



Monthly Fuel Oil Report

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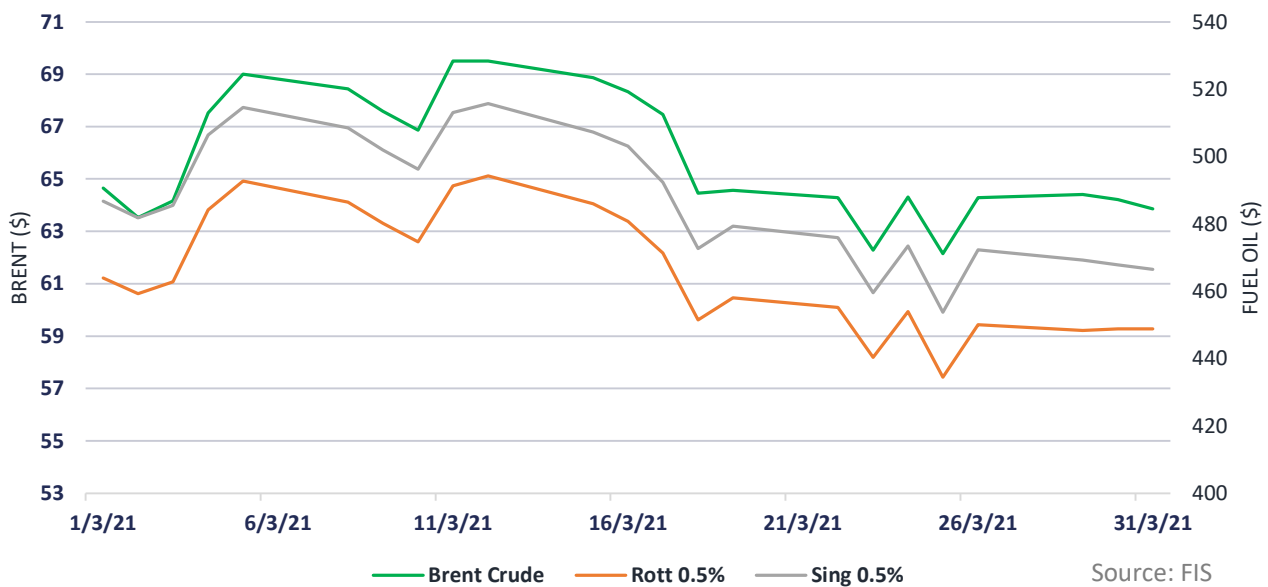
March-2021

Month Overview

it is fair to say the March was most definitely a month of two halves, by that, meaning that we saw a good push at the beginning of the month after the OPEC meeting in which output was held steady for the month of April, pushing prices over \$70 per barrel, this was coupled with the news that key ports in Saudi Arabia had been targeted by Houthi rebels at a similar time. Throughout the month, the tension grew between the two sides, with Saudi launching 32 airstrikes on the rebels in a bid to end the attacks on the key petroleum ports.

As mid-month approached, EIA figures became increasingly volatile with most surprisingly a build of 21 million barrels in crude on the report from 10th March. Unsurprisingly, the market reacted negatively and rising unease in the market, oil broke through four resistance levels towards the middle stages of March, hitting the \$60 per barrel mark. The key factor in this fall can be attributed to the volatile situation regarding COVID-19, with vaccine programmes still in infant stages in many countries and easing of lockdowns having a disastrous effect on the proliferation of the Virus.

Brent Crude (MAY) and 0.5% Fuel (APR)

