

FIS Fuel Oil Daily Morning Report

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12 May 2022

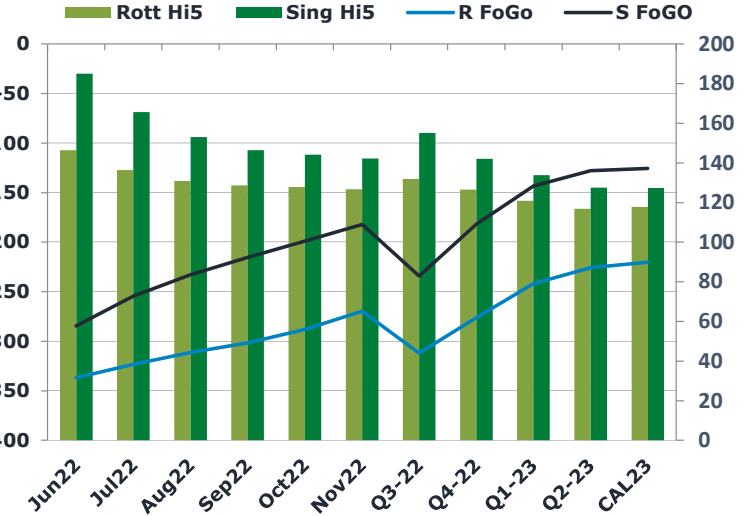
