



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Aug'25 Brent futures contract bounced around \$69/bbl, before falling to \$68.68/bbl at 10:35 BST. Prices then softened further to \$68.63/bbl at 11:31 BST (time of writing). In the news, US has evacuated non-government personnel from several Middle Eastern countries due to heightened tensions. Despite this, foreign energy companies are continuing normal operations in Iraq, according to a senior Iraqi official. The Iraqi oil ministry has not been notified of any staff reductions by energy firms, the official added. In other news, US Energy Secretary Chris Wright dismissed EIA projections of a 2026 decline in US oil output, saying current weak prices may slow drilling slightly but likely won't reduce overall production. The EIA expects output to drop from 13.5 mb/d in mid-2025 to 13.3 mb/d in 2026, citing low prices and shale exhaustion. Wright told Bloomberg it's too early to confirm a downturn. Cenovus Energy announced on Jun 12 that it has resumed production at its Christina Lake oil sands facility in Alberta after a temporary shutdown caused by nearby wildfires. TotalEnergies has partnered with French AI startup Mistral to develop digital tools aimed at improving industrial efficiency, cutting emissions, and enhancing customer support. The collaboration focuses on building an AI assistant to help optimize project development and operations. This move supports TotalEnergies' broader push to integrate AI into its energy business, including past collaborations for wind turbine maintenance, electricity trading, and renewable project planning. Finally, the front-month Aug/Sep spread is at \$0.80/bbl and the 6-month Aug/Feb'26 spread is at \$2.53/bbl.

CRUDE

This morning in Dated, we saw more roll selling in the front and spreads drifting lower with the 30-4 Jul/Cal Jul offered down to \$0.52/bbl and selling out of 23-27s and 16-20s, with the balmo DFL trading down to \$1.25/bbl. We then saw a reversal with the 16-20 Jun 1w roll lifted at \$0.25/bbl and the 16-20 Jun/Cal Jul lifted at \$0.98/bbl up to \$1.00/bbl with refiner buying. There was also buying in Oct DFL up to \$0.44/bbl and continued Sep DFL buying.

This morning was very choppy in Brent/Dubai, as we initially opened higher, traded lower during MOC, trading back up MOC before then trading back down to the lows. Jul Brent/Dubai traded between \$0.02/bbl and \$0.15/bbl. Prior to the MOC window there was large Fund selling of spreads, with Jul/Aug trading down from \$0.92/bbl to lows of \$0.87/bbl. They were selling spreads July through December. During and post window, Tradehouse and major were bidding the spreads and offering the boxes, meaning we traded back up to \$0.91/bbl in Jul/Aug. Tradehouses were sellers of Jul through Oct boxes, with Jul/Aug box trading -\$0.19/bbl to -\$0.16/bbl and Aug/Sep trading -\$0.15/bbl.

FUEL OIL

This morning in VLSFO, front Sing crack was better bid at open, trading from \$10.30/bbl to \$10.60/bbl. As a result, structure in the front saw some buying, with Jul/Aug trading at \$5.50/mt and Aug/Sep trading from \$5.25/mt to \$5.50/mt. Deferred structure continued to see buying from yesterday, with Dec/Jan bid to \$2.50/mt. In Euro, front spread in Jul/Aug traded at \$6.50/mt, with a touch better sellside interests as the morning progressed. Front crack was better offered, trading from \$5.35/bbl to \$5.25/bbl, and remained offered for the rest of the morning.

In HSFO, front 380 structure was better bid at open, with Jul/Aug trading up to \$10/mt. Front 380 crack also saw buy-side interests, trading from -\$0.5/bbl to -\$0.35/bbl. This therefore supported the front E/W, trading up to \$14.50/mt from \$14/mt. Post window, interests on front structure turned offered, with Jul/Aug selling off to \$9.50/mt, structure down the curve also weakened, and the front 380 crack was also pressured down to -\$0.55/bbl. In barges, front crack saw some buy-side interests, though trading rangebound between -\$2.80/bbl to -\$2.70/bbl. Front structure was a touch weaker, with Jul/Aug trading at \$7.25/mt and implied lower at \$7/mt as the morning progressed.

DISTILLATES

This morning in distillates, Sing gasoil spreads opened higher, Jul/Aug lifted on screen to \$0.44/bbl before getting sold back down to \$0.27/bbl post-window on softer ICE gasoil. The E/W was initially sold down to -\$16.00/mt in Jul, bid back up to -\$15.50/mt on refiner buying before trading back down to -\$16.00/mt after the window. Regrade was better offered in the front, Jul trading down to lows of -\$1.28/bbl as Jun/Jul Kero saw physical selling down to \$0.08/bbl.

ICE gasoil spreads ticked lower, Jun/Dec to \$24.75/mt as the cracks rallied, Jul to \$18.00/bbl. European jet diffs rallied down the curve, the Jul to \$50.00/mt as the Sep traded up to \$46.50/mt. Heating oil spreads sold off for the morning, as did the HOGOs, Jul to 13 c/gal.

