



Monthly Fuel Oil Report

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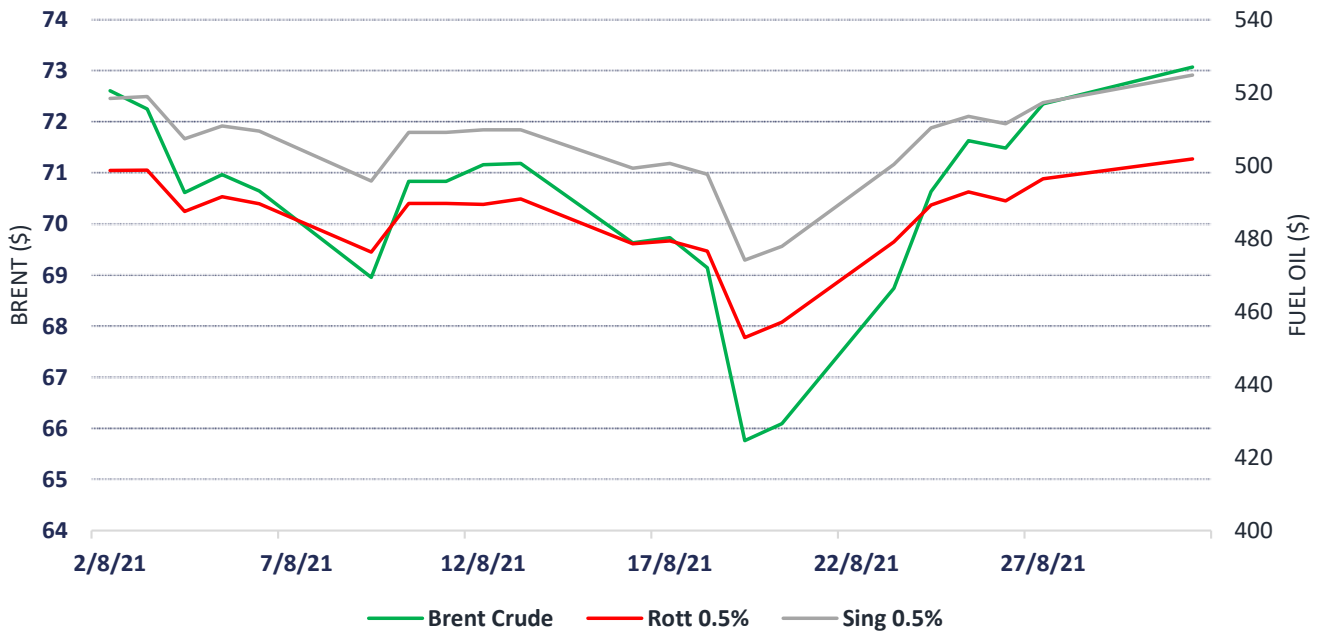
August-2021

Month Overview

With the US driving season in full swing and holidays slowly returning to normal in some instances, August proved to be a relatively volatile month given the waning liquidity in certain markets. It was also a very slow news month for the most part, with very little to sink the teeth into – apart from the Hurricane Ida coming through at the latter part of the month which took out a sizable amount of crude production and more than a week after Ida made landfall, 1.44 million b/d, or 79.33% of total US Gulf crude output, remained shut in, the Bureau of Safety and Environmental Enforcement said Sept. 7.

Most notably, the US and UK forces announced the withdrawal of their remaining troops in Afghanistan and as such, the Taliban resurgence took hold, with Kabul Airport being a main target of bombers to disrupt arrivals and departures from the capital. In Early September, the Taliban have instructed an interim government, at which the world is monitoring closely, with Oil and exports looking likely to play a key role in the Afghan economy over the short term.

