



# Monthly Fuel Oil Report

London +44 20 7090 1134 - Sam Twyford - SamT@freightinvestor.com

## November-2020

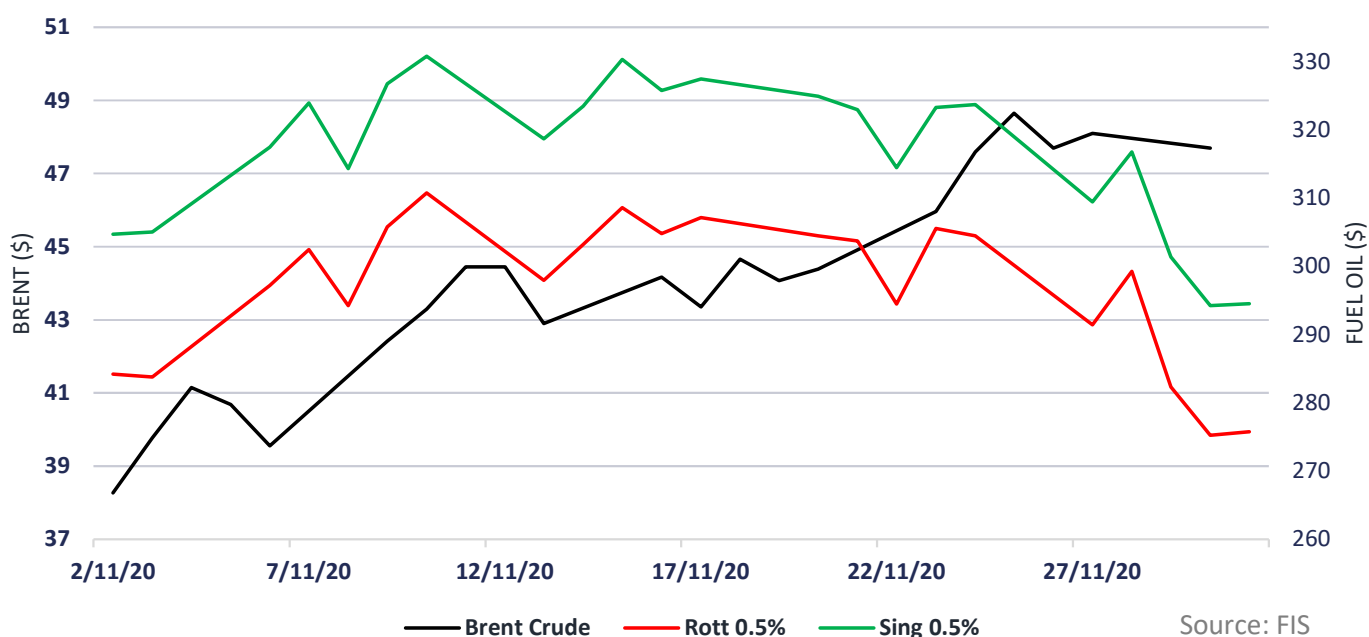
### Month Overview

November proved to be a month of two halves, with the pivot point being the announcement of vaccines from various pharmaceutical and research companies sustaining and pushing oil to highs not seen since February on the front month. this was complemented with the bullish news of less than expected output increases, which left oil market participants taking a positive view, as we entered the final month of the year.

We also took a step further in knowing who may be in the White House in January, with allegations of voter fraud allowing Trump to vociferously contest the result of what seems like a marginal Biden win, at the polls after winning key states late on in the election.

Research coming from major trading houses found that oil could reach levels as high of \$55 per barrel average for next year, with Goldman Sachs taking an even more bullish view on the environment by expecting brent to reach \$65 per barrel in 2021. Evidently, these scenarios are all heavily dependent on the state of global lockdowns and the longevity with which they persist.

