

# FIS Fuel Oil Daily Morning Report

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## 05 May 2022

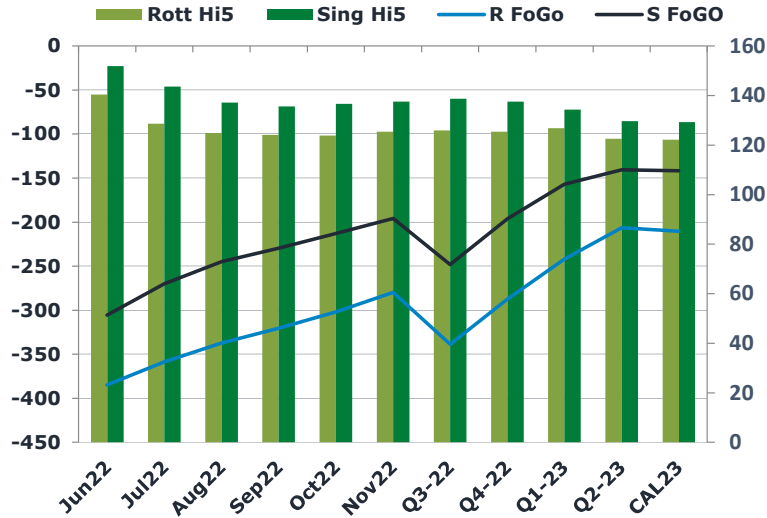
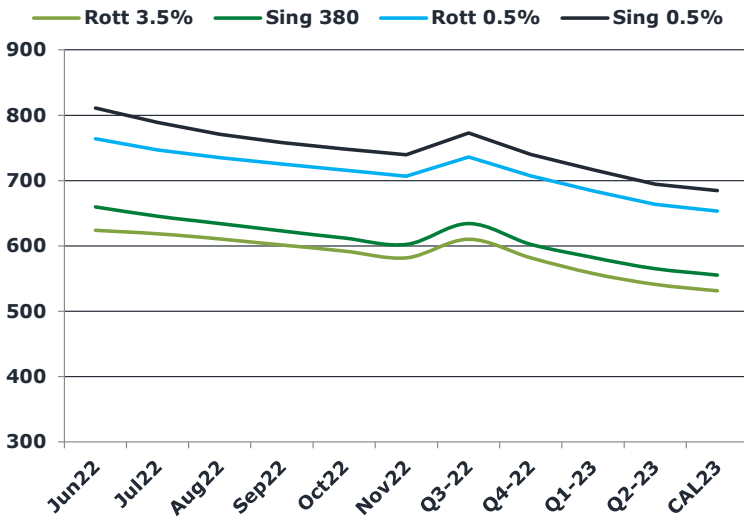
### Oil and Energy Market News

ICE Brent settled almost 5% higher yesterday, taking prices back above US\$110/bbl. This strength follows an official announcement from the European Commission on a proposal to ban Russian oil and refined product imports. The Commission is proposing that Russian oil imports are phased out over a 6 month period, whilst phasing out Russian refined product imports by year-end. Member countries could potentially come to a decision in the coming days, although there could be some pushback from countries that are heavily reliant on Russian supply, specifically Hungary and Slovakia. As we mentioned yesterday, there are reports that exemptions could be provided to some countries in the CEE which would find it more difficult to stop Russian oil imports within a 6 month period. The EU imports a significant amount of crude oil from Russia. In 2021 imports totalled around 2.3MMbbls/d, which is around 26% of their total crude oil imports. The 6-month wind-down period provides time for an orderly change in trade flows. However, there are risks. There is the potential for Russia to halt oil flows to the EU before the wind-down period comes to an end, which would leave the EU scrambling to quickly find other supply. In addition, there is the risk of secondary sanctions from the US on Russian oil, which would make it difficult for any country to buy Russian oil. Given the tightness in the supply and demand balance, the market would not be able to cope with almost a full loss in Russian oil supply, and so if we were to see this, we would see significantly higher prices. (ING)

### Brent

111.38

	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%	Sing Hi5
Jun22	623.80	659.30	764.15	811.15	152
Jul22	618.55	645.30	747.15	788.90	144
Aug22	610.55	634.05	735.40	771.15	137
Sep22	601.30	622.80	725.40	758.40	136
Oct22	592.05	611.80	715.90	748.40	137
Nov22	581.55	602.05	706.90	739.65	138
Q3-22	610.15	634.05	736.00	772.80	139
Q4-22	581.80	602.38	707.15	739.90	138
Q1-23	557.55	582.22	684.40	716.48	134
Q2-23	540.80	564.97	663.40	694.65	130
CAL23	531.01	555.24	653.21	684.50	129



