



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Sep'25 Brent futures contracts rallied all morning to \$67.96/bbl at 11:30 ST (time of writing). In the news, the American Petroleum Institute (API) reported a 680 kb increase in US crude oil inventories for the week ending June 27, reversing a streak of significant inventory draws in the past five weeks. Gasoline inventories grew by 1.92 mb, Distillate inventories fell by 3.46 mb, and Cushing inventories dropped by 1.42 mb. The Department of Energy also reported a 300kb rise in the Strategic Petroleum Reserve (SPR). In other news, Chinese refiners are continuing to import high volumes of crude from Iran, with first-half imports estimated at nearly 1.4 mb/d, despite official customs data showing no imports from Iran since 2022. Ports near Qingdao, Dalian, and Zhoushan have been major points of entry, with Kpler tracking 15.5 mb of Iranian crude arriving last month alone. The discounted crude has provided Iran with nearly \$1B in revenue. US President Trump recently suggested that China could continue importing Iranian oil. Chevron, TotalEnergies, and Eni are among 37 companies competing in Libya's first energy exploration tender since 2011. Libya has struggled with production due to over a decade of conflict and political instability. The country currently produces around 1.4mb/d, with a target of reaching 2 mb/d before 2030. The new tender covers 22 offshore and onshore blocks, with contracts expected to be signed by the end of 2025. Finally, the front-month Sep/Oct spread is at \$0.98 /bbl and the 6-month Sep/Mar'26 spread is at \$2.57/bbl.

CRUDE

Very bid morning in Dated with the balmo DFL implied up to \$1.80/bbl with the bal Jul/Aug DFL roll lifted up to \$0.45/bbl. There was strong buying of the 2-8 Jul/Cal Aug to \$1.70/bbl from a major and the 16-22 Jul/Cal Sep roll traded up to \$1.75/bbl. There was selling in the Aug/Sep DFL roll at \$0.46/bbl before getting implied higher with spreads moving up and Aug DFL trading higher on screen. In structures we also saw the 21-25 Jul 1w roll sold by a trade at \$0.34/bbl before going bid over and the 21-25 Jul CFD lifted up to \$1.51/bbl. The Q4 DFL saw better buying up to \$0.35/bbl and there was some sell-side interest in prompt Q's in 26.

This morning in Brent/Dubai, the August contract rallied strongly, trading up from -\$0.2/bbl to \$0/bbl. This came despite large selling by Major in Q4, which traded \$0.42/bbl to \$0.4, market maker and tradehouse on the bid. This combination meant that all of the boxes rallied, with Aug/Sep trading -\$0.25/bbl to -\$0.18/bbl. There was also some Tradehouse buying of September Brent/Dubai which traded \$0.09/bbl to \$0.18/bbl. The Dubai spreads were quieter, trading slightly up with Aug/Sep trading from \$0.84/bbl to \$0.89/bbl.

FUEL OIL

A stronger start to the morning in VLSFO, with Sing 0.5 spreads down the curve being bid. The front Sing crack was initially stronger trading up to \$12.10/bbl. However on higher crude the front crack came off, trading down to \$11.90/bbl. The front spread traded up to \$6.50/mt. The backend Sing spreads continued to be bid even with the front sing crack coming off. The Euro crack generally traded in line with the Sing crack, trading down to \$6.40/bbl from \$6.70/bbl. Euro spreads were slightly better bid this morning, however there was little price action as a result, with Aug/Sep Euro trading around \$7.75/mt.

In HSFO, 380 enjoyed a stronger start to the morning, with buying on flat price from Chinese arbers. The front 380 crack traded up to -\$0.90/bbl from -\$1.20/bbl. The crack buying supported the E/W up to \$9.00/mt. 380 spreads also benefitted from some strength on the crack as well as buying on the balmo spread, with Aug/Sep 380 trading up to \$4.00/mt from \$3.50/mt. Barges remained fairly steady, not experiencing any of the strength that 380 saw, with the front crack trading around -\$2.50/bbl.

DISTILLATES

This morning in distillates, Sing gasoil spreads traded rangebound, Aug/Sep slightly better bid on stronger ICE gasoil as the E/W was better offered, Aug hit down on screen to -\$29.75/mt before trading back up to -\$18.00/mt post-window. Regrade was initially sold down to -\$1.70/bbl in Aug before going better bid after the window, -\$1.60/bbl lifted on screen.

ICE gasoil spreads rallied for the morning, Jul/Dec trading up to \$69.25/mt as the cracks were rangebound, Aug trading at \$23.50/bbl. Euro jet diffs traded rangebound, Aug at \$41.25/mt as the Q4 traded at \$46.75/mt. Heating oil spreads were rangebound, as were the HOGOs, Aug trading at 15.2 c/gal.