**Brent Crude (Jan) And 0.5% Fuel (Dec)**



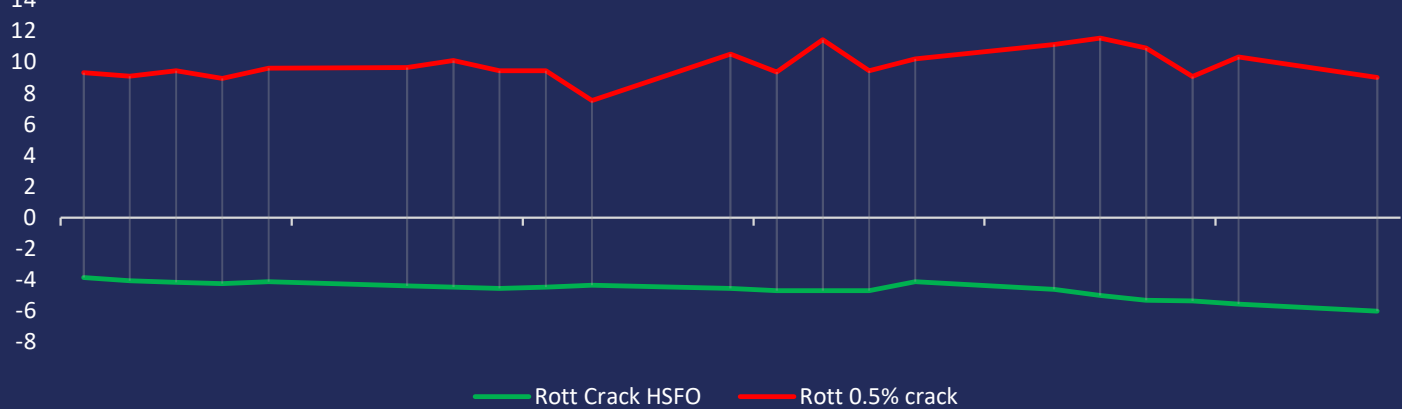
### Crack Market

The crack market has remained relatively stable on the high sulphur, but has weakened slightly throughout the month ending the first printing -3.85 but towards month-end posting around the -6.00 level. It seems that this HSFO market, which has been strong for much of the year, is finally weakening.

The implied Rott 0.5% crack has ended the month again with little deviation or movement, but printed at highs of just under 11 with lows of 7.5 and was range bound between these two levels over the month.

