



Monthly Fuel Oil Report

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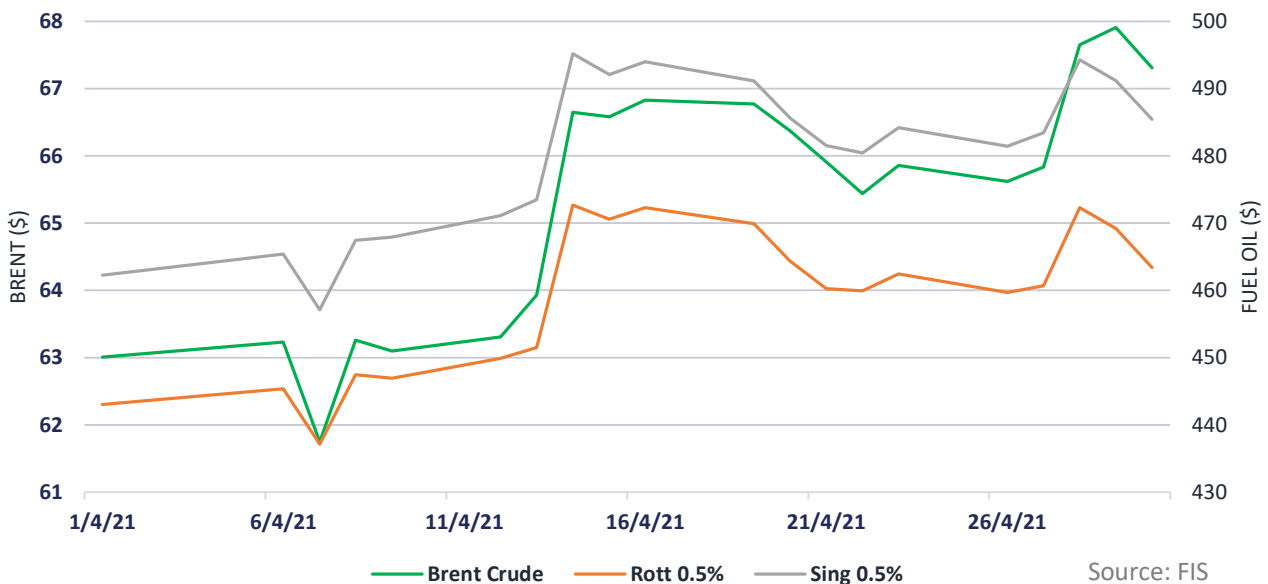
April-2021

Month Overview

April began with an OPEC meeting that would have the outcome of increasing production quotas throughout the period of May-July, coupled with the increased production from Saudi Arabi after the one million barrel per day cuts from February implemented to support oil prices from lows in 2020 as a result of the pandemic's affect on oil demand. The relaxation of the cuts were still scheduled to be below the demand growth in the lead up to summer, and as such the market remained relatively unaffected, if anything adding to the bullish sentiment.

The main driver of the push in Brent after the announcement of relaxation of cuts for the period of May to July was on the premise that COVID-19 and all its variants would continue to remain under control and the rate of infection would fall to the point that we would be on the way out of the pandemic, yet towards the end of the month, the world saw the devastating effect of the virus once again where the virus began to surge out of control. 12 straight days of 300,000 cases meant that hospitals were full and oxygen supplies were running low, with fuel demand looking bleak in the country as lockdowns are reinstated in a few Asian countries.