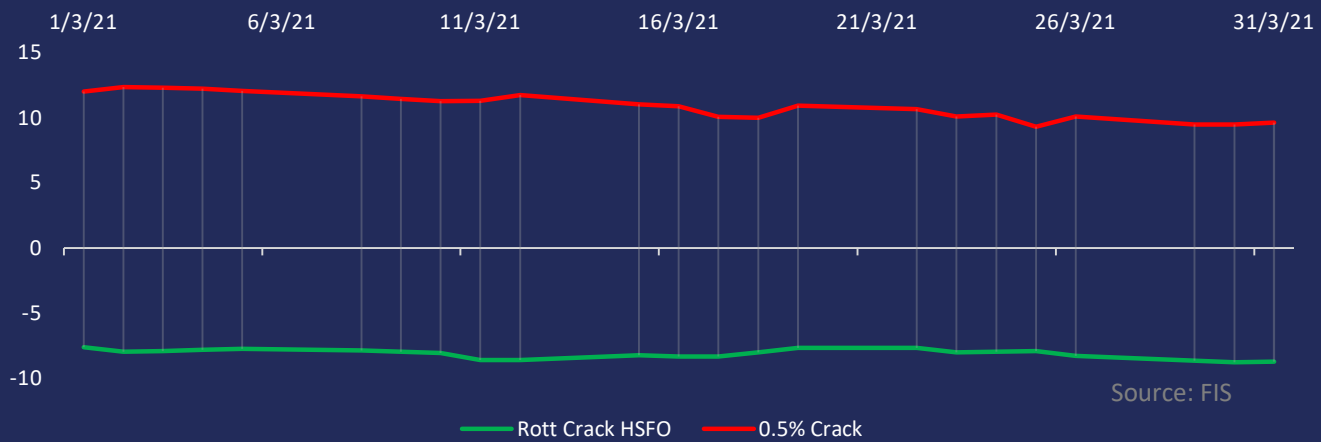


Crack Market

In a similar vein of from to February, the HSFO Barges crack continued to fall over the month, with the final print at - 8.7 after starting the month trading at around the -7.6 levels. This comes as Bangladesh, the largest importer of HSFO in South Asia, was due to step up HSFO imports in March, estimated at 350,000 mt, compared with 300,000 mt in February, to meet an anticipated increase in power demand as local temperatures rise.

The implied 0.5% crack also followed a similar trend of weakening as the month ran on, with the crack ending the month at 9.60, down from 12 at the start of the month. Singapore's current stocks are sufficient to meet demand. In addition to 3.5 million mt of stocks in landed terminals, there are about 2.5 million-3 million mt of stocks of low sulfur fuel oil sitting in floating storage around Singapore, market sources said in late March.

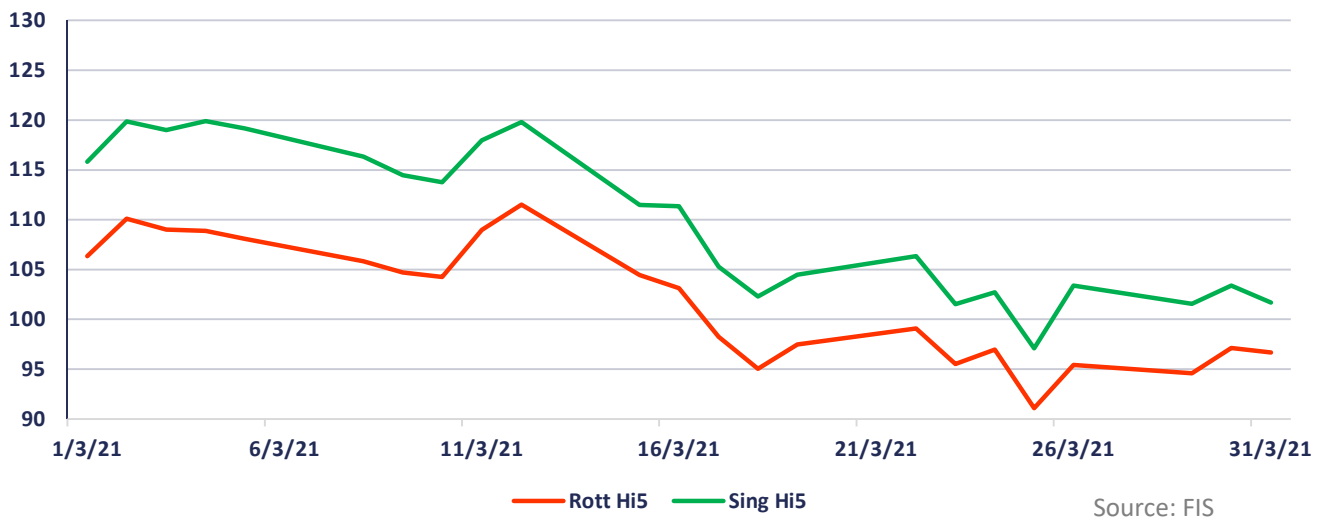
Rotterdam Crack (APR)



Hi5 Spread (VLSFO v HSFO)

After the recent push in the Hi5 spreads on both Rotterdam and Singapore, with the softening of crude and the cracks, the Hi5 spreads began to soften too, with both differentials ending the month at 96.5 and 101.5 respectively in March after reaching highs of 111 and 120 respectively which were highs not seen for over a year.