### Rott Crack (Dec)

2/11/20      7/11/20      12/11/20      17/11/20      22/11/20      27/11/20

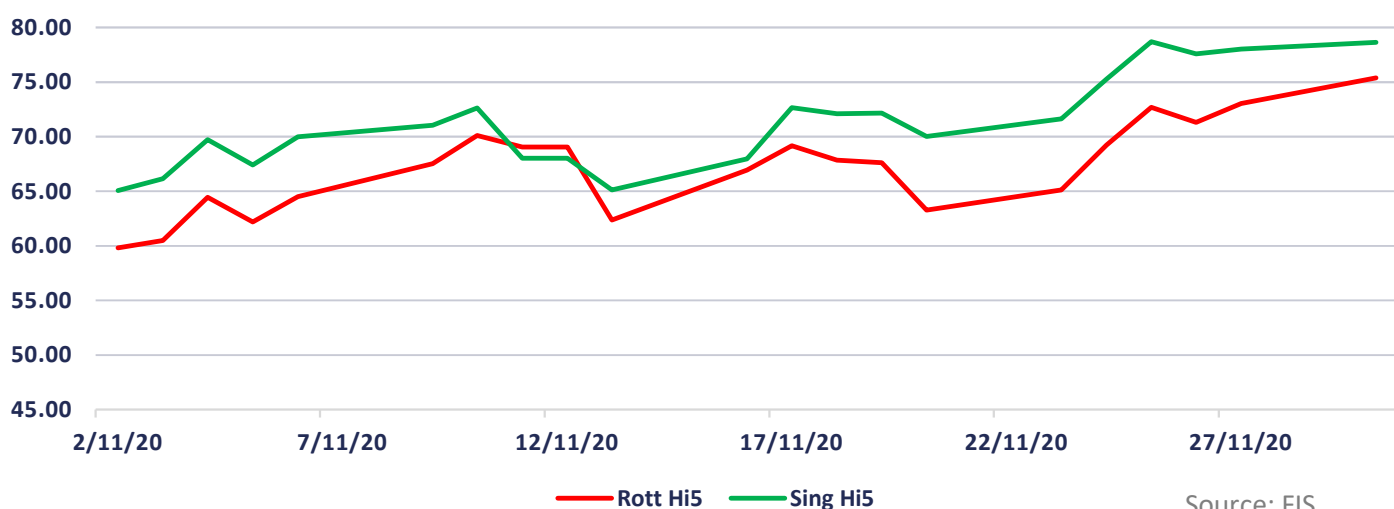


Source: FIS

## Hi5 Spread (VLSFO v HSFO)

Both the Rott and the Sing Hi5 congruently strengthened across the November with the spread between the two narrowing significantly at mid-month to the point where the Rott Hi5 was greater than the Sing Hi5. Both spreads ended the month pushing over the 75 level. With the HSFO crack weakening relative to the 0.5% this has driven the increasing spread difference, moving it comfortably away from year lows.

### Hi5 Diffs (Dec)



Source: FIS

## VLSFO v Gasoil, Gasoil Movements and Rising EWs

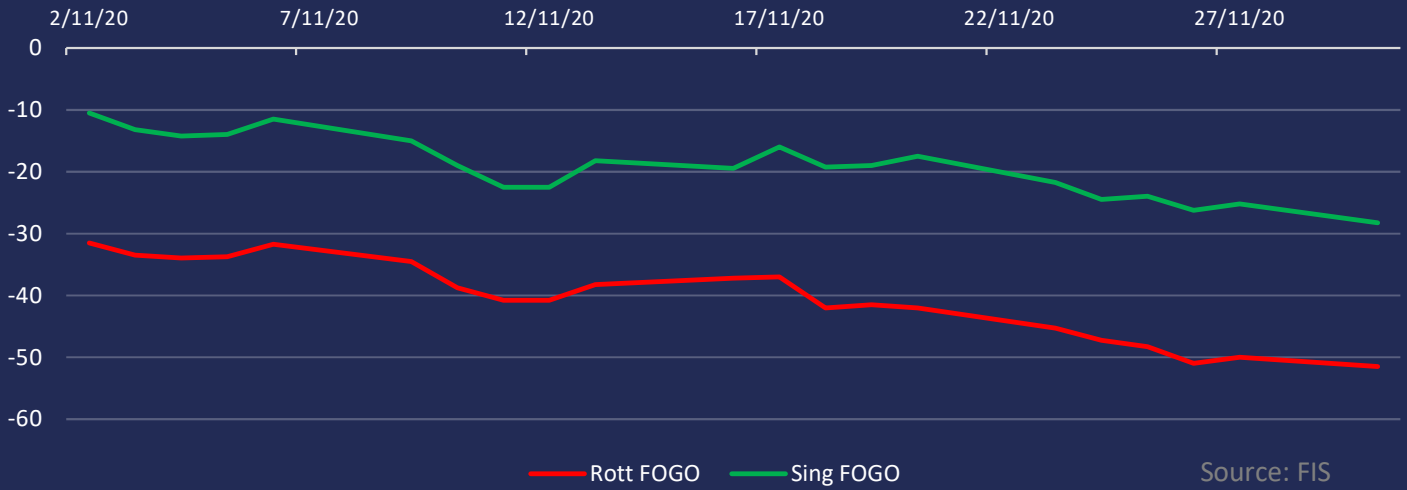
The FOGO spreads for both the Sing and Rott grades both tapered off and weakened through November, both coming off \$10.

Gasoil prices rallied as the month continued, with the price reaching just under \$400/mt for both East and West products, both pushing over \$70 on the month. This spread weakening reverses the trend of a strong 0.5% fuel complex relative to gasoil, and moves it closer to average levels for the year.