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

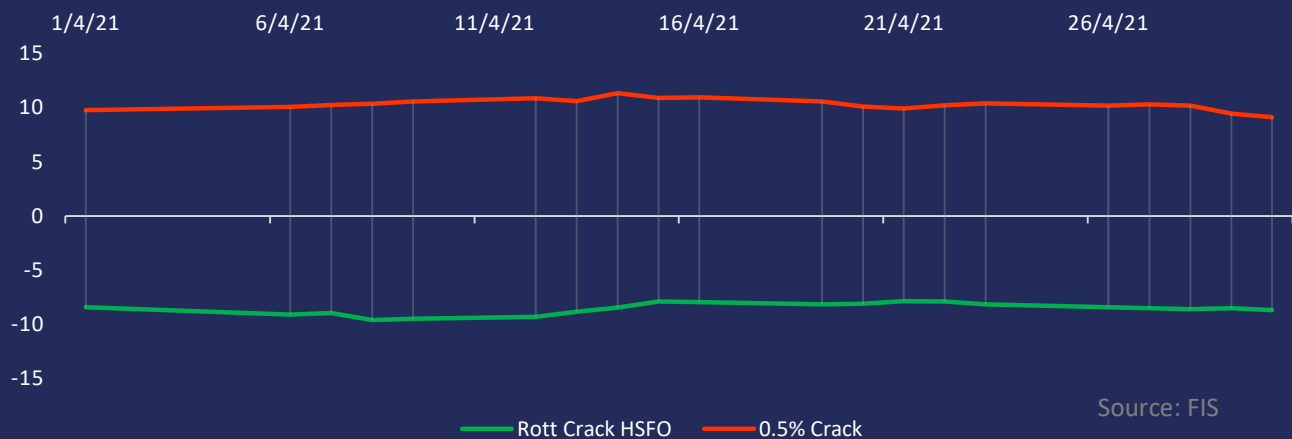


Crack Market

The HSFO crack market has remained relatively stable throughout April, even given the push towards the middle of the month, with an average of -8.5 printing at closes throughout April, after we started the month at -8.4 and ending printing -8.7. Highs reached -7.85 with lows bottoming out at -9.6. some analysts are predicting that as the Hi5 differential stabilises, this will support demand for the HSFO as more scrubbers in the industry may appear, supporting demand for the fuel in a market where the impetus is on greener fuels.

it was a parallel story in the Implied 0.5% crack market, with the differential trading pretty much static throughout April as the average value of the crack at close was 10.31, with highs reaching 11.33 and lows in the month coming at the end of the month at 9.13.

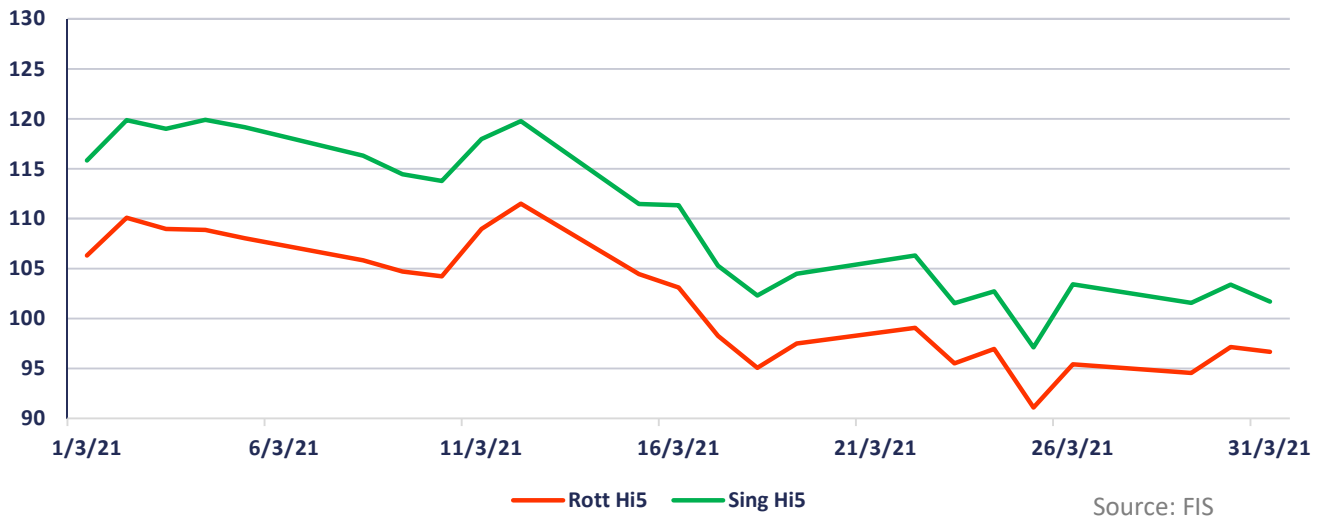
Rotterdam Crack (MAY)



Hi5 Spread (VLSFO v HSFO)

The Hi5 Spread showed an inverse correlation to the push in Brent and Gasoil over the month, with both the Rotterdam and Singapore Hi5s falling as the relative price of VLSFO weakened compared to the HSFO. S&P Global Platts reported that the marine industry may see another wave of scrubber installation as the Hi5 stabilises to normal levels.

