



Monthly Fuel Oil Report

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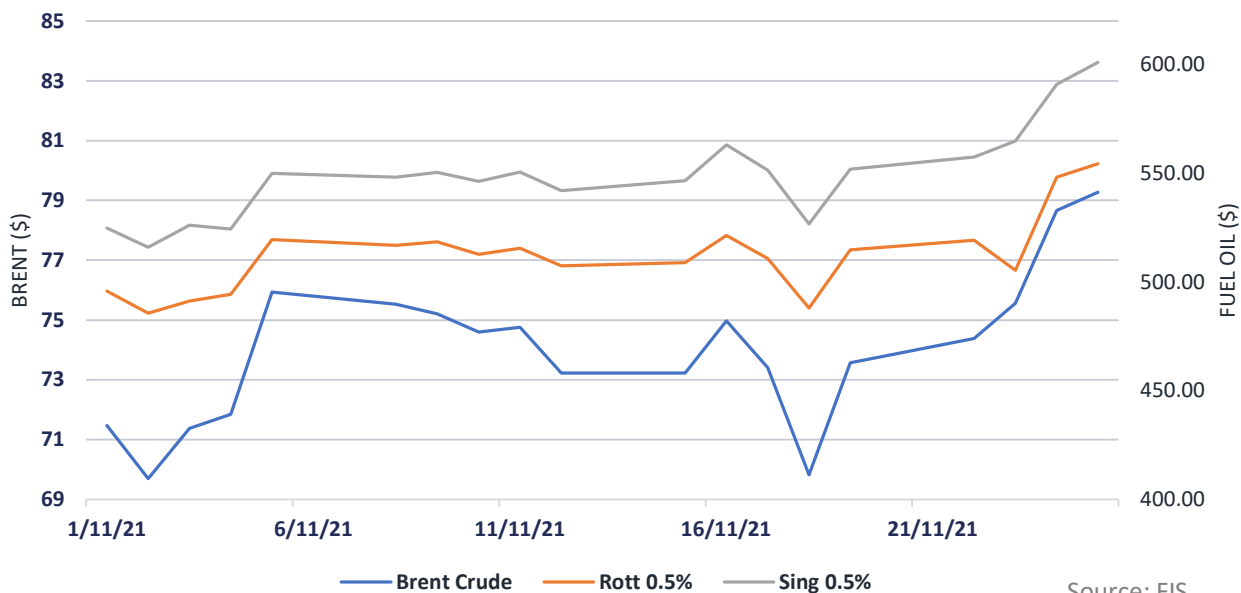
December-2021

Month Overview

Oil prices endured a rollercoaster ride amid market uncertainty over tightening supplies and market concerns with the spread of Omicron virus that might lead to more stringent lockdown measures. The media limelight was also focused on Libya and Kazakhstan due to civil unrest that affected oil production and exports. However, Libya had managed to resume production to around 800,000-900,000 bpd in early Jan, but this was down by 350,000 bpd on the previous month.

According to IHS Markit, the country's January shipments are still under 700,000 bpd, down from 1.03 million bpd in December, after a monthly average of above 1 million bpd pace of exports throughout 2021. Meanwhile, the ongoing violent protests have affected oil exports from Kazakhstan, which is estimated to ship around 979,000 bpd of CPC Blend exports during the first week of January, as compared with 1.64 million bpd in December, based on data from IHS Commodities at Sea.

Brent Crude (FEB) and 0.5% Fuel (JAN)