Brent Crude (OCT) and 0.5% Fuel (SEP)



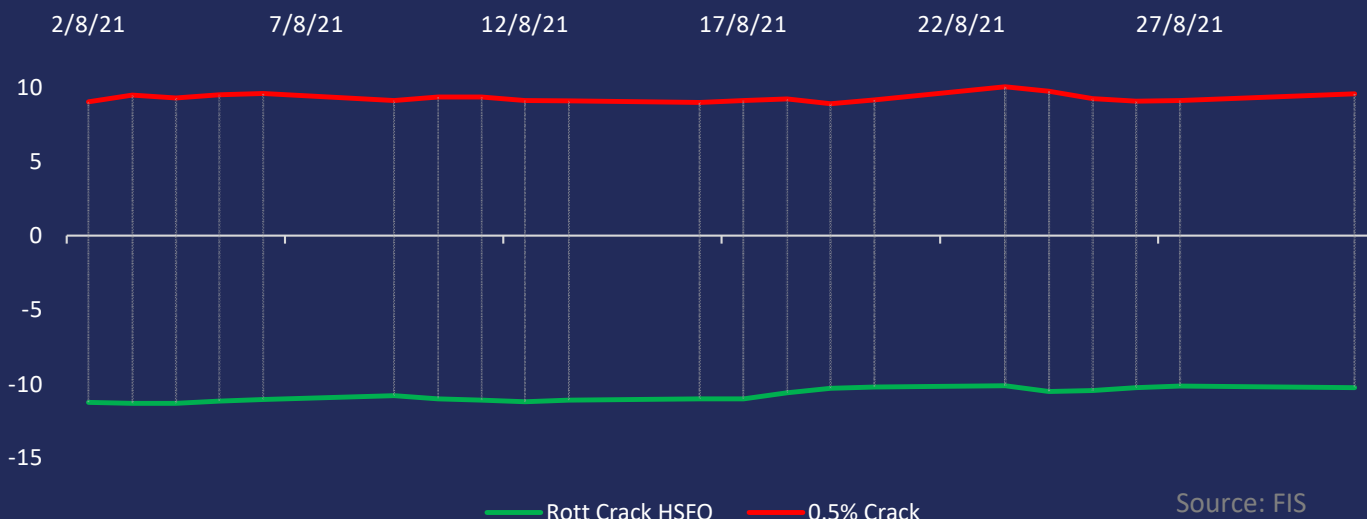
Source: FIS

Crack Market

Overall, the expectation is for Asia bunker demand for VLSFO and HSFO to rise along with the seasonal uptick in shipping activities from September. This will coincide with increased LSFO and HSFO demand for power generation in the Northern Hemisphere during winter. Singapore began easing COVID-19-related lockdown measures in August. This should provide some upside to Singapore bunker demand and sales in the months ahead.

The crack throughout the month of August averaged at -10.76 as the drop in brent towards the middle of the month gave it strength, with highs hitting -10.12 after seeing lows of -11.3 in the initial stages.

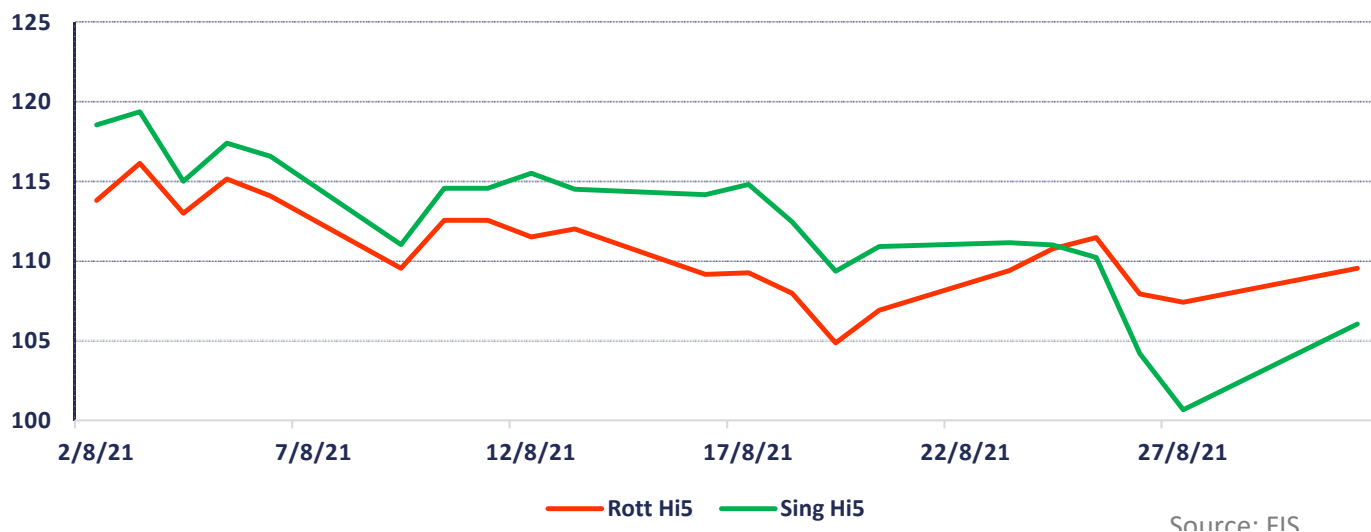
Rotterdam Crack (SEP)