Hi5 Diffs (APR)



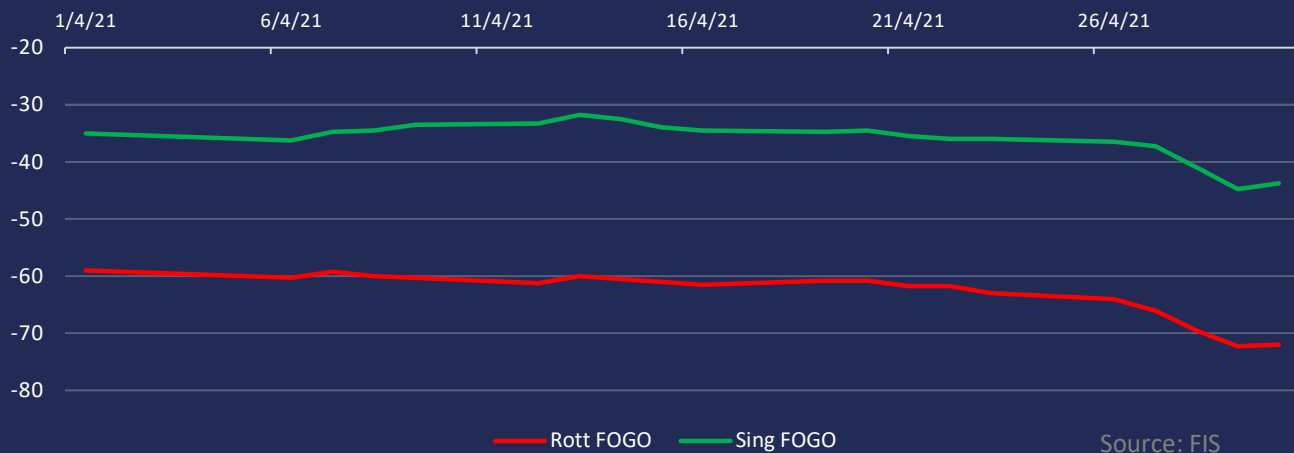
VLSFO v Gasoil, Gasoil Movements and EWs

Fogo Spreads for April remained steady for most of the month until we got to the very end, at which the effects of the situation of COVID-19 and the new wave of the virus in India, as the demand for VLSFO became more uncertain as border and transport became more restricted, a trend that has continued into May, with the Singapore Fogo trading erratically as supply and demand fundamentals are in search of an equilibrium. The Sing and Rott Fogos opened the month trading at -35 and -59 respectively and closed on the final trading day at -43.75 and -72.

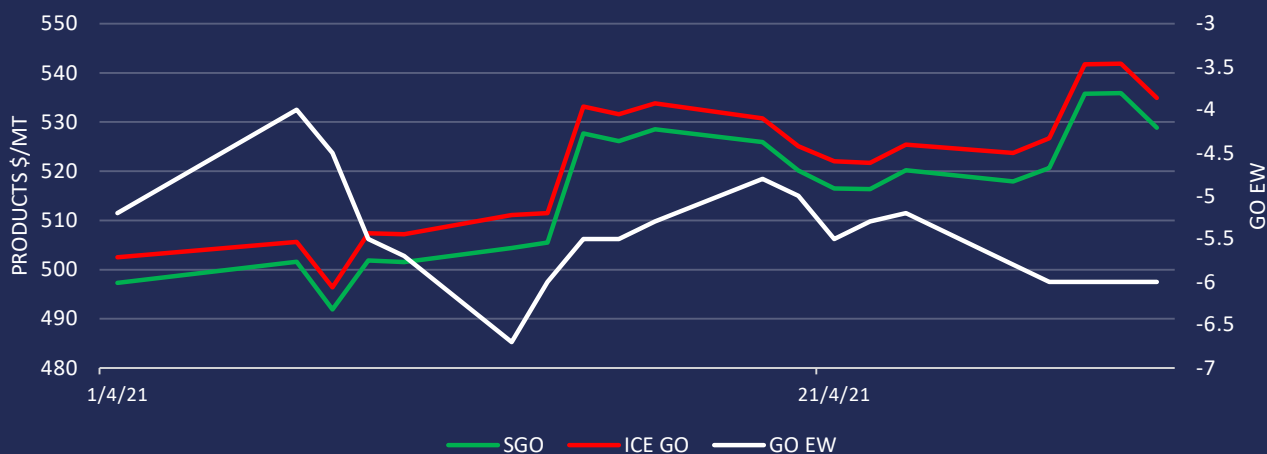
As expected, both east and west gasoil pushed with the rally on Brent with the East West differential remaining in negative territory trading between -3.75 and lows of -6.75 in April.