GASOLINE

This morning in gasoline 92 flatprice traded end window at \$75.65/bbl with MOC better bid. The east opened stronger but got sold into throughout the morning with front spreads getting hit Aug/Sep traded down from \$1.35/bbl to \$1.22/bbl and Aug/Nov at \$3.42/bbl with E/W trading back from -\$5.45/bbl to -\$5.8/bbl. Cracks came off opening at \$9.2/bbl and trading down to \$8.95/bbl post window. In Europe the crack traded up in the front with Aug at \$15/bbl and Q4 cracks trading at \$7.85/bbl as did spreads which rallied with Aug/Sep trading up from \$13.5/mt to \$14.5/mt end window. Arbs opened at 13.85c/gal but traded down slightly to 13.65c/gal with Europe stronger post window and RBBRs remaining balanced trading at \$19.5/bbl end window.

NAPHTHA

This morning in naphtha MOPJ flatprice traded end window at \$568.5/mt with MOC better bid. Spreads were slightly better offered as we saw Aug/Sep weakening from \$3.5/mt to \$3/mt with flatprice also seeing sellside interest. Front E/W was balanced around \$26/mt with MOPJ initially opening weaker than NWE before evening out. European cracks came off as crude strengthened, trading down from -\$5.4/bbl to -\$5.7/bbl which also pushed Q4 cracks down from -\$4.9/bbl to -\$5/bbl during the window. Spreads were more balanced in Europe, trading at \$2/mt after the window.

NGLS

This morning in NGL's, FEI was better offered with front structure coming off as well as deferred structure slightly. In prompt structure, we saw Aug/Sep and Sep/Oct trading down to -\$4.5/mt and -\$5/mt respectively whilst in deferred, we saw Jan/Feb and Dec/Dec trading down to \$6/mt and \$47/mt respectively. Physical Window continued its theme of being better offered with 2 bids getting hit; 1H Aug at Balmo Jul FEI minus \$1.5/mt and 2H Aug at Balmo Jul FEI minus \$1.5/mt. FEI/CP softened on FEI weakness in the front with Aug and Sep trading down to -\$25/mt and -\$16/mt respectively; Arbs were stronger across the curve owing to the same ration with Aug and Sep trading up to -\$156.5/mt and -\$157/mt respectively whilst in the back, we saw Q1 trade up to -\$150/mt. CP structure was broadly unchanged with just Aug/Sep and Sep/Oct trading at \$3.5/mt and -\$3/mt respectively.

GLOBAL MACRO

- Fed Chair Powell
 - says a “solid majority” at the Fed expect rate cuts later this year. Powell also says he cannot say whether July is too soon to consider cutting rates.
 - we expect to see higher inflation readings over summer.
 - We see gradual cooling in the labour market.
 - US federal fiscal path is not a sustainable one. Level of debt is sustainable, but the path is not.
 - We think the prudent thing to do is to wait and learn more.
- Strong headline June ISM but under the hood the data was worse, new orders and employment both lower with inflation higher. Employment at 45.0 was particularly poor. June ISM Manufacturing PMI up to 49.0 vs. 48.8 est. & 48.5 prior ... new orders down to 46.4 vs. 47.6 prior; prices paid up to 69.7 vs. 69.4 prior ... employment down to 45.0 vs. 46.8 prior.
- Eurozone inflation hits 2% in June — right on ECB’s target. Core stays sticky at 2.3%, services at 3.3%.
- GUINDOS: EURO GAIN BEYOND \$1.20 WOULD BE MORE COMPLICATED
- Tsy Sec Bessent: “This bill will set off growth like we have never seen before”..... pump the economy, more dollar down and gold up.
- BESSENT: WE’RE HOPING CHINA RARE EARTH MAGNETS FLOW FASTER *BESSENT: CHINA MAGNETS STILL NOT FLOWING AS THEY WERE PRE-APRIL Hmm. Even though the US/China trade deal was supposedly done and dusted, China weaponizing rare earths is a theme that will be with us for a while.
- TRUMP: I’m not thinking about extending the July 9th deadline. I doubt we’ll have a deal with Japan..... Japan to pay 30%, 35% or whatever tariff we determine
- US Treasury Secretary Bessent says he admires Elon Musk on rockets, but “I’ll take care of finances.” Bessent says the tax bill “more than pays for itself.”
- Trump: We’ll have to take a look. We might have to put DOGE on Elon. You know what DOGE is? The monster that might have to go back and eat Elon. Wouldn’t that be terrible? He gets a lot of subsidies.
- Elon Musk responds to Trump: “So tempting to escalate this. So, so tempting. But I will refrain for now.” That’s not a peace offering, it’s a warning shot. The richest man alive just told the GOP’s frontman: I could bury you. I’m just choosing not to — yet.
- S&P 500 has the narrowest breadth ever
- Effective July, 2025 — Gold is now officially recognized as a TIER 1 ASSET under U.S. Basel III regulations.
- US MAY JOB OPENINGS 7.769M; EST. 7.300M – BBG. Traders pare Fed rate cuts a bit after JOLTS data. OIS shows September as the most likely start to rate cuts, with just 21% chance for July rate cut.
- Copper Rises to Three-Month High on China Manufacturing Rebound



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