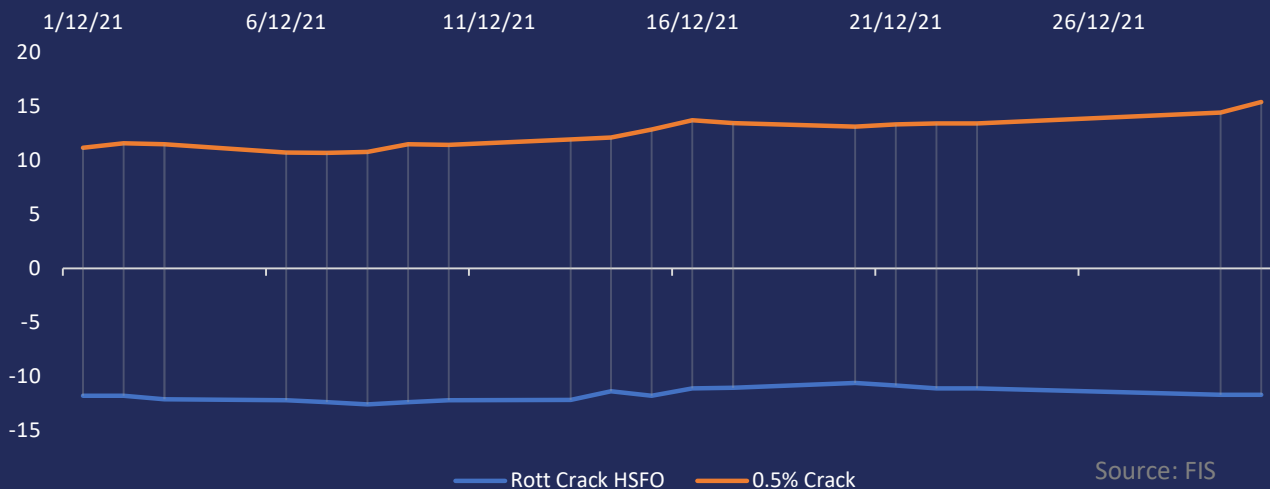


Source: FIS

Crack Market

According to the Maritime Port Authority of Singapore (MPA), the port of Singapore saw a surge of 25.6% on-year in HSFO sales during the Jan-Nov 2021 period. Similarly, HSFO sales also rose in Rotterdam by 26.2% on-year, and Panama's HSFO sales also increased by 18.5% yearly during the first 11 months of 2021. The sharp increase in HSFO sales were linked to growing fleets of scrubber-equipped ships estimated at 7.52 Mteu out of a total global capacity of 25.34 Mteu by December 2021, or nearly a third of global box ship capacity, according to the data from Alphaliner.

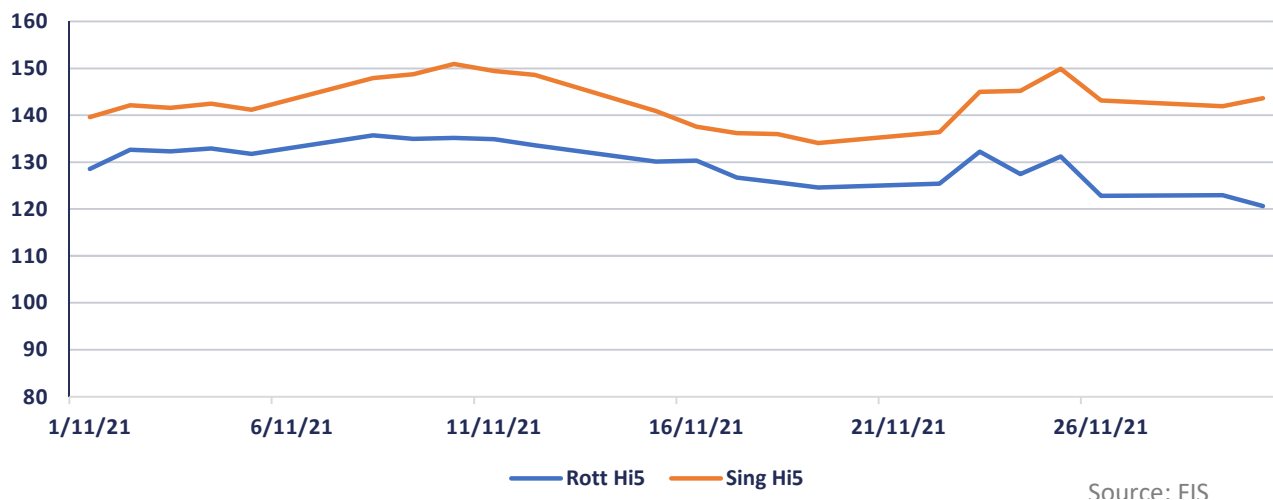
Rotterdam Crack (JAN)



Hi5 Spread (VLSFO v HSFO)

Singapore Hi5 spread is expected to ease over Q2, as the supply tightness is alleviated by more production from refiners and producers, especially increase Chinese exports into Asia. As China is poised to contribute more LSFO into the bunker market with rising sales from the port of Zhoushan, while HSFO sales may see more improvement later in the year with influx of more scrubber-equipped newbuilds set to enter the market.