With respect to the EW380 and 0.5% EW, the disruptions coming after the blockage in the Suez Canal seems to have finally petered out, but the key point of comparison was that the 0.5% EW increased over the month, whereas the EW380 softened over the course of the month.

FO/GO Spreads (APR)

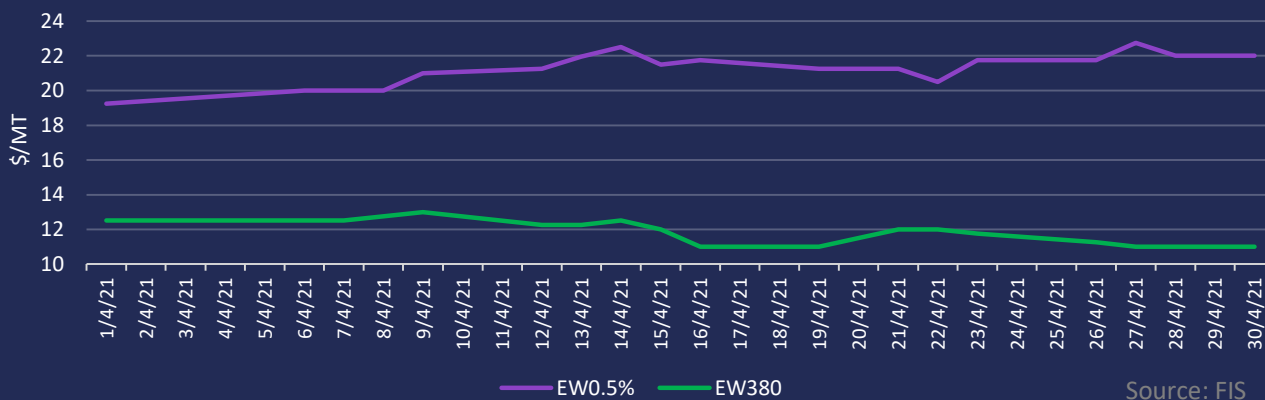


Gas oils (APR)



Slight softening of the EW HSFO and 0.5%

EWs (Front Month)



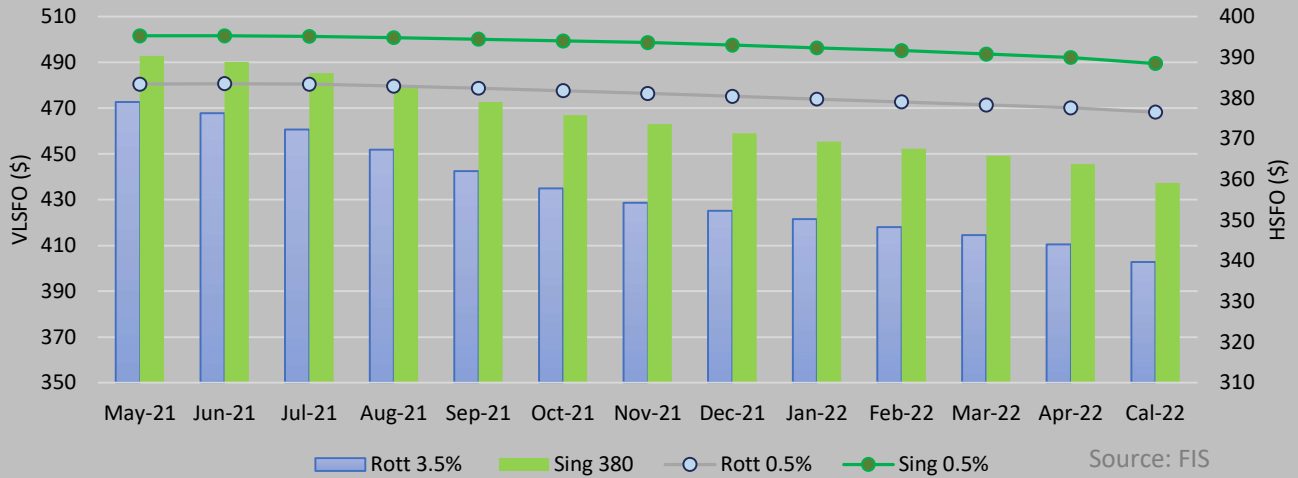
Index Settlements Averages

	Rott 3.5%	Sing 380	Rott 0.5%	Sing 0.5%	Rott Hi5	Sing Hi5
Settled	356.53	368.59	458.76	480.26	102.23	111.67
Previous	365.48	380.4	468.99	488.64	103.51	108.241
% m2m	-2.5%	-3.2%	-2.2%	-1.7%	-1.3%	3.1%
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