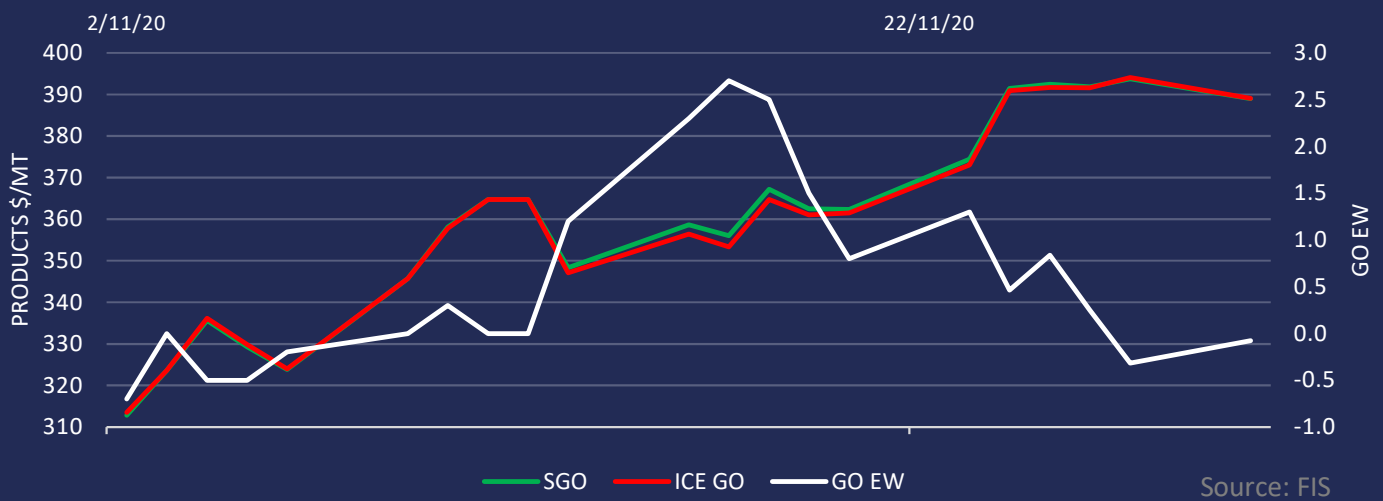
Gasoil EW saw a rally mid-month in November, reaching \$2.75 before coming off quite sharply towards the end of the month dropping into negative territory, before ending November flat. But it is still hovering around flat levels, around which it has stayed for much of the last 6 months.

EW380 continued its rise into the month, before plateauing towards the end of the month to end at \$19.