Hi5 Spread (VLSFO v HSFO)

We expect the Hi-5 spread (VLSFO-HSFO) to remain in a range of \$100-110/t in Singapore. This will continue to give an incentive to ship owners to invest in scrubbers. The Hi5 spread weakened through the month, with the sing seeing lows of around 100, and Rott around 105 at the same point.

Hi5 Diffs (SEP)



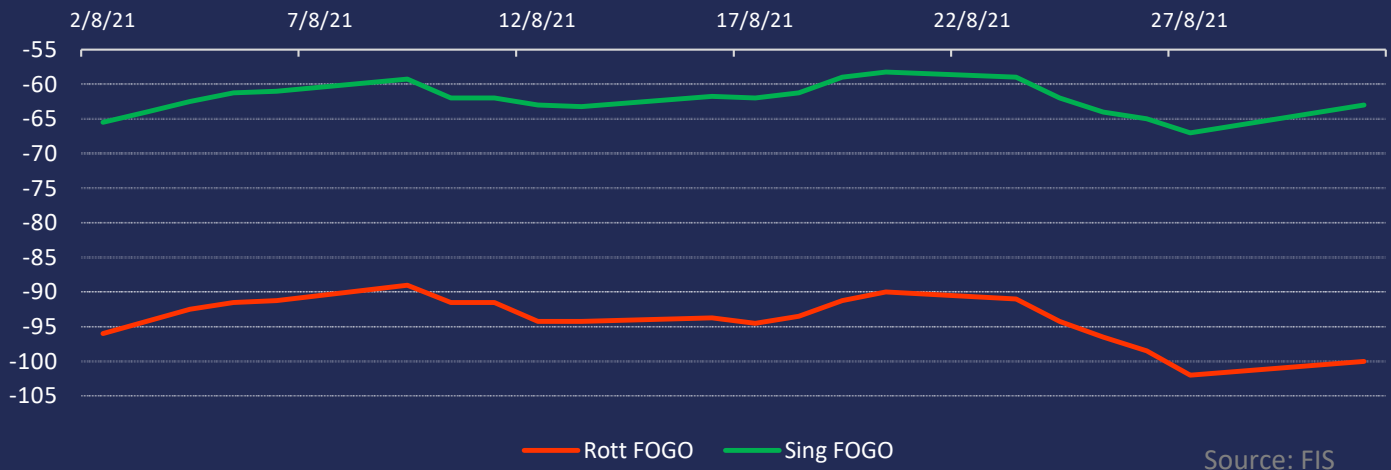
VLSFO v Gasoil, Gasoil Movements and EWs

Through the month, the market saw some volatility on the FOGO and EW differential markets with a swing of around \$10 on both the Singapore and Euro Fogo as the market saw Brent push into the middle of the month before coming off sharply. The Singapore Fogo pushed to highs of -58.25 with the fall on Brent, with the Euro Fogo hitting -90 on the same day. Only a few days later, lows hit -67 and -102 respectively.