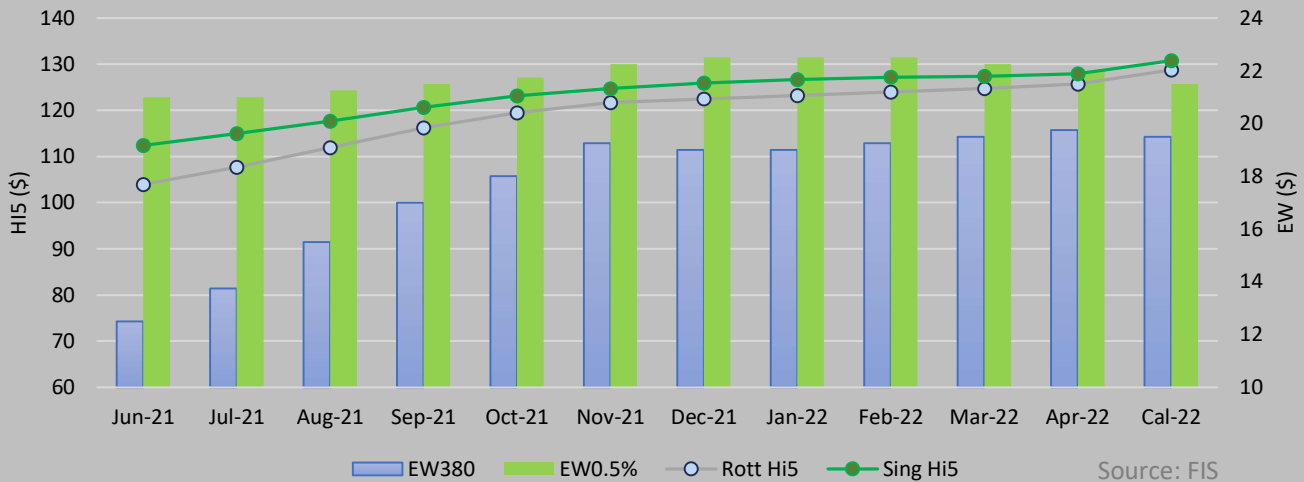
Current Forward Curves

HSFO and VLSFO Forward Curves



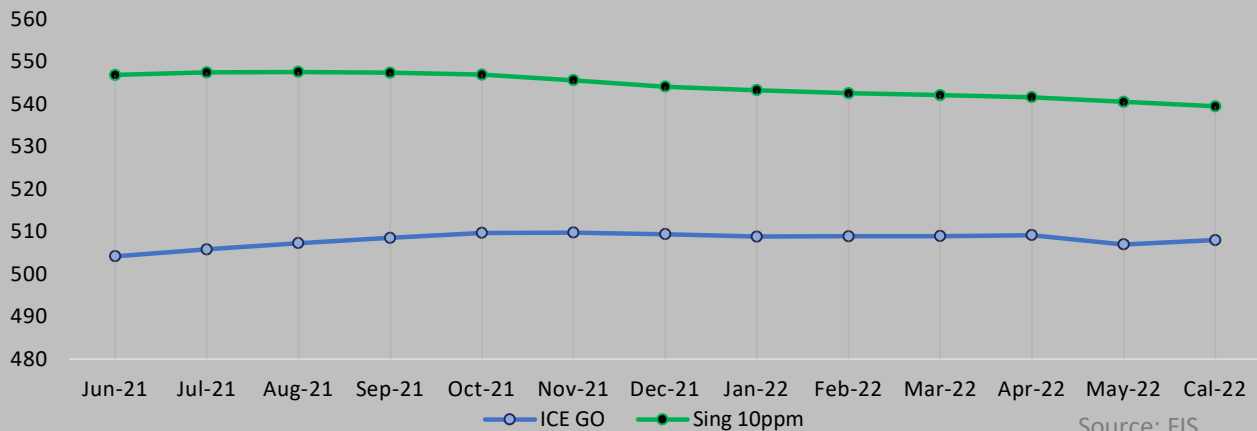
Source: FIS

Rott and Sing EW and Hi5 Forwards Curves



Source: FIS

Gasoil Forward Curves



Source: FIS

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