## FO/GO Spreads (Dec)

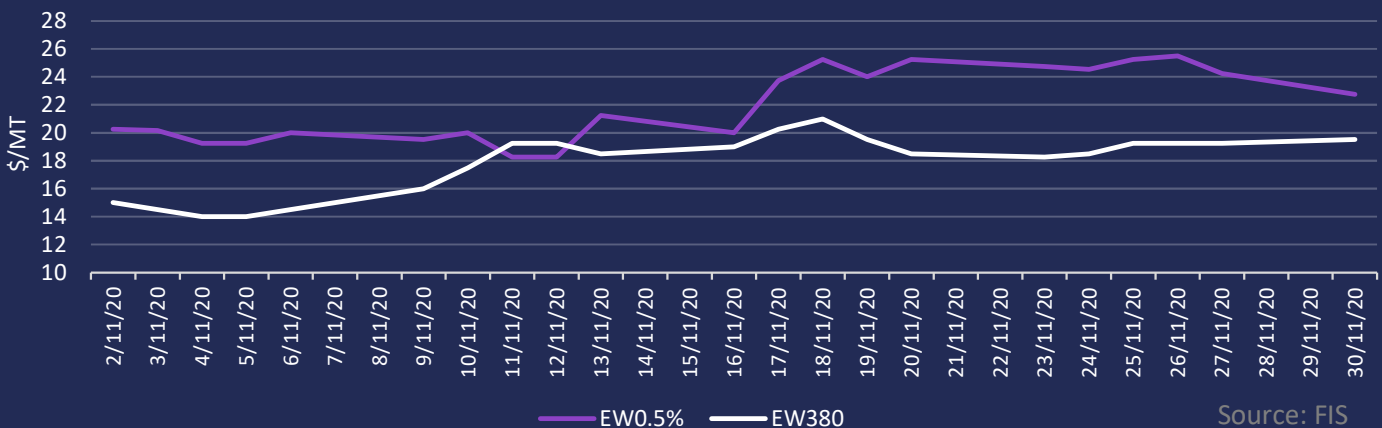


## Gas oils (Dec)



## Strengthening EW for HSFO and 0.5%

### EWs (Front Month)



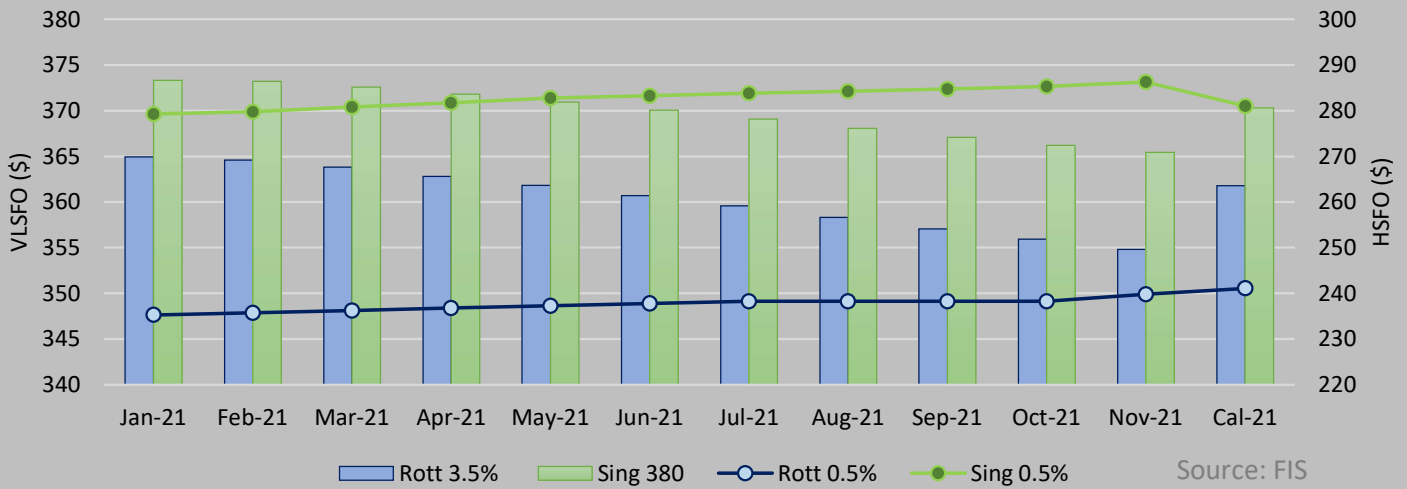
## Index Settlements Averages

|                 | Rott 3.5%     | Sing 380      | Rott 0.5%     | Sing 0.5%     | Rott Hi5     | Sing Hi5     |
|-----------------|---------------|---------------|---------------|---------------|--------------|--------------|
| <b>Settled</b>  | <b>253.21</b> | <b>275.09</b> | <b>317.88</b> | <b>340.65</b> | <b>67.2</b>  | <b>71.33</b> |
| <b>Previous</b> | <b>235.83</b> | <b>250.62</b> | <b>299.33</b> | <b>318.48</b> | <b>63.50</b> | <b>67.9</b>  |
| <b>% m2m</b>    | <b>6.9%</b>   | <b>8.9%</b>   | <b>5.8%</b>   | <b>6.5%</b>   | <b>5.5%</b>  | <b>4.8%</b>  |
| <b>YTD</b>      | <b>216.52</b> | <b>237.77</b> | <b>306.52</b> | <b>336.74</b> | <b>89.61</b> | <b>98.97</b> |

