



# Monthly Fuel Oil Report

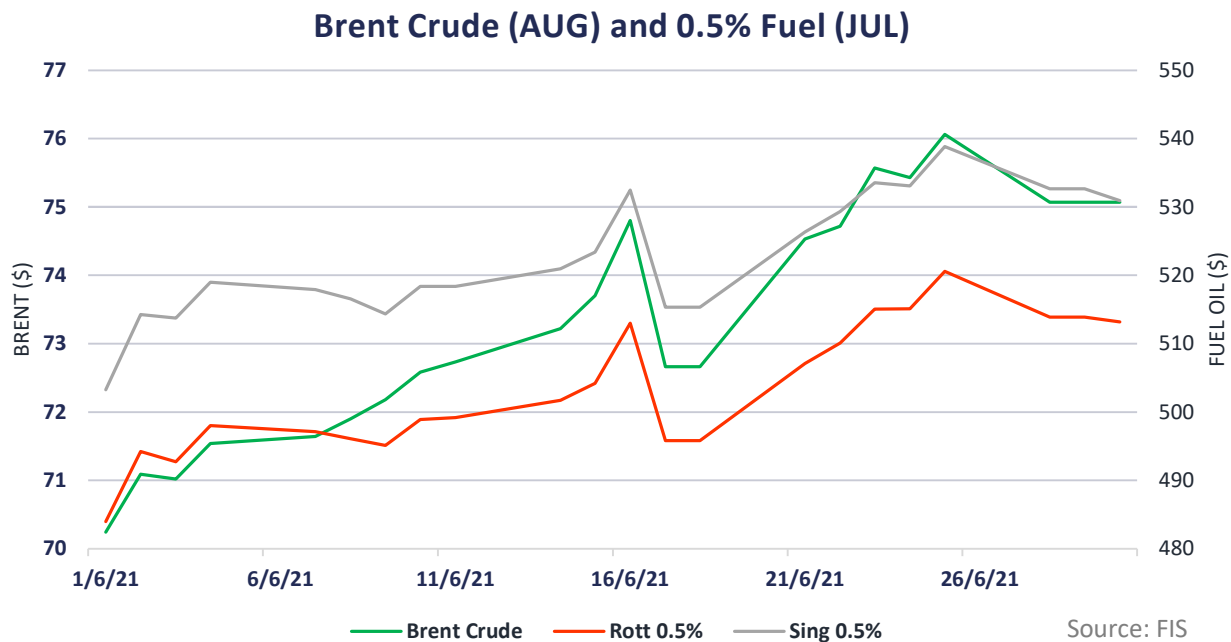
London +44 20 7090 1134 - Sam Twyford - SamT@freightinvestor.com

## June-2021

### Month Overview

June continued to support the meteoric rise for the Brent crude complex which in turn supported fuel across the board as OPEC and various other reporting agencies revised upwards demand forecasts for oil in Q3 and Q4. In the first parts of the month, OPEC members said that there is the real possibility that demand could surpass 99 million barrels per day which would be at the level of pre-pandemic levels if the vaccine rollouts continue at the current pace and spread of foreign variants can be quickly isolated as and when they come into existence. The spread of the Delta variant in the UK has continued to rise, but the one positive is that the cases of hospitalisation and deaths have not increased at anywhere near the same rate.

OPEC+ kept the plan to ease the cuts by 840,000 bpd in July, suggesting that despite the still high COVID uncertainty, especially in parts of Asia such as India, OPEC and the OPEC+ group expect the market to accommodate further increases in production, as well as a return of Iranian barrels. The hot topic throughout was the possibility of Iranian crude entering the market as part of the Vienna nuclear deal, which seemingly lost momentum over the course of the month.