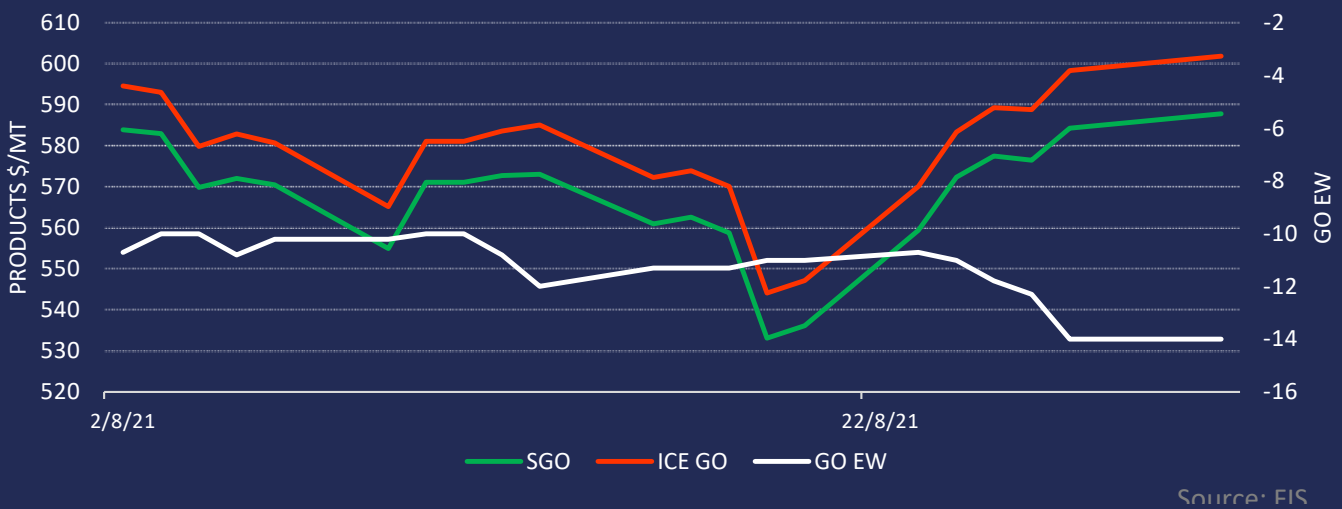
The EW380 was the bigger mover of the two East/West differentials, opening the month at \$15, where it remained for most of the month, until a large push saw the figure hit \$27.75, with the premium for the Sing380 averaging at \$18.75 through August. On the VLSFO East/West differential, there was much less volatility, trading in a \$5 dollar range, averaging at \$20.5.

The gasoil followed a similar form of the Brent after softening towards the midpoint before recovering to finish the month strong. The East/West differential on the gasoil weakened too, averaging -11.6 with the closing print at -14 for August.

FO/GO Spreads (SEP)

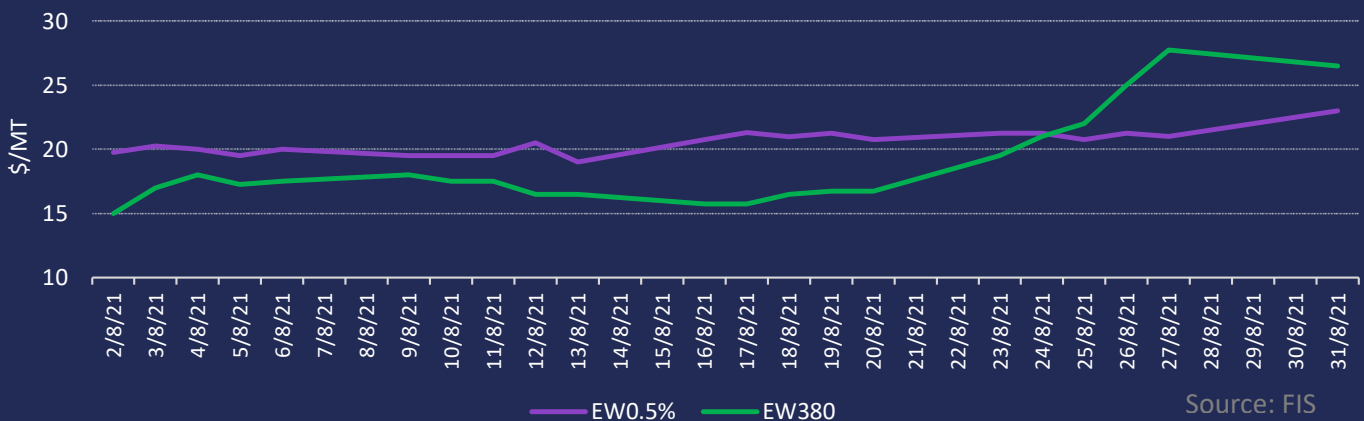


Gas oils (SEP)