### Fuel Oil Market News

#### OIL MARKET ROUND-UP: (Bloomberg)

- \* EU Targets Russia's Global Oil Trade With Shipping Sanctions
- \*\* Hungary Would Block Current EU Plan to Ban Russian Oil
- \*\* Slovakia Asks EU for 3-Year Exception to Take Russian Oil
- \* Global Diesel Supply at Risk as EU Readies Ban on Russian Fuel
- \* EU Can't Rely on OPEC for Help Quitting Russian Oil
- \* U.S. East Coast Diesel Stockpiles at Record Low as Exports Surge
- \* Exxon Says Chance of Russia Sale to Third Party Is 'Remote'
- \* Russia's Oil Output Dropped 8.75% in April to 10.05M B/D
- \* Plains Sees Permian Oil Production Growth for 2022 at 600K B/D
- \* Vortexa Sees Strong U.S. Crude Exports to Brazil Through May

	Rott GOFO	Sing GOFO	R FoGo	S FoGo	Rott Hi5
Jun22	524.98	457.48	-384.75	-305.75	140
Jul22	487.24	413.37	-358.75	-269.75	129
Aug22	462.08	381.79	-337.25	-244.75	125
Sep22	444.62	365.47	-320.50	-229.75	124
Oct22	425.58	349.65	-301.75	-213.00	124
Nov22	405.03	333.33	-279.75	-195.75	125
Q3-22	464.65	386.97	-338.75	-248.25	126
Q4-22	412.89	333.49	-287.50	-196.00	125
Q1-23	368.90	291.32	-242.00	-157.00	127
Q2-23	329.08	270.33	-206.50	-140.75	123
CAL23	332.58	270.69	-210.25	-141.50	122

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### TIME SPREADS FUEL

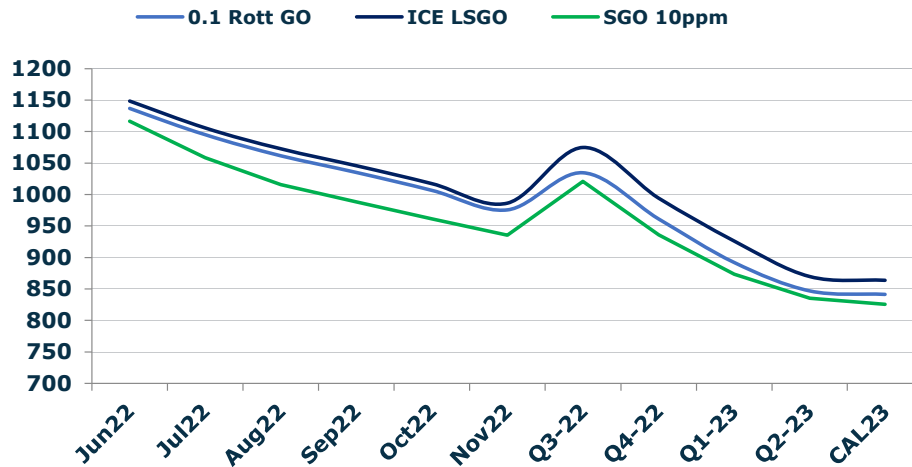
	Barges 3.5	S 380	Rott 0.5%	Sing 0.5%
Jun22/Jul22	5.25	14.00	17.00	22.25
Jul22/Aug22	8.00	11.25	11.75	17.75
Aug22/Sep22	9.25	11.25	10.00	12.75
Sep22/Oct22	9.25	11.00	9.50	10.00
Oct22/Nov22	10.50	9.75	9.00	8.75
Q3-22/Q4-22	28.35	31.67	28.85	32.90
Q4-22/Q1-23	24.25	20.17	22.75	23.42
Q1-23/Q2-23	16.75	17.25	21.00	21.83
CAL23/CAL24	44.50	42.50	48.7	48.77

### GASOIL CURVES

	Rott 0.1	SGO 10ppm	ICE GO
Jun22	1136.8	1116.8	1148.8
Jul22	1095.0	1058.7	1105.8
Aug22	1061.9	1015.8	1072.6
Sep22	1035.2	988.3	1045.9
Oct22	1006.9	961.5	1017.6
Nov22	975.8	935.4	986.6
Q3-22	1034.7	1021.0	1074.8
Q4-22	961.6	935.9	994.7
Q1-23	892.2	873.5	926.4
Q2-23	847.1	835.3	869.9
CAL23	841.6	825.9	863.6

### EW SPREAD

	EW380	EW0.5%
Jun22	35.50	47.00
Jul22	26.75	41.75
Aug22	23.50	35.75
Sep22	21.50	33.00
Oct22	19.75	32.50
Nov22	20.50	32.75
Q3-22	23.90	36.80
Q4-22	20.58	32.75
Q1-23	24.67	32.08
Q2-23	24.17	31.25
CAL23	23.00	31.29



### Contact US:

#### Luke Longhurst

Email: lukel@freightinvestor.com

Mobile: (+44) 7966 968761

#### Ricky Forman

Email: rickyf@freightinvestor.com

Mobile: (+44) 7868 708719

#### Sam Twyford

Email: samt@freightinvestor.com

Mobile: (+44) 7729 118643

#### Jessie Deng

Email: jessied@freightinvestor.com

Mobile: (+86) 13524516743

#### Jarryd Smith

Email: jarryds@freightinvestor.com

Mobile: (+65) 8798 4987

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