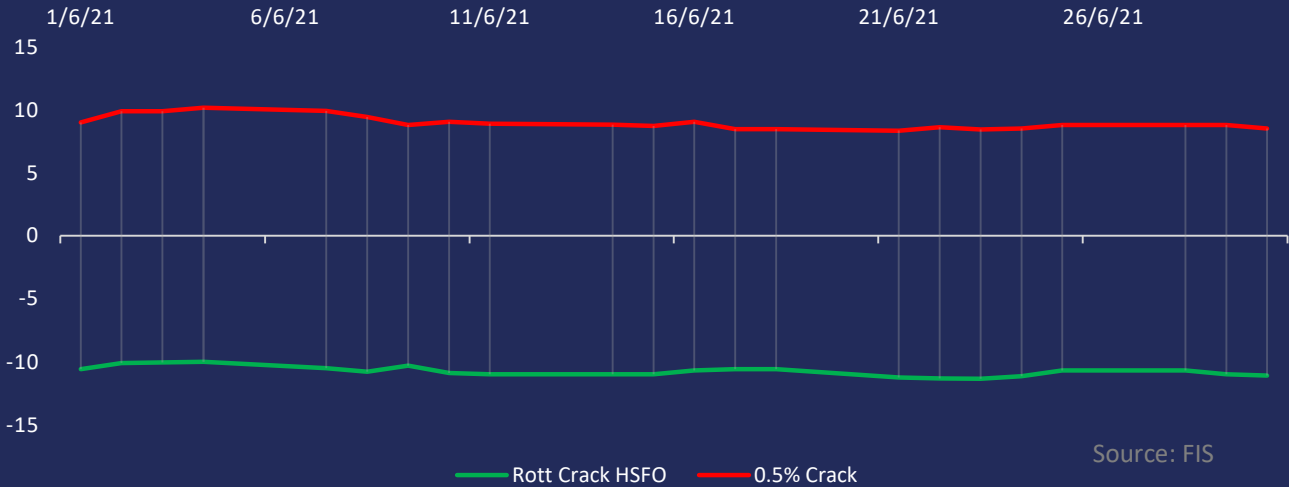


### Crack Market

As the market pushed through June, the front barges crack softened as demand for the HSFO remained lacklustre. The month started at printing at -10.60 on the close of the first of June, with an initial push before tapering off, most notably as Brent gathered momentum at the final third. The front crack averages at -10.75 throughout, ending the month printing at -11.10.

The implied 0.5% crack remained stable throughout June as VLSFO demand remained robust as COVID woes abated somewhat as cases settled and vaccine rollouts continued, the average for the month printed at 8.98 from the daily closes.

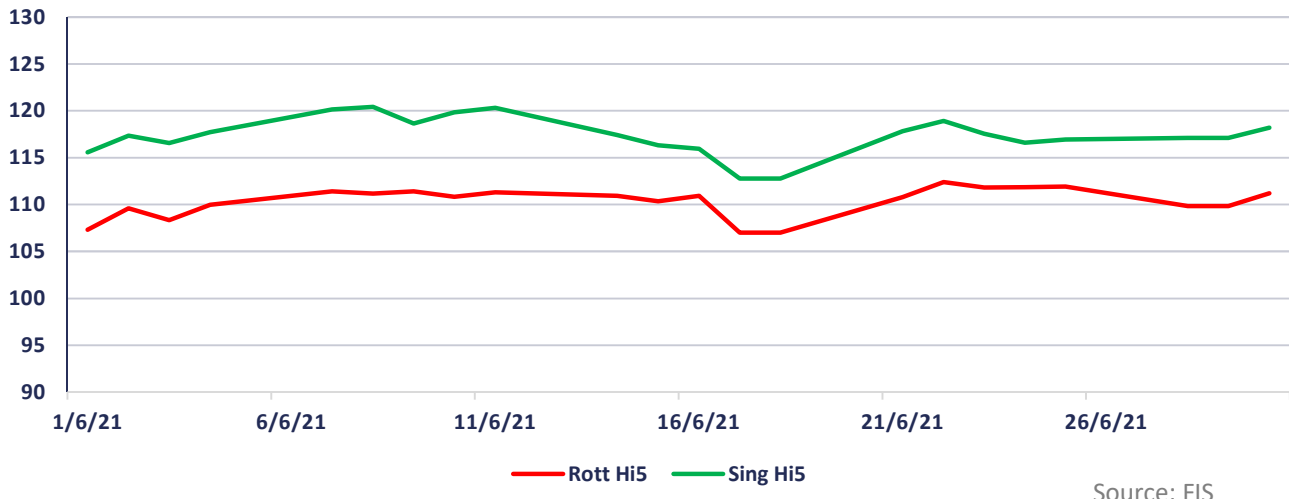
## Rotterdam Crack (JUL)



## Hi5 Spread (VLSFO v HSFO)

The Hi5 spreads for both the Rott and Sing contracts followed a similar trajectory over June, with both pushing upwards towards the start of the month before tapering off as the Fogos became weaker but the front barges crack retained its relative strength. As Brent continued to push towards the end of the month, the Hi5s began to push again finishing the month slightly higher than where it started. The average of the month for the Sing Hi5 was 117.37 and the Rott was averaging 110.33.