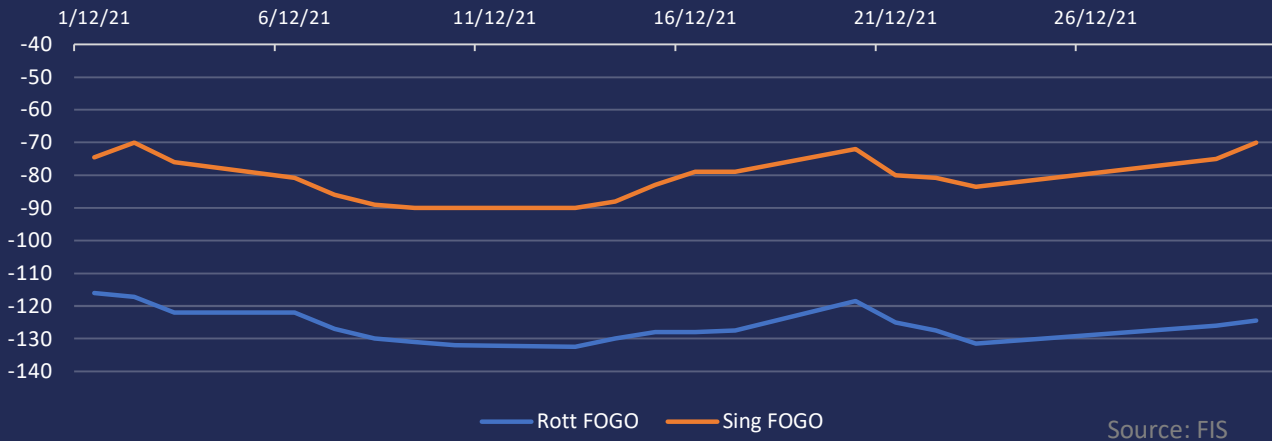
Hi5 Diffs (JAN)



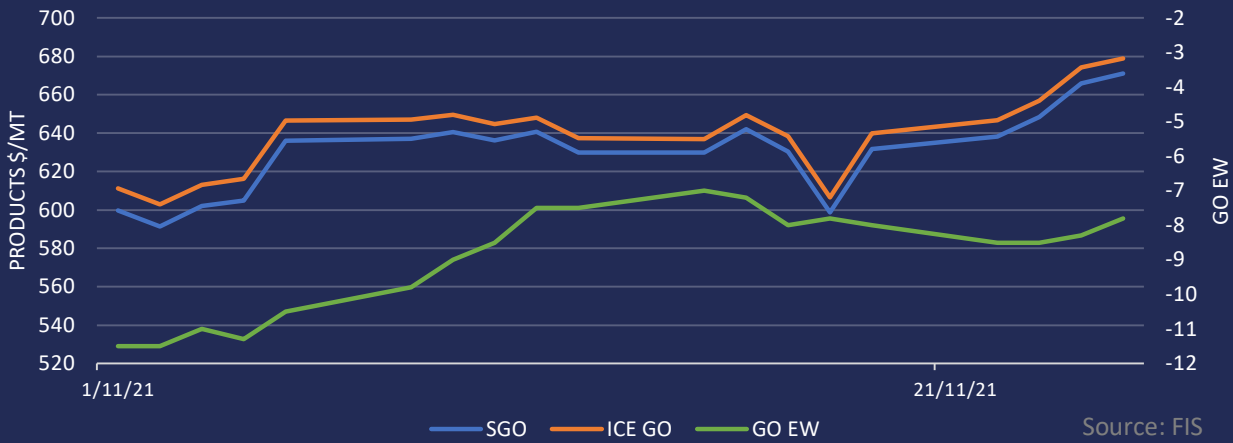
VLSFO v Gasoil, Gasoil Movements and EWs

Meanwhile, FOGOs continued to flatten toward Q2 with less winter heating demand, while oil production recovered gradually with incremental output level increases from OPEC+ , as they tried to stabilise prices. The higher production was built on OPEC's optimistic demand outlook for Q1 2022 with a first-quarter 2022 demand forecast of 1.11 million bpd. However, the lack of investment in oil capex might result in similar energy crunch during the Q4 period and a widening of the spread once again. Therefore the flat further dated futures may see increased action as we progress through 2022.

