



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Jul'25 Brent futures contract saw prices jumping between \$63.86/bbl and \$64.18/bbl in the early morning, followed by a rally up to \$64.42 at 11:30 BST (time of writing). In the news, Murban crude premiums have fallen to six-month lows as the UAE ramps up output under OPEC+'s accelerated production plan, pressuring rival grades like US WTI in Asia. A record 10mb of Murban have traded this month on the Platts Market on Close platform. Murban is now the cheapest among medium-sour crudes used to set the Dubai benchmark, prompting record deliveries. Murban output is expected to rise in August. In other news, Russia's top tanker firm Sovcomflot posted a \$393 million net loss in Q1, hit hard by new Western sanctions that disrupted operations and cut revenues. The US and EU targeted Sovcomflot and its fleet in 2024 to curb Russia's oil income. In January, the US expanded sanctions and revoked a license allowing limited operations, forcing some vessels to sit idle. Revenue fell 49% year-on-year to \$278.5 million, while EBITDA dropped 69% to \$105 million. Kazakhstan is likely to exceed its 2025 oil output target of 96.2 million tonnes due to an early expansion at the Chevron-led Tengiz field, Energy Minister Erlan Akkenzhenov said. Output at Tengiz is up 25%, and Akkenzhenov expects the country to surpass its planned production of about 2 mb/d. This move defies OPEC+ efforts to limit supply, though Kazakhstan says it remains committed to the group's agreement. Finally, the front month Jul/Aug spread is at \$0.55/bbl and the 6-month Jul/Jan'26 spread is at \$1.49/bbl.

CRUDE

Quiet morning in Dated with spreads moving higher and the Jun/Jul Dated roll going bid up to \$0.69/bbl. There was trade buying of the 2-6 Jun/Cal Jun up to \$0.28/bbl and the 23-27 Jun CFD was again bid up to \$0.45/bbl. We also saw some Q3/Q4 selling down to \$0.43/bbl and some Q4 buying up to -\$0.03/bbl.

This morning in Brent/Dubai we continued to rally, with Jun Brent/Dubai trading up from \$0.88/bbl to highs of \$1.04/bbl, finishing the morning at \$1/bbl. Despite the move higher, we saw Asian Tradehouse and other Tradehouse offering Jun, Jul and Aug Brent/Dubai. The spreads traded in a tight range, with Jun/Jul trading between \$0.33/bbl to \$0.36/bbl, and were bid prior to the MOC window. The boxes were largely quiet, with buying in Q3/Q4, Jun/Jul and Jun/Aug, which traded -\$0.02/bbl to -\$0.01/bbl, \$0.1/bbl to \$0.14/bbl and \$0.19/bbl to \$0.23/bbl. Q3 and Q4 Brent/Dubai were well bid, which traded \$0.7/bbl to \$0.79/bbl and \$0.79/bbl to \$0.8/bbl.

FUEL OIL

This morning in VLSFO, front Sing crack was a touch weaker at open, trading at \$12.15/bbl compared to \$12.20/bbl yesterday's close. The front crack remained stable for the rest of the morning, with small size buying at \$12.15/bbl to \$12.20/bbl. This was supported by some buying in Q4 Sing crack trading at \$9.10/bbl. Sing structure down the curve was supported, with some buying interests in front structure with Jun/Jul trading at \$8.50/mt. In Euro, we saw bids in the front crack in at \$6.50/bbl. Front structure was also better bid with Jul/Aug trading up to \$6/mt.

In HSFO, 380 structure in Jun/Jul initially saw buy-side interests, trading at \$18/mt. However, interests in structure down the curve turned offered post window, with Jul/Aug trading at \$14.25/mt and Aug/Sep trading down to \$9.75/mt. As the morning progressed, we saw sell-side interests in the front 380 crack, trading from \$3.80/bbl down to the lows of \$3.40/bbl. Therefore, front 380 E/W sold off from the highs of \$23.50/mt to \$22.75/mt. This caused the front barge crack to soften from -\$0.10/bbl to -\$0.2/bbl. Barge structure in Jun/Jul was trading at \$10/mt with no clear axe in the market.

DISTILLATES

This morning in distillates, there was continued weakness in the Sing gasoil complex as the Jun/Jul was sold down to -\$0.01/bbl as the Jun E/W was hit down to -\$19.50/mt before ticking back up to -\$19.25/mt post-window. Regrade was better bid in Q3, lifted on screen to -\$0.77/bbl as Jun/Jul Kero traded to lows of -\$0.06/bbl before recovering to -\$0.02/bbl after the window.

ICE gasoil spreads were rangebound, Jun/Dec trading at 11.50 as the cracks ticked lower, Jun to 17.45. Heating oil spreads softened as the HOGOs rallied, Jun to 14.7c/gal.

