

08 July 2020

Oil and Energy Market News

Oil prices ended the day around flat at \$43.12 as rising U.S. crude inventories and an increase in U.S. coronavirus infections halted a recent recovery sparked by easing lockdowns.

The latest surge in U.S. coronavirus cases, taking the U.S. total above 3 million, has reduced hopes for a swift recovery in oil demand which has been hammered by the global lockdowns to prevent the virus spreading Reuters noted.

The EIA reported today that U.S. crude inventories rose by 5.7 million barrels for the week ended July 3. Gasoline supply fell by 4.8 million barrels, while distillate stockpiles climbed by 3.1 million barrels. The S&P Global Platts survey had shown expectations for supply declines of 1.2 million barrels for gasoline and 500,000 barrels for distillates.

DOE weekly petroleum status report figures:

Crude: (+5.7 Mb)
Gas: (-4.8 Mb)
Diesel: (+3.1 Mb)
Propane: (+2.2 Mb)

Brent Basis:

43.14

	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%	Sing Hi5
Aug20	238.20	250.70	304.54	318.54	68
Sep20	235.45	250.45	308.54	322.29	72
Oct20	233.20	251.45	312.04	326.54	75
Nov20	232.70	252.70	314.54	330.29	78
Dec20	233.45	254.20	316.54	333.79	80
Jan21	235.45	255.70	320.04	337.04	81
Q4-20	233.10	252.80	314.40	330.20	77
Q1-21	236.78	256.62	322.38	339.71	83
Q2-21	239.70	258.20	330.46	346.71	89
Q3-21	241.70	259.95	336.96	352.71	93
CAL21	239.80	258.55	331.80	353.55	95

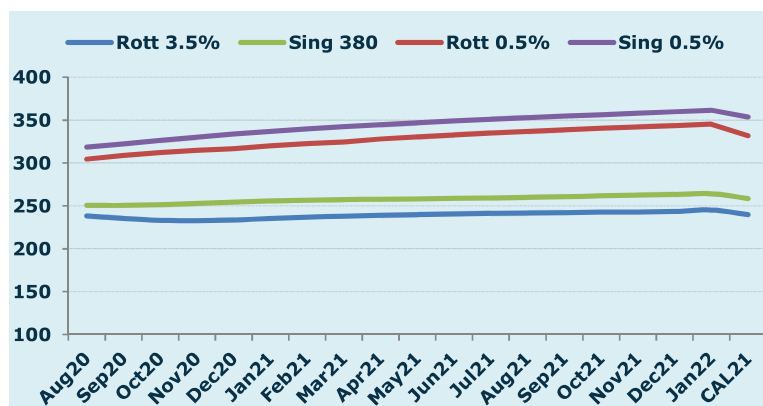
Fuel Oil Market

The crack opened at -6.10, strengthening to -5.80 across the day. The Cal 20 crack was valued around -7.50.

Paying more for crude affects refining margins, so some refiners in North West Europe started to purchase more light crude from the US and West Africa and subsequently produce less fuel oil.

The shortage of fuel oil is already visible in bunker pricing in ARA and in an increase in imports. While Russia remains the main supplier into the region, a number of rare fuel oil cargoes are expected to arrive from the Americas.

The tight fuel oil supply is affecting ARA bunker prices, particularly for HSFO which have recently increased and are now at parity with the other hubs. While HSFO constitutes a small proportion of the global bunker demand, there is evidence that VLSFO prices are also affected, although to a smaller extent.



	Rott GOFO	Sing GOFO	R FoGo	S FoGO	Rott Hi5
Aug20	133.59	115.34	-67.25	-47.50	66
Sep20	139.95	116.26	-66.86	-44.42	73
Oct20	145.04	117.35	-66.20	-42.26	79
Nov20	146.95	118.11	-65.11	-40.52	82
Dec20	148.55	118.84	-65.46	-39.25	83
Jan21	149.74	120.25	-65.15	-38.91	85
Q4-20	146.85	118.21	-65.55	-40.81	81
Q1-21	150.19	122.39	-64.59	-39.30	86
Q2-21	155.57	128.48	-64.82	-39.97	91
Q3-21	161.44	134.13	-66.19	-41.37	95
CAL21	158.48	130.93	-66.48	-35.93	92

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TIME SPREADS FUEL

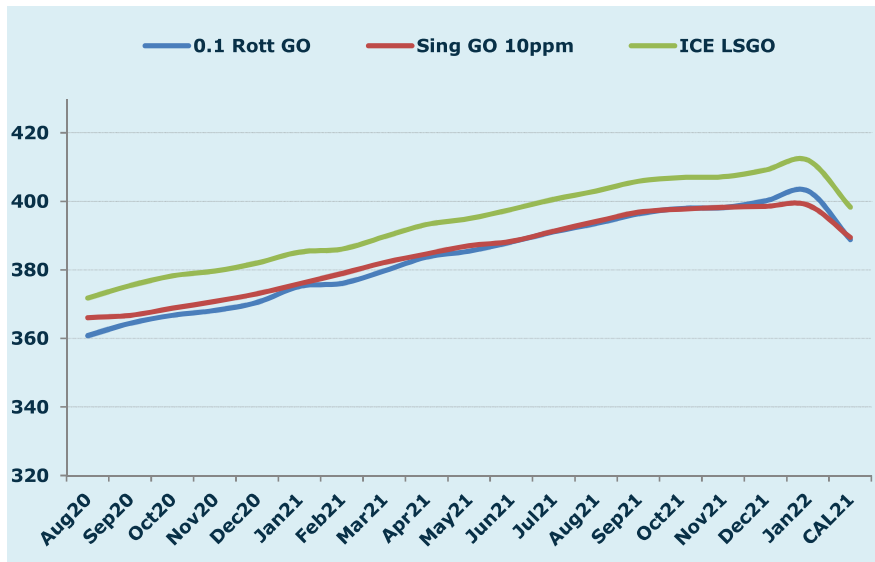
	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%
Aug20/Sep20	2.75	0.25	-4.00	-3.75
Sep20/Oct20	2.25	-1.00	-3.50	-4.25
Oct20/Nov20	0.50	-1.25	-2.50	-3.75
Nov20/Dec20	-0.75	-1.50	-2.00	-3.50
Dec20/Jan21	-2.00	-1.50	-3.50	-3.25
Q4-20/Q1-21	-3.68	-3.82	-7.97	-9.51
Q1-21/Q2-21	-2.92	-1.58	-8.08	-7.00
Q2-21/Q3-21	-2.00	-1.75	-6.50	-6.00
CAL21/CAL22	-14.50	-17.75	-14.5	-27.75

GASOIL CURVES

	Rott 0.1	SGO 10ppm	ICE GO
Aug20	360.8	366.0	371.8
Sep20	364.4	366.7	375.4
Oct20	366.7	368.8	378.2
Nov20	368.1	370.8	379.6
Dec20	370.5	373.0	382.0
Jan21	375.2	376.0	385.2
Q4-20	368.5	371.0	380.0
Q1-21	377.0	379.0	387.0
Q2-21	385.8	386.7	395.3
Q3-21	393.6	394.1	403.1
CAL21	388.8	389.5	398.3

EW SPREAD

	EW380	EW0.5%
Aug20	12.50	14.00
Sep20	15.00	13.75
Oct20	18.25	14.50
Nov20	20.00	15.75
Dec20	20.75	17.25
Jan21	20.25	17.00
Q4-20	19.70	15.80
Q1-21	19.83	17.33
Q2-21	18.50	16.25
Q3-21	18.25	15.75
CAL21	18.75	21.75
Jan-00	22.00	35.00



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