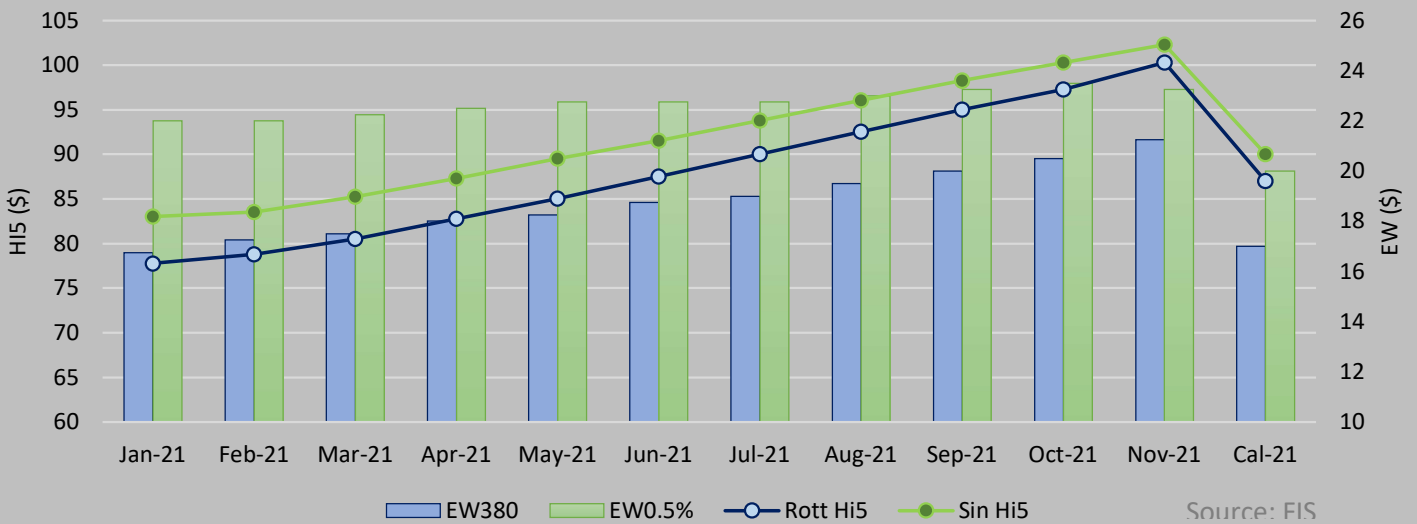
\*Please note that these are not official figures from which to calculate margining or settlements

# Current Forward Curves

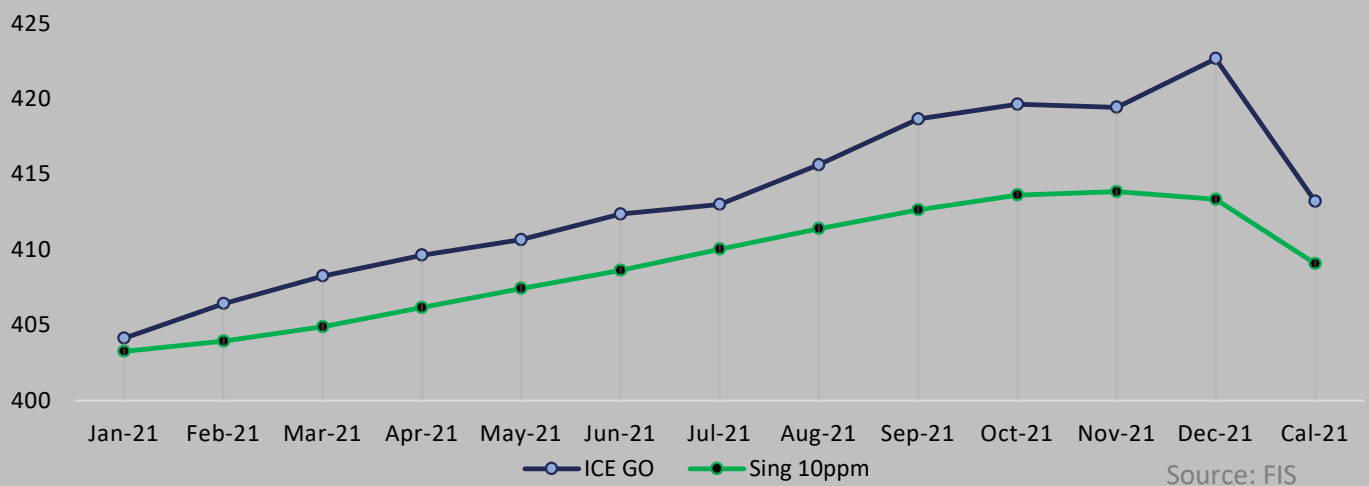
## HSFO and VLSFO Forward Curves



## Rott and Sing EW and Hi5 Forwards Curves



## Gasoil Forward Curves



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