



OVERNIGHT & SINGAPORE WINDOW

INSIGHT@ONYXCAPITALADVISORY.COM
ONYX CAPITAL ADVISORY

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FLAT PRICE

Aug '25 Brent futures slumped overnight to reach \$64.90/bbl at 08.30 BST before rising to \$65.35/bbl at 11.30 BST (time of writing). Prices are on track for the first weekly gain in three weeks. Equinor has announced Norway's Mongstad oil refinery is ramping up its output following an outage. China's consumer inflation eased in March, with the CPI down 0.1% y/y, an improvement from February's 0.7% drop, and core CPI rose 0.5%, hinting at recovering demand. Food prices fell less sharply, and the monthly CPI decline was linked to ample food supply, off-season travel, and lower oil prices. However, factory-gate prices continued to weaken, as the Producer Price Index (PPI) dropped 2.5%y/y, pointing to ongoing pressure on industrial demand. Petroleos de Venezuela (PDVSA) has reportedly signed at least nine new agreements with foreign service providers, including two Chinese companies, to maintain oil production and sustain foreign currency inflows following the exit of Chevron due to US sanctions. The companies involved include Aldyl Argentina, Anhui Guangda Mining Investing and China Concord Resources, according to internal PDVSA documents reviewed by Bloomberg. According to the document, PDVSA predicts that the nine blocks under these 20-year contracts will yield a combined 600kb/d with \$20bn (1.97trn bolivars) in capital expenditure. In April, Spain halted crude oil imports from Venezuela ahead of the US sanctions deadline set by the Trump administration. Repsol had been receiving Venezuelan oil from PDVSA as debt repayment but was ordered to wind down operations by May 27. The move followed a surge in imports earlier in 2024. Finally, the front-month Aug/Sep spread is \$0.61/bbl, and the 6-month Aug/Feb '26 spread is \$1.50/bbl.

CRUDE

This morning in Dated, we saw an aggressive offer for the bal Jun/Jul Dated roll at \$0.89/bbl lifted by a French major and the balmo DFL trading up to \$1.35/bbl. The 23-27 Jun cal July roll traded up to \$0.64/bbl and the 16-20 Jun DBL was lifted high at \$1.12/bbl. We also saw a \$0.98/bbl offer lifted on the 16-10 Jun cal July and bid over at \$1.00/bbl. The 12-18 June bl traded up to \$1.41/bbl and the 1-7 Jul cal July CFD roll at \$0.35/bbl.

This morning we moved lower in Brent/Dubai, with Jul Brent/Dubai trading down from \$0.36/bbl to \$0.25/bbl, with a trade house on the offer. Prior to the window we saw buying of Q4, which post window turned to selling, with a major on the offer. Q4 traded \$0.79/bbl to \$0.76/bbl. The Dubai spreads went very bid on screen, with Jul/Aug trading up from \$0.62/bbl to \$0.7/bbl. The boxes were more quiet, with some buying interest in Sep/Oct, which traded -\$0.1/bbl. There was also some Cal'26 and Q1'26 sell-side interest with none trading.

FUEL OIL

This morning in VLSFO, front Sing crack had a rangebound morning trading between \$10.90/bbl to \$11/bbl. Front structure in Jul/Aug opened a touch weaker at \$5/mt compared to \$5.25/mt yesterday's close, but we saw buy-side interests in the front in Jul/Aug at \$5/mt this morning. As the morning progressed, we saw some selling in front 0.5 E/W, which put some pressure on the front Sing crack. In Euro, front crack was weaker this morning trading from \$5.85/bbl to \$5.75/bbl.

In HSFO, this morning, front 380 structure saw sell-side interests pre window, with Jul/Aug trading from \$11/mt to \$10.75/mt. Towards the end of the window, we saw aggressive selling in the balmo 380 spread, trading from \$18/mt to \$17/mt. As a result, structure down the curve was weaker post window, with Jul/Aug softening to \$10.50/mt. Therefore, 380 crack was implied lower from \$0/bbl to -\$0.25/bbl. In barges, front crack saw sell-side interests trading down from -\$2.50/bbl to -\$2.85/bbl. As a result, front structure softened from \$7/mt to \$6.75/mt. 380 E/W saw some buy-side interests up to \$16.50/mt due to the weaker front barge crack.



DISTILLATES

This morning in distillates, the Sing gasoil complex was stronger with the Jul/Aug lifted to \$0.29/bbl on screen as the Jul E/W traded up to -\$14.25/mt. Regrade was similarly better bid, Jul trading up to -\$1.19/bbl as the Bal Jun/Jul kero traded up to -\$0.03/bbl.

