

06 July 2020

Oil and Energy Market News

Oil prices ended the day up 0.3% at \$43.15 as prices moved up, with Brent crude edging higher on tighter supplies and positive economic data, while U.S. benchmark WTI futures less positive on concerns that a spike in coronavirus cases could curb fuel demand in the United States.

Saudi Arabia's announced that it was to raise the premium of its benchmark grade crude, and all other grades, by a \$1 a barrel, according to Reuters. This represents the third straight price increase by one of the biggest exporters of oil.

A blockade of oil-producing country Libya remains in place, hindering exports from the north African producer and helping to fuel expectations that supplies for crude may tighten more than expected.

Brent Basis:

43.15

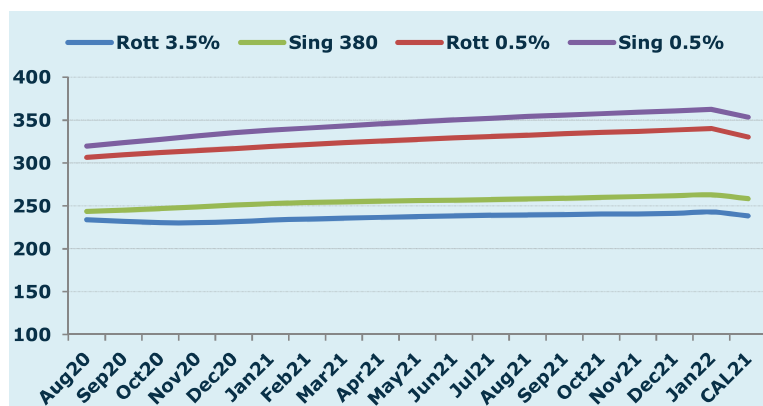
	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%	Sing Hi5
Aug20	233.90	243.65	306.50	319.75	76
Sep20	232.15	245.15	309.75	323.50	78
Oct20	230.40	246.90	312.25	327.50	81
Nov20	230.40	248.90	314.50	331.50	83
Dec20	231.65	250.90	316.75	335.25	84
Jan21	233.40	252.65	319.00	338.25	86
Q4-20	230.80	248.90	314.50	331.40	83
Q1-21	234.57	253.82	321.25	340.75	87
Q2-21	237.40	256.15	327.42	348.00	92
Q3-21	239.40	258.15	332.50	354.17	96
CAL21	238.35	258.35	330.35	353.35	95

Fuel Oil Market

The crack opened at -6.50, weakening to -6.55, before strengthening to -6.35, closing -6.45. The Cal 20 crack was valued around -7.50.

Morgan Stanley believes that Asian LNG prices, they believe, are likely to remain range-bound in \$3.5 – 5/mmbtu for the next three years.

Demand for gas, is likely to grow at 7.5 per cent (CAGR) between FY20 – 25. "India's consumer gas price has declined 14% in the past two years, and we expect it to decline 29% below F20 levels for the next five years, adding tailwinds to demand growth – a key parameter which we think the market is underestimating," the Morgan Stanley note said.



	Rott GOFO	Sing GOFO	R FoGo	S FoGO	Rott Hi5
Aug20	139.60	124.10	-67.00	-48.00	73
Sep20	144.43	122.30	-66.83	-43.95	78
Oct20	148.63	121.89	-66.78	-41.29	82
Nov20	150.00	121.46	-65.90	-38.86	84
Dec20	151.10	121.25	-66.00	-36.90	85
Jan21	152.28	121.88	-66.68	-36.28	86
Q4-20	149.95	121.37	-66.25	-38.87	84
Q1-21	152.80	123.39	-66.12	-36.46	87
Q2-21	157.67	128.51	-67.66	-36.66	90
Q3-21	163.18	133.91	-70.08	-37.90	93
CAL21	159.47	129.17	-67.47	-34.17	92

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TIME SPREADS FUEL

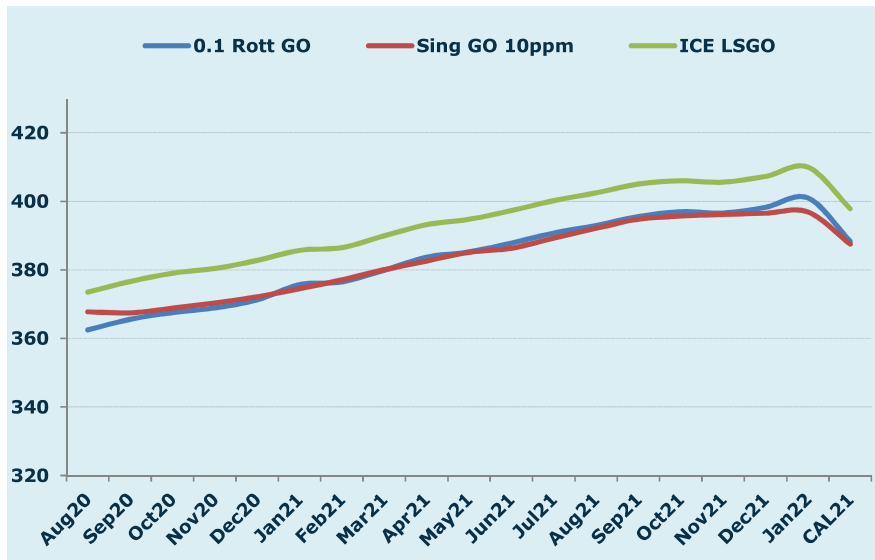
	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%
Aug20/Sep20	1.75	-1.50	-3.25	-3.75
Sep20/Oct20	1.75	-1.75	-2.50	-4.00
Oct20/Nov20	0.00	-2.00	-2.25	-4.00
Nov20/Dec20	-1.25	-2.00	-2.25	-3.75
Dec20/Jan21	-1.75	-1.75	-2.25	-3.00
Q4-20/Q1-21	-3.77	-4.92	-6.75	-9.35
Q1-21/Q2-21	-2.83	-2.33	-6.17	-7.25
Q2-21/Q3-21	-2.00	-2.00	-5.08	-6.17
CAL21/CAL22	-14.50	-17.75	-14.5	-27.75

GASOIL CURVES

	Rott 0.1	SGO 10ppm	ICE GO
Aug20	362.5	367.8	373.5
Sep20	365.6	367.5	376.6
Oct20	367.5	368.8	379.0
Nov20	368.9	370.4	380.4
Dec20	371.3	372.1	382.8
Jan21	375.7	374.5	385.7
Q4-20	369.3	370.3	380.8
Q1-21	377.4	377.2	387.4
Q2-21	385.6	384.7	395.1
Q3-21	393.1	392.1	402.6
CAL21	388.3	387.5	397.8

EW SPREAD

	EW380	EW0.5%
Aug20	9.75	13.25
Sep20	13.00	13.75
Oct20	16.50	15.25
Nov20	18.50	17.00
Dec20	19.25	18.50
Jan21	19.25	19.25
Q4-20	18.10	16.90
Q1-21	19.25	19.50
Q2-21	18.75	20.58
Q3-21	18.75	21.67
CAL21	20.00	23.00
Jan-00	23.25	36.25



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