FO/GO Spreads (JAN)

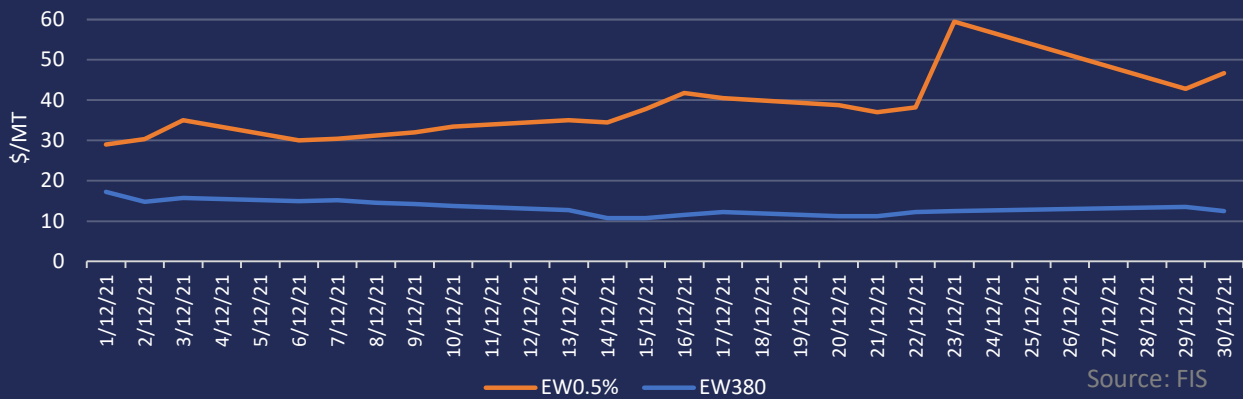


Gasoil (NOV)



Slight softening of the EW HSFO and 0.5%

EWs (Front Month)



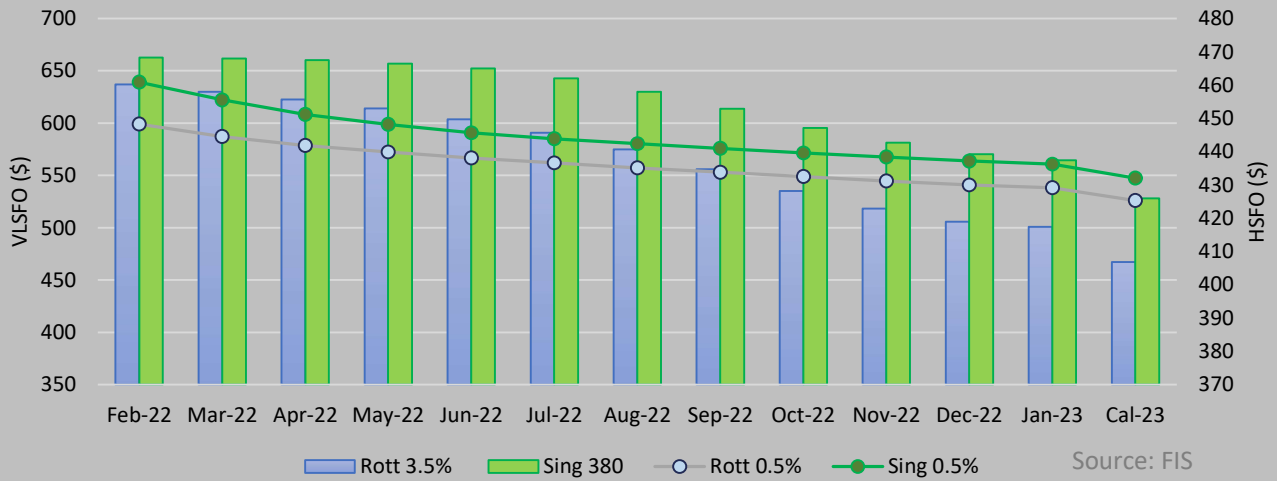
Index Settlements Averages

	Rott 3.5%	Sing 380	Rott 0.5%	Sing 0.5%	Rott Hi5	Sing Hi5
Settled	398.9	410.25	525.89	575.89	126.99	165.64
Previous	418.08	443.35	550	596.41	131.92	153.06
% m2m	-4.8%	-8.1%	-4.6%	-3.6%	-3.9%	7.6%
YTD	384.57	401.91	495.16	521.23	109.72	117.15