Hi5 Diffs (APR)



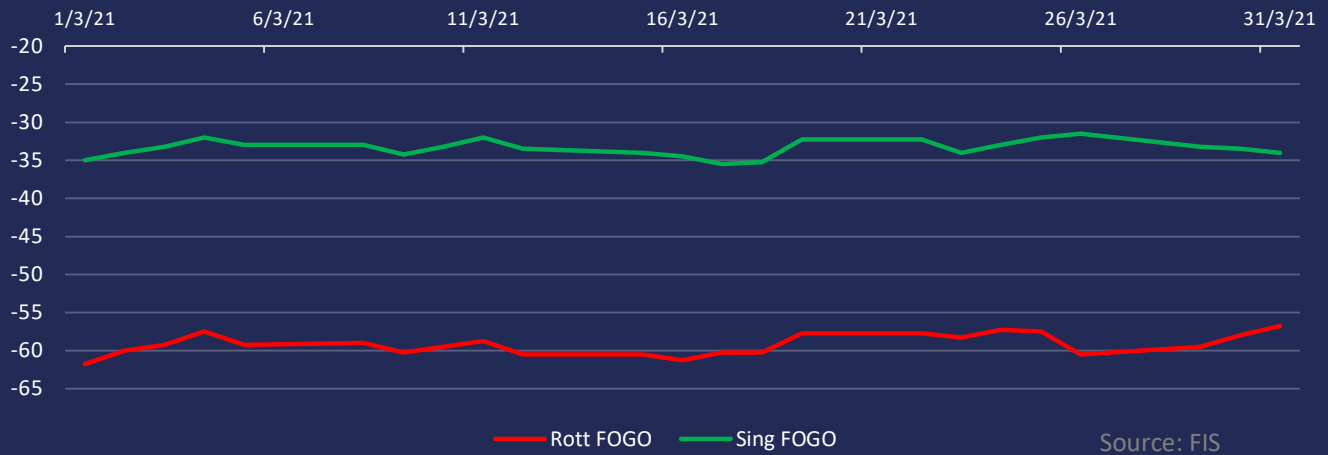
VLSFO v Gasoil, Gasoil Movements and EWs

The Fogo spreads throughout March showed a fair amount of movement, with the sing Fogo ending the month a touch higher (-35) than where it commenced (-34), with the Rott Fogo pushing up by around \$5 to end printing -56.75.

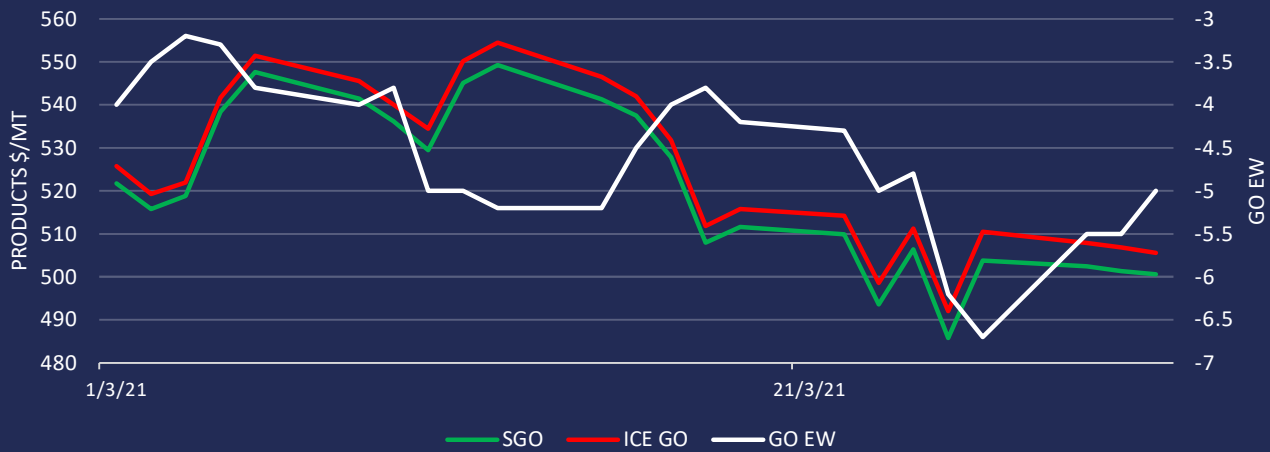
As with the fall in Brent around mid-month, the gasoil softened and as such brought with it the VLSFO contracts. Most notably, the market saw the GO EW differential fall to lows of -6.75 towards the latter stages in a continued decline into March, given that in mid-February we saw this differential venture into positive figures.