GASOLINE

This morning in gasoline 92 flatprice traded end window at \$77.6/bbl with moc better offered. Cracks in the front opened at \$9.6/bbl this morning and traded around \$9.55/bbl in the window, there was some buying early doors in Q4 at \$6.55/bbl which later traded at \$6.45/bbl. Spreads saw better selling in the front this morning with Jul/Aug and Aug/Sep trading at \$1.42/bbl and \$1.29/bbl end window respectively, having softened from the open. E/W opened a touch weaker this morning at -\$5.25/bbl but strengthened to -\$5.1/bbl post window as Europe saw better selling in the front; the Aug/Sep E/W box also had buying up to -\$0.37/bbl. In Europe, front cracks were balanced around \$14.7/bbl in the morning but the Q4 was offered and traded at \$7.7/bbl. Spreads saw better selling flows again in the front with Jul/Aug softening to \$8.5/mt and Aug/Sep from \$14.5/mt to \$14/mt. RBBRs came off into the window from \$20.55/bbl to close the window at \$20.3/bbl and arbs remained supported around 15.4c/gal with front Europe weaker.

NAPHTHA

In naphtha, MOPJ MOC was better offered this morning with flatprice trading end window at \$578/mt. There was still majors on the sellside of front eastern spreads with Jul/Aug and Aug/Sep both seeing good selling at \$3.75/mt and \$3/mt respectively; Sep/Dec had tradehouse selling as well at \$8.5/mt. E/W still had buying around \$21.75/mt in the front this morning despite the front spread selling and there was better MOPJ flatprice selling this morning. NWE cracks opened at -\$5.7/bbl this morning but firmed on lower crude and profit taking to trade up to -\$5.5/bbl going into the window and later up to -\$5.35/bbl. Jul/Aug remained firm at \$4.25/mt.

NGLS

This morning in NGL's, FEI was slightly weaker on a crude percentage basis with prompt structure weakening whilst deferred was unchanged. In the front, Jul/Aug and Aug/Sep traded down to \$0.5/mt and -\$3.5/mt respectively whilst in the back we saw Nov/Dec and Q1/Q2 trade at -\$1.5/mt and \$38/mt respectively. Physical window was balanced with a bid being made for 2H Jul at Jul FEI plus \$0.5/mt and an offer for 1H Jul at Jul FEI plus \$4/mt. FEI/MOPJs saw strong interest buy-side from Chinese across the curve with Q3 and Q4 trading firm at -\$32/mt and -\$12/mt respectively. CP was weaker in the front along with prompt structure with Jul/Aug trading down to \$16/mt; FEI/CP strengthened a touch on CP weakness with Jul and Aug trading down to -\$43/mt and -\$28/mt respectively. Arbs were broadly unchanged with Jul trading at -\$144/mt in the front of the curve whilst EW traded a touch higher with Jul at \$72.5/mt.

GLOBAL MACRO

- TRUMP: WE WILL SET UNILATERAL TARIFF RATES WITHIN 2 WEEKS
- TRUMP: AT A CERTAIN POINT ON TRADE WE WILL SAY TAKE IT OR LEAVE
- Brent rallies 6.23% on growing unease in Middle East.
- US officials have been informed that Israel is fully prepared to launch an operation against Iran (per CBS) and US evacuated non-emergency US government personnel from several Middle Eastern countries due to heightened regional tension.
- Treasury Secretary Bessent says if the debt limit is not resolved, it could trigger biggest financial crisis since 2008.
- U.S. CPI comes in below expectations for the fourth month. OIS now prices exactly 50bp cuts by year end.
- Headline: +0.08% m/m (vs. +0.2% consensus)
- Core: +0.13% m/m (vs. +0.3%)
- CPI reaction from JP Morgan "Core MoM prints below 0.25%. The other tail outcome, similar to recent results from EU/UK, this would be a material dovish print. Look for the bond market to add back at least 2x 25bp rate cuts; Probability 5.0%; SPX gains 2% – 2.5%."
- CPI reaction from Trump: CPI NUMBERS JUST OUT, 'GREAT NUMBERS!' FED SHOULD CUT RATES BY 100BP
- Gold overtakes the Euro as the second largest holding reserve asset for central banks and promptly rises 1.6% over 2 days resuming its uptrend.
- Platinum rallies another 1.2% this morning, up over 19% in 9 days.
- The S&P500 is precariously positioned at the end of a wedge formation, rising on reduced volatility. These typically resolve with an aggressive break to the downside.
- UK economy unexpectedly shrinks 0.3% in April. Monthly GDP data is largely random but on the back of weak employment data on Tuesday this certainly increases concerns. OIS now prices 53bp cuts by year end.
- U.S. TO CHARGE 55% TARIFF ON CHINESE GOODS, RETAINING 30% NEW TARIFFS PLUS 25% PRE-EXISTING -U.S. OFFICIAL
- CHINESE TARIFF RATES EXPECTED TO BE 10% FOLLOWING GENEVA DEAL – U.S. OFFICIAL but the markets are unimpressed as US Commerce Secretary Lutnick: There is no text on the deal, just an agreement after China's President Xi approves.
- DoubleLine's Gundlach has cut his allocation to speculative-grade credit to the lowest since his firm was founded. He sees elements of 1999 and 2006-2007 in today's markets and said longer-term US Treasuries are no longer risk-free investments.
- Trump's tariffs are poised to severely impact Japan's crucial auto sector, with Toyota, Honda, Mazda, Subaru, and other carmakers preparing for a combined financial blow exceeding \$19 billion this fiscal year.
- Tesla stock is now up +22% since its June 5th low after the feud between President Trump and Elon Musk. Since then, Musk has apologised, and Trump said it was "very nice."
- Paul Tudor Jones on Bloomberg. Trades:
 - Dovish Fed Chair: negative real rates to get out of debt trap
 - Steepener 100bps+
 - ST rates down to 2.5% + LT 3.5%
 - Dollar down -10% a yr from now

DISCLAIMER

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