## Hi5 Diffs (JUL)



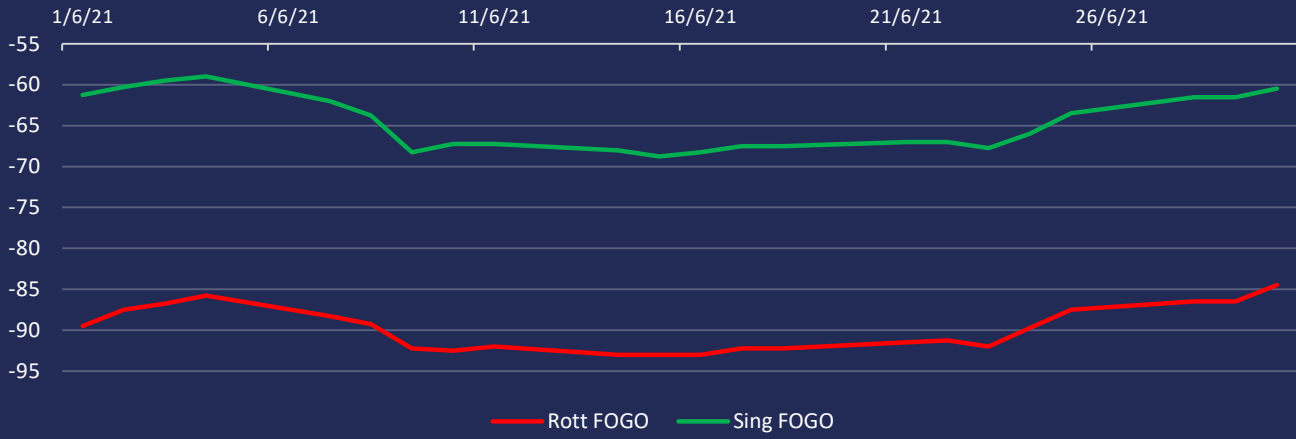
## VLSFO v Gasoil, Gasoil Movements and EWs

With the strong push in Brent towards the middle of the month, it took some time for the Fogos on both the Rott and Sing to readjust with the spike, until we saw some slight softening on as VLSFO, demand was not congruent to that of ICE Brent which remained volatile after reacting mainly to headlines in the lead-up to the OPEC+ meeting on 1st July. The Rott Fogo averaged at -89.85 with the Sing Fogo averaging -64.69 after both recovered some of the losses through the middle third of June to finish at similar levels to the start of the month.

The Sing Gasoil gained on the ICE gasoil over the initial period of June as the GO EW narrowed from -8 to -4.7 before plateauing through to month-end where we saw the differential around the -5.5 mark.

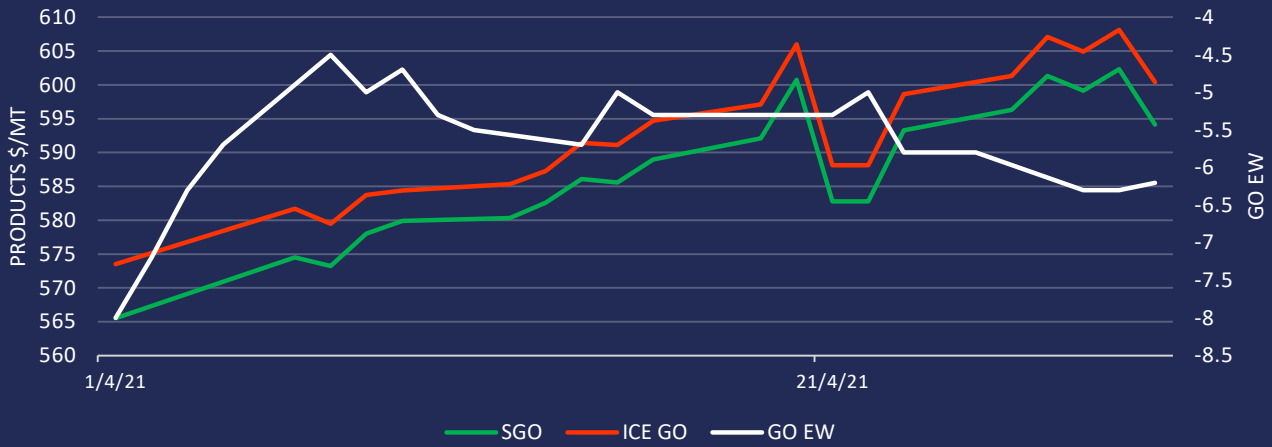
The EW0.5% had much of a less wild rise than that of the EW380 which saw some decent amount of volatility throughout June, trading up to 13.75 and down to 10.5, averaging 12.32. The EW0.5% averaged 19.36 after hitting highs of 21 at the start of the month.

## FO/GO Spreads (JUL)



Source: FIS

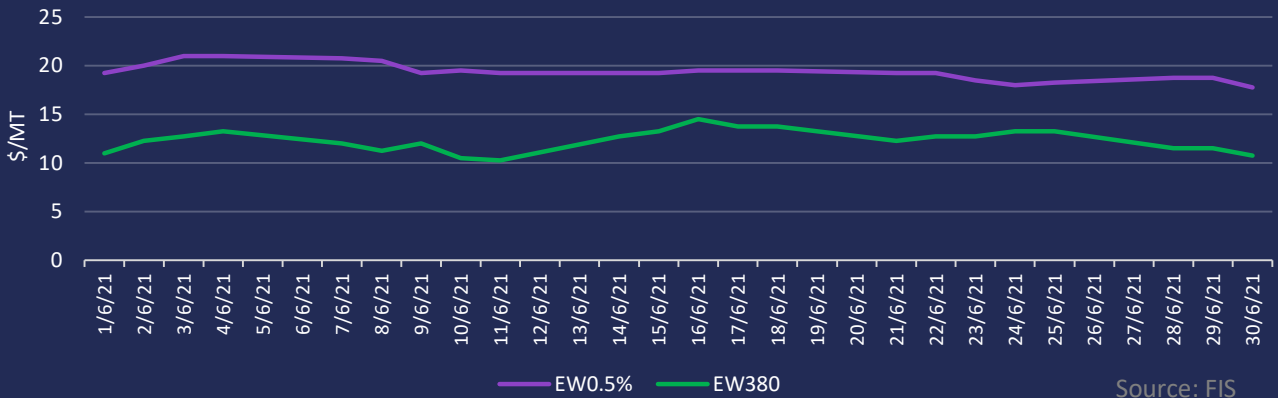
## Gas oils (JUL)



Source: FIS

Slight softening of the EW HSFO and 0.5%

## EWs (Front Month)



Source: FIS

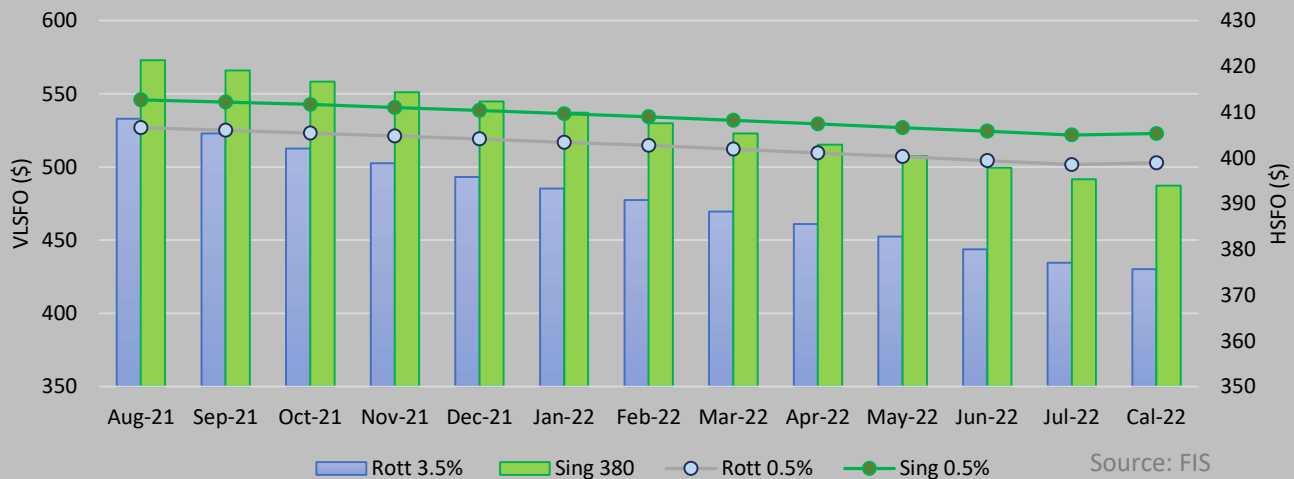
## Index Settlements Averages

	Rott 3.5%	Sing 380	Rott 0.5%	Sing 0.5%	Rott Hi5	Sing Hi5
<b>Settled</b>	<b>392.09</b>	<b>403.84</b>	<b>503.89</b>	<b>522.53</b>	<b>111.8</b>	<b>118.69</b>
<b>Previous</b>	<b>364.5</b>	<b>372.24</b>	<b>474.06</b>	<b>486.21</b>	<b>109.56</b>	<b>113.97</b>
<b>% m2m</b>	<b>7.0%</b>	<b>7.8%</b>	<b>5.9%</b>	<b>7.0%</b>	<b>2.0%</b>	<b>4.0%</b>
<b>YTD</b>	<b>356.92</b>	<b>369.03</b>	<b>461.84</b>	<b>481.87</b>	<b>103.38</b>	<b>108.33</b>

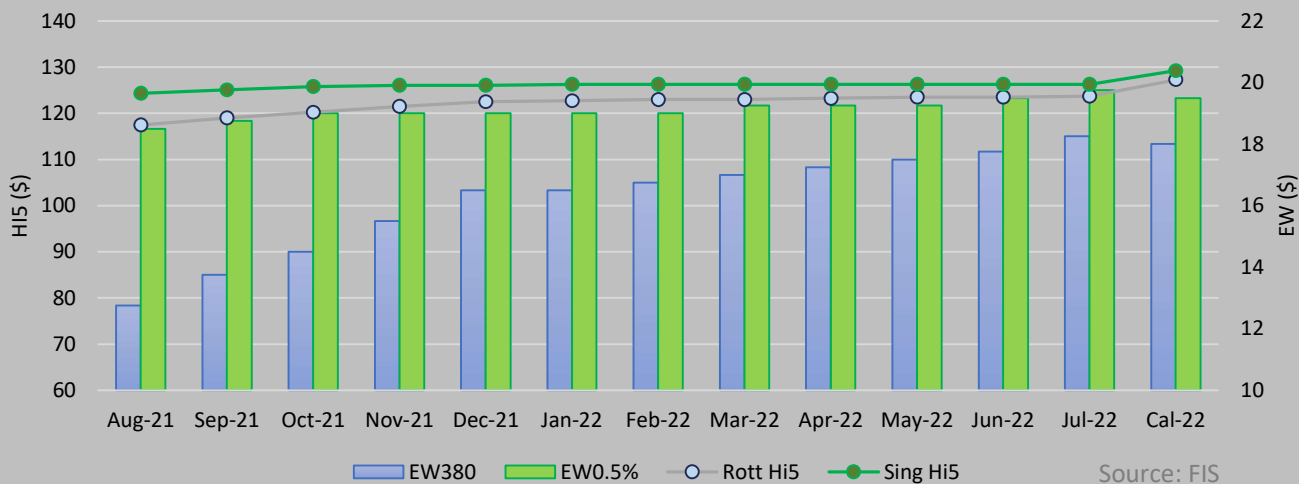
\*Please note that these are not official figures from which to calculate margining or settlements

# Current Forward Curves

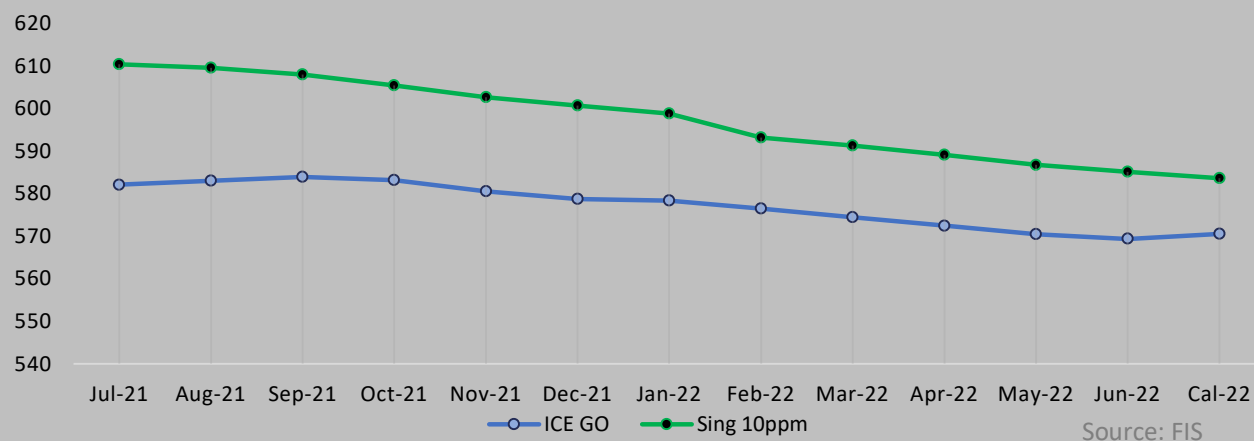
## HSFO and VLSFO Forward Curves



## Rott and Sing EW and Hi5 Forwards Curves



## Gasoil Forward Curves



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