The EW380 and the 0.5% EW both showed some volatility in March, with key drivers being the disruption caused by the vessel 'EVERGIVEN' in the Suez Canal; affecting loadings and voyages across the whole of the global trade route. The 0.5% ended the month valued at 17.75 after hitting highs of 22.75, with the reaching highs of 14.25, and printing 12.75 on the final day of the month at close.

FO/GO Spreads (APR)

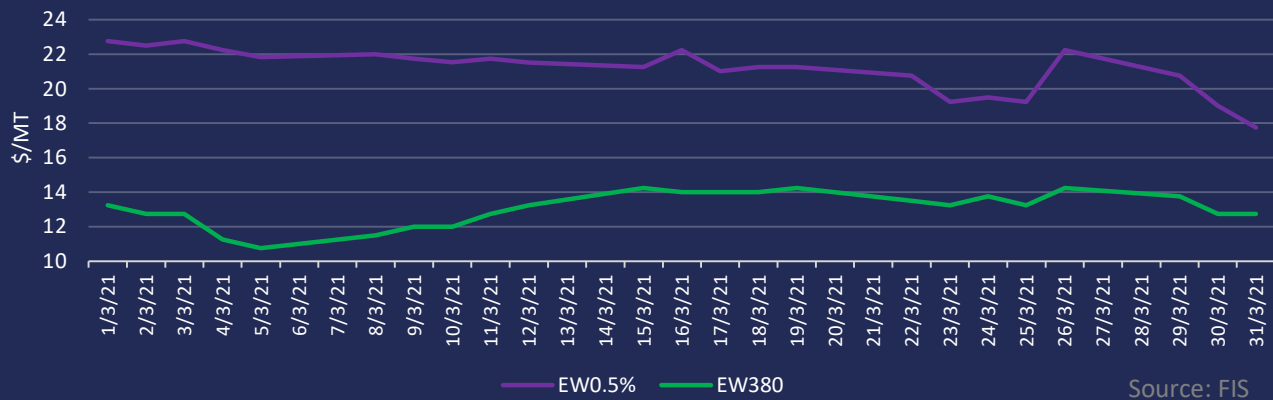


Gas oils (APR)



Slight softening of the EW HSFO and 0.5%

EWs (Front Month)



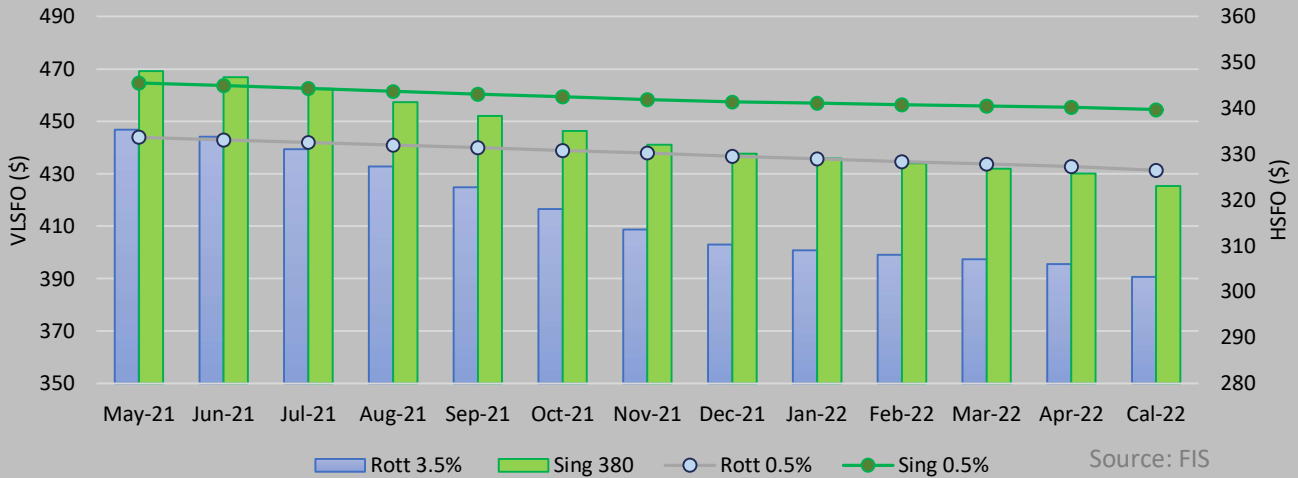
Index Settlements Averages

	Rott 3.5%	Sing 380	Rott 0.5%	Sing 0.5%	Rott Hi5	Sing Hi5
Settled	365.48	380.4	468.99	488.64	103.51	108.241
Previous	346.96	359.77	454.97	482.94	108.01	123.17
% m2m	5.3%	5.7%	3.1%	1.2%	-4.2%	-12.1%
YTD	342.25	355.49	442.77	465.69	98.93	105.21

