3.4/bbl through the window but came off post window down to -\$3.65/bbl but the front spread remained balanced at \$7.75/mt.

## NGLS

A very quiet morning in NGL'S, with FEI weakening towards the end of the window with Jun bids getting hit at \$540/mt whilst prompt structure weakened. In the front, we saw Jun/Jul and Jul/Aug trade down to \$3/mt and flat respectively whilst deferred structure was quiet. Physical window saw a mixture of bids and offers made with a bid for 1H Jun FEI at Balmo May FEI plus flat and an offer for 2H Jun at Jun FEI plus \$4/mt. Arbs gained strength in the front on FEI weakness with Jul trading up to -\$135/mt; FEI/CP went softer as well owing to the same ration with Jun and Jul trading down to -\$43/mt and -\$19/mt respectively in the front.

## GLOBAL MACRO

- Moody's downgraded its rating on US sovereign debt to Aa1, down from Aaa, largely driven by a widening budget deficit and rising interest costs. 14 years after S&P downgraded the US.
- Treasuries sold off at the back of the curve, with liquidity moving forward again, driving a twist steepener in the curve with the 2s10s gapping up. 2 year trading -1.7 bps and 10 year trading +4.6 bps. with the 10 year above 4.5% rolling debt will be painful at the treasury, and Trump is desperate for rates to come down – but the Fed unlikely to budge.
- On Truth social on Saturday Trump said the Fed should cut “sooner rather than later”.
- Despite April retail sales printing relatively strong U mich consumer sentiment continued to decline in May, falling to 50.8, down from 52.2 last month and way below consensus estimates of 53.4
- Consumer pessimism in the US is, for now, not reflected in their observed spending habits on the aggregate.
- 401ks likely looking a bit better for now though. Even after SP500 emini futures opened down this morning, sliding 1.1% today as the downgrade tempered the resurgence in risk sentiment, core bourses have largely recovered from the liberation day sell off.
- In the latest Michigan survey, year ahead inflation expectations surged to 7.3%, a new high since 1981, up from 6.5% last month.
- Prices rose for non-fuel imports by 0.4%, the largest m/m increase in a year as capital goods in particular saw sharp price increases.
- US HOUSE PANEL APPROVES TRUMP TAX CUT BILL, SETTING UP A POSSIBLE VOTE ON PASSAGE THIS WEEK.
- Data from China was mixed:
  - Property investment still looks very bleak (-10.3% Apr, Est -10.0%, Prior -9.9%).
  - Industrial production surprised to the upside increasing 6.1%, ahead of consensus expectations of 5.7%.
  - Retail sales underperformed consensus increasing by 5.1% y/y, disappointing market expectations of 5.8%.
  - The house price index slowed its decline to -4%, from -4.5% in March.



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