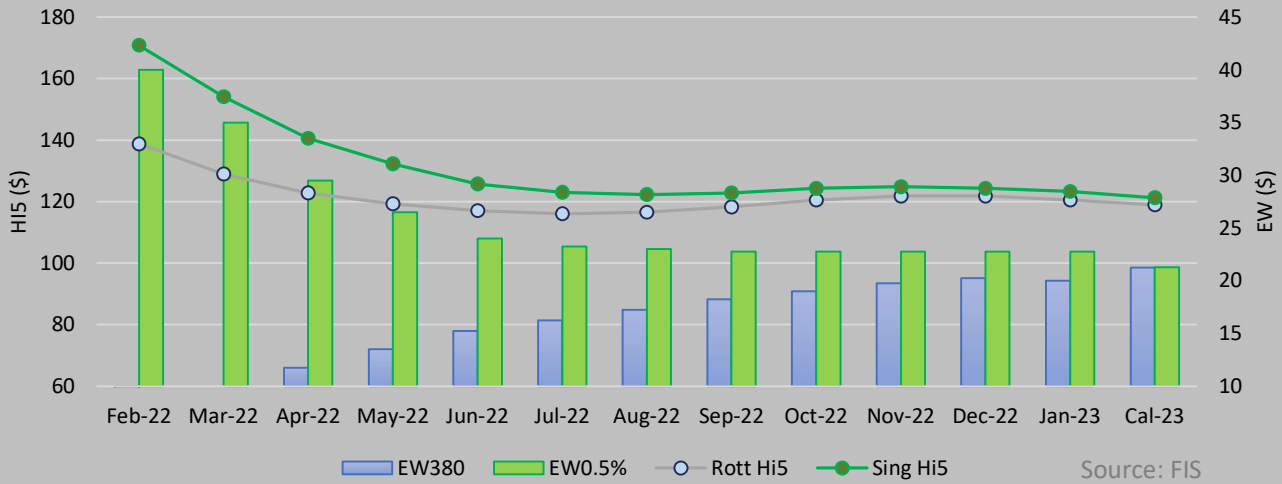
*Please note that these are not official figures from which to calculate margining or settlements

Current Forward Curves

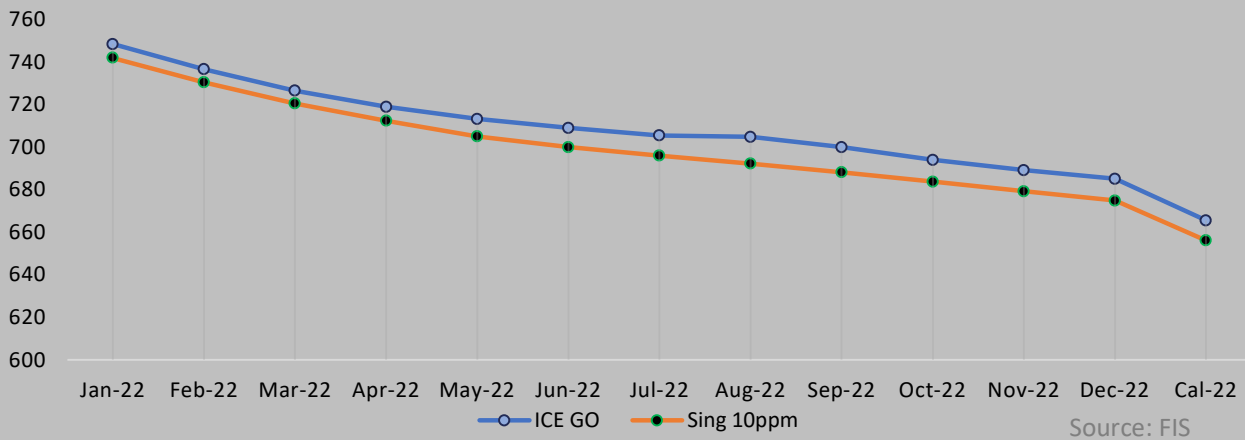
HSFO and VLSFO Forward Curves



Rott and Sing EW and Hi5 Forwards Curves



Gasoil Forward Curves



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