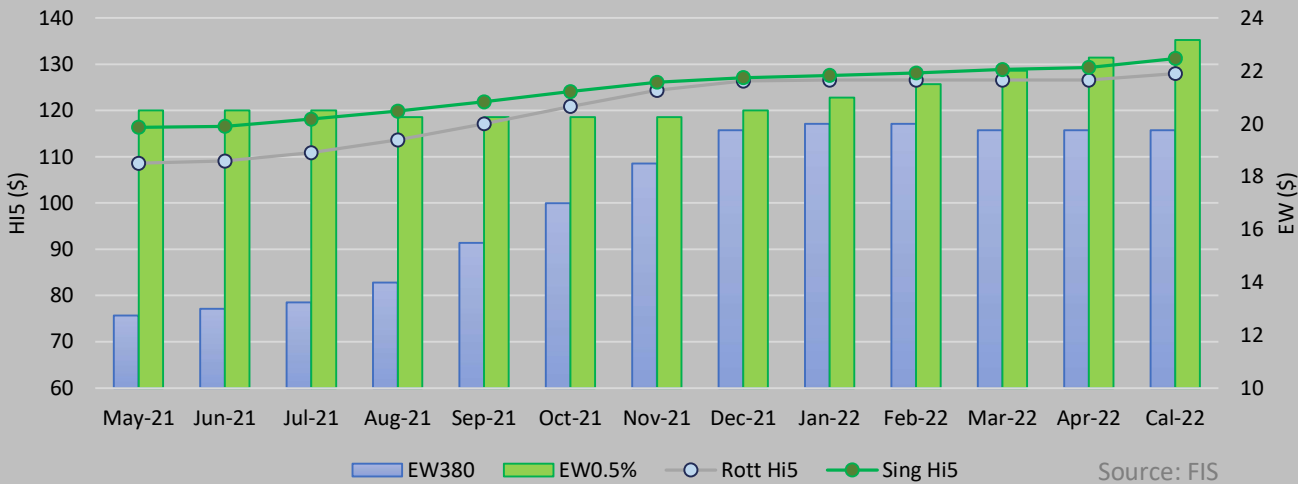
*Please note that these are not official figures from which to calculate margining or settlements

Current Forward Curves

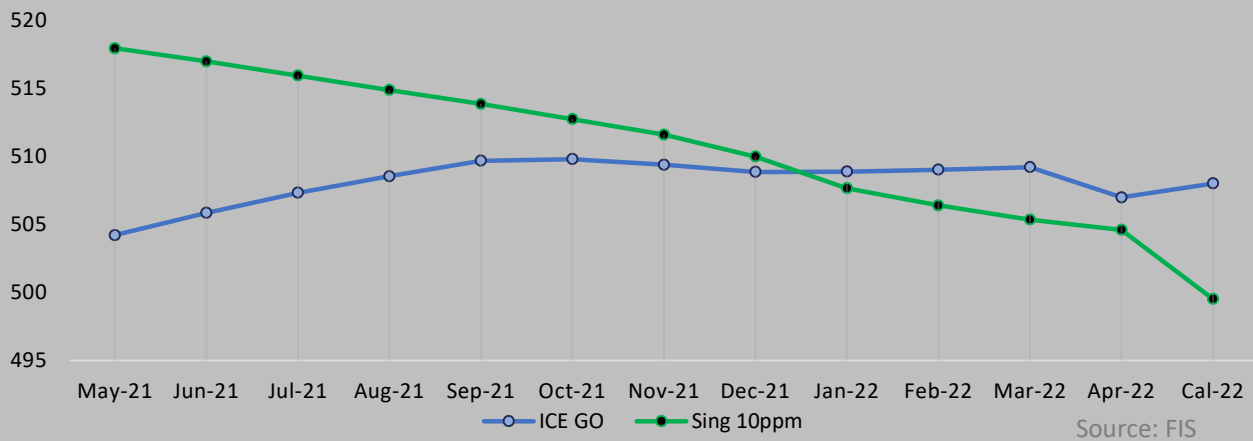
HSFO and VLSFO Forward Curves



Rott and Sing EW and Hi5 Forwards Curves



Gasoil Forward Curves



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