GASOLINE

This morning in gasoline 92 flatprice traded end window at \$74/bbl with MOC bid again today. Jun cracks traded up to \$10.5/bbl end window with the front bid again and Q3 cracks seeing buying at \$8.8/bbl in the window today. Front spreads strengthened with Jun/Jul trading up to \$1.35/bbl and Jul/Aug up to \$1.12/bbl with the front bid, E/W traded up to -\$6.3/bbl in the window and cooled off to -\$6.5/bbl post. Arbs came off to 17.25c/gal in the front this morning from 17.4c/gal with rins strengthening into the close yesterday. Europe was quieter this morning with front cracks going better bid up to \$16.85/bbl end window and the front spread trading at \$9.5/mt. RBBRs closed strong last night and remained bid this morning trading around \$23.6/bbl.

NAPHTHA

In naphtha, MOPJ MOC was bid again today trading around \$553/mt end window. There was scaleback 92vsMOPJ selling in the front this morning supporting eastern cracks and E/W trading up to \$24.5/mt in the front with the boxes better bid. There was Q1 E/W buying at \$18.75/mt supporting eastern structure this morning and crack buying in the front up to -\$1.35/bbl from -\$1.55/bbl. NWE cracks were better offered this morning trading at -\$4.2/bbl end window with front spread trading at \$5.75/mt as the front weakened.

NGLS

This morning in NGLs, FEI was better bid towards the end of the window with Jun flat price getting lifted at \$531/mt levels whilst structure in general was slightly stronger. In the front, we saw Jun/Jul and Jul/Aug trade up to \$3.25/mt and flat respectively, whilst further down the curve we saw Q3/Q4 and Q4/Q1 trade up to -\$9.5/mt and \$9.5/mt respectively. Physical window saw bids being made for FEI such as 1H July at July FEI plus \$4/mt and 2H July at Jun FEI plus \$1/mt, whilst CP was offered at \$555/mt and \$525/mt for C3 and C4 respectively for 19-20th June FOB Ruwais. CP opened well bid in the front along with structure with Jun/Jul trading up to \$35/mt whilst deferred structure was slightly weaker with Dec/Jan and Jan/Feb trading down to \$2/mt and \$6/mt respectively; FEI/CP was a touch softer in the front with June trading down to -\$61/mt owing to front CP being well bid, whilst further along in the curve we saw Sep trade up to -\$4/mt.



GLOBAL MACRO

Japanese core inflation surprised to the upside printing at 3.5% in April, compared to a 3.4% consensus and rising from last months 3.2%. This might be expected to boost expectations for another BoJ hike as ING's Min Joo Kang suggested, and thus yields should rise... But there was a strong bull flattener across the curve, and the OIS is now actually pricing only 14 bps of hikes by year end. After hitting an all time high, the yield on the ultra long 40 year Japanese Government bond has seen buying this morning, moving aggressively lower as the curve bull flattens.

Yen continues to strengthen to 143.3 against the dollar this morning, if hike expectation build and the Fed doesn't move expect this to continue. Inflation in Japan may stay elevated, with core-core CPI (excluding fresh food and energy) unexpectedly rising 3.0% year-over-year in April – above the BOJ's 2.0% target. Additionally, workers at Japan Business Federation-affiliated firms secured pay hikes over 5% for the second year, supporting domestic inflation.

After finding support yesterday, dollar selling continued this morning with the DXY falling to a low of 99.524 as concerns around US fiscal sustainability remain a key focus for markets. 10 year treasuries faced heavy selling pressure yesterday, but found buyers as yield breached 4.6%, alongside short covering ahead of the long weekend, its now just about to break support at around 4.5%.

Foreign central banks continue to offload treasuries. The Philippine central bank is looking at reducing its holdings of US Treasuries after Moody's Ratings downgraded the US' credit score, according to Governor Eli Remolona.

Gold rose 1% to \$3330.18, nearly erasing last night's losses. It's on track for a weekly gain of over 3% amid concerns over the U.S. fiscal outlook. So far this year, gold has posted weekly gains in 17 of 22 weeks.

Germany's economy expanded 0.4% in Q1 2025, revised from 0.2% and rebounding from a 0.2% decline—the strongest growth since Q3 2022. The pickup was driven by household consumption (0.5%), improved exports (3.2%), and broad sector gains, including manufacturing (1%) and information and communications (1.7%). On an annual basis, GDP was flat after a 0.2% fall in Q4.

Germany's manufacturing PMI held in contraction at 48.8—slightly above April's 48.4 but below expectations of 48.9. Services dropped sharply to 47.2 in May from 49, missing the 49.5 forecast and marking a second straight month of contraction after four months of growth.

Bundesbank president Joachim Nagel takes on a hawkish tone – “After seven interest rate cuts, our deposit rate stands at 2.25%, a level that can certainly no longer be described as restrictive.”



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