ICE gasoil spreads were rangebound for the morning, the Jun/Dec trading at \$18.00/mt as the cracks softened, Jun trading down to \$17.60/mt. Heating oil spreads were similarly weaker, as were the HOGOs, Jun trading down to 11.4c/gal.

GASOLINE

This morning in gasoline, 92 flat price traded end window at \$74.05/bbl with moc balanced but slightly better balanced. The East opened better bid this morning on tenders the day before with Jul/Aug getting lifted up to \$1.28/bbl pre window and cracks in the front trading at \$9.70/bbl to start but softening to \$9.50/bbl and Jul/Aug at \$1.23/bbl at the end of the window as selling came in. E/W initially opened at -\$5.40/bbl but softened to -\$5.50/bbl in the window with selling in Sep E/W at -\$5.10/bbl. In Europe, cracks in the front were valued around \$15/bbl in the morning and Jul/Aug at \$9/mt but better int on deferred spreads with Oct/Nov'26 seeing buying at \$10.50/mt. Arbs were more balanced in the front this morning around 14.25c/gal with RBBRs opening unch from the close yesterday around \$20.35/bbl.

NAPHTHA

In naphtha, MOPJ MOC was well bid this morning again with flat price trading at the end of the window at \$553.50/mt. E/W was stronger this morning trading at \$23/mt in the window with the front eastern spreads seeing better buying with Jul/Aug and Aug/Sep respectively trading at \$4/mt and \$3/mt. NWE cracks in the front traded up to -\$4.80/bbl in the window from -\$4.95/bbl and there was Q4 crack buying at -\$5.05/bbl.

NGLS

This morning in NGLs, FEI was slightly stronger on a crude percentage basis with structure in the front broadly unchanged but backend better bid. In the front, we saw July/Aug and July/Sep trade at \$4/mt and \$1/mt respectively whilst in the back we saw strong real interest in Jun/Dec'26 with it trading up to -\$10/mt. Physical window was better offered with a market being made for 2H July at July FEI plus \$5/mt at \$8/mt. Arbs in the front weakened on FEI strength with Q3 trading down to -\$141/mt and July implied lower at -\$143.50/mt; FEI/CP went better bid owing to the same ration and crude with July and Sep trading up to -\$50/mt and -\$23/mt respectively. CP structure was rangebound in the front with July/Aug trading at \$20/mt then \$19/mt post window whilst in deferred we saw Nov/Dec and Dec/Jan trade at -\$3/mt and \$4/mt respectively.

GLOBAL MACRO

- Trump and Musk fall out. Equities panicked and Tesla shares fell 12% yesterday– the S&P 500 dropped 0.5%. Gold, USD and treasury yields held fairly steady with 10-year yield now at 4.395%.
- Fed speak suggesting holding rates. Focus is still clearly on inflation and especially tariff impact. Would need to see a material worsening of the labour market for a shift to focus on that: ADP printed weaker than expected on Wednesday and initial jobless claims were higher than consensus yesterday – the key indicator is the Non-Farm Payroll print today.
- The ECB is now looking to take a steadier stance as well, having cut its deposit facility rate 25 bps to 2% yesterday. But Euro Area inflation printed soft yesterday (PPI m/m in deflation at -2.2% and y/y below expectations at 0.7%) and CPI's latest print was below target. The pre-tariff boost of front-loading is past and the tariff impact on consumption and demand is likely to hit soon. The ECB may have to go further and become more accommodative to help support domestic demand. Euro Area HCOB Construction PMIs are still strongly contractionary at 45.6 for May – Germany and France are especially weak.
- Reserve Bank of India also cut rates – by 50 bps, more than the 25 bps expected – from 6% to 5.5%. Indian inflation has been cratering while rates remain highly restrictive, so the RBI needs to act fast. In April, y/y inflation fell to 3.16%, below consensus of 3.27% - keep an eye on the next print on 12 June!
- The end of the 90-day reciprocal tariff reduction is 4 July. Trump and Xi agreed to further trade talks after yesterday's phone call – their first official contact since Trump's inauguration. Bessent had said talks stalled and Trump may have to wade in himself.
- The US trade deficit reduced to \$61.6 billion in April, the lowest since September 2023, after the front-loading mania of March ahead of tariffs. Exports neared \$290 billion, the highest on record, while imports dropped to \$351 billion, down over 16% m/m, driven by reduced imports of pharmaceuticals, metals and vehicles.

*Key data today: NFPs, Euro Area retail sales

DISCLAIMER

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