Slight softening of the EW HSFO and 0.5%

EWs (Front Month)



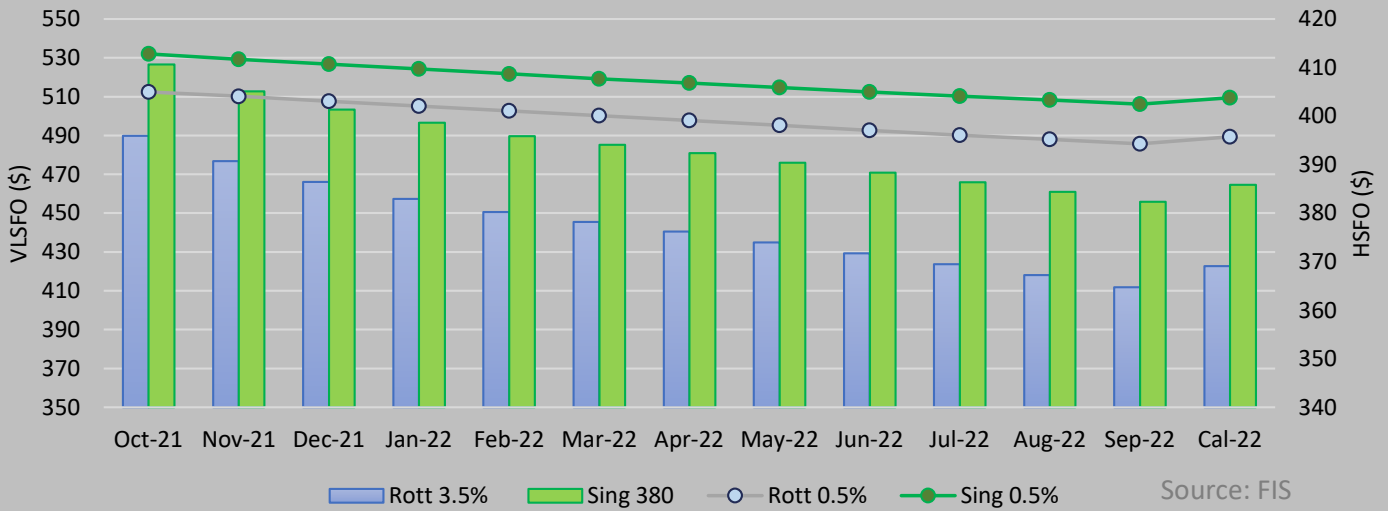
Index Settlements Averages

	Rott 3.5%	Sing 380	Rott 0.5%	Sing 0.5%	Rott Hi5	Sing Hi5
Settled	382.18	402.49	485.73	510.41	103.55	107.92
Previous	396.48	409.76	514.1	533.96	117.62	124.2
% m2m	-3.7%	-1.8%	-5.8%	-4.6%	-13.6%	-15.1%
YTD	365.36	378.58	471.26	492.32	104.64	111.27

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

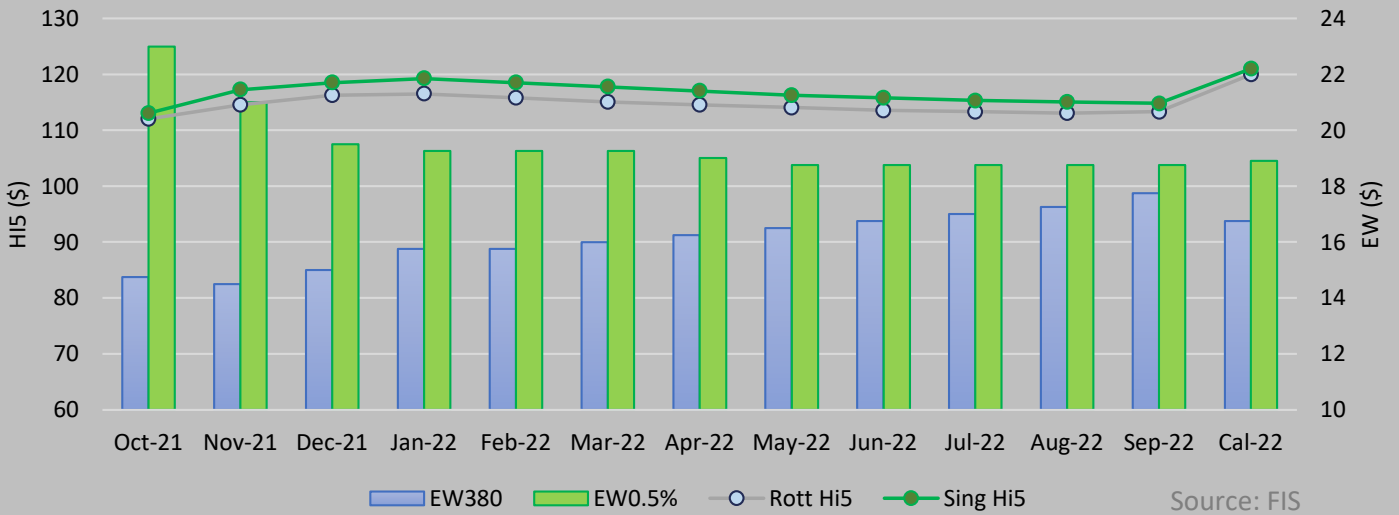
Current Forward Curves

HSFO and VLSFO Forward Curves



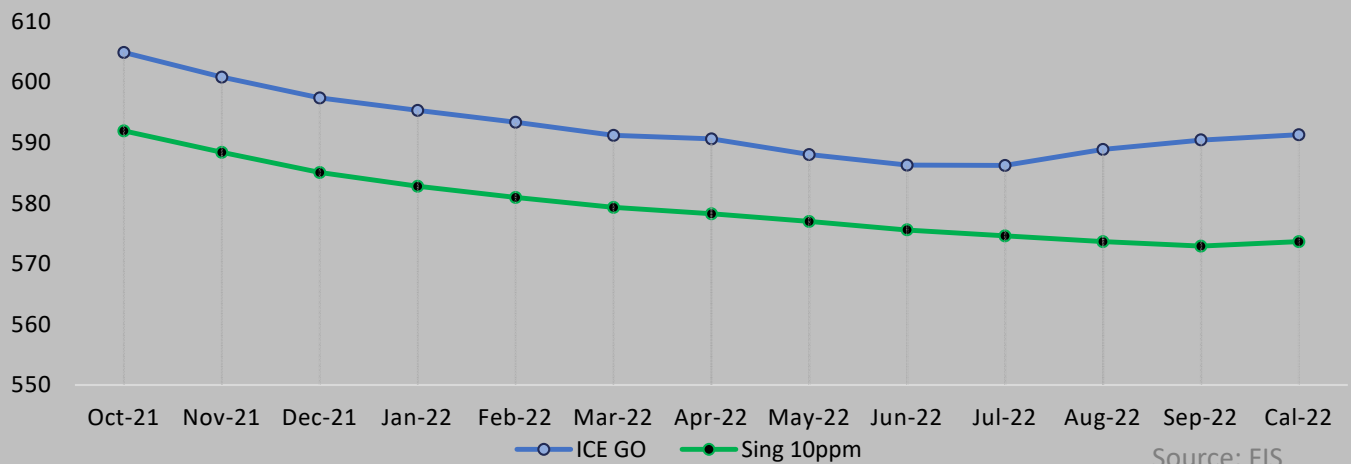
Source: FIS

Rott and Sing EW and Hi5 Forwards Curves



Source: FIS

Gasoil Forward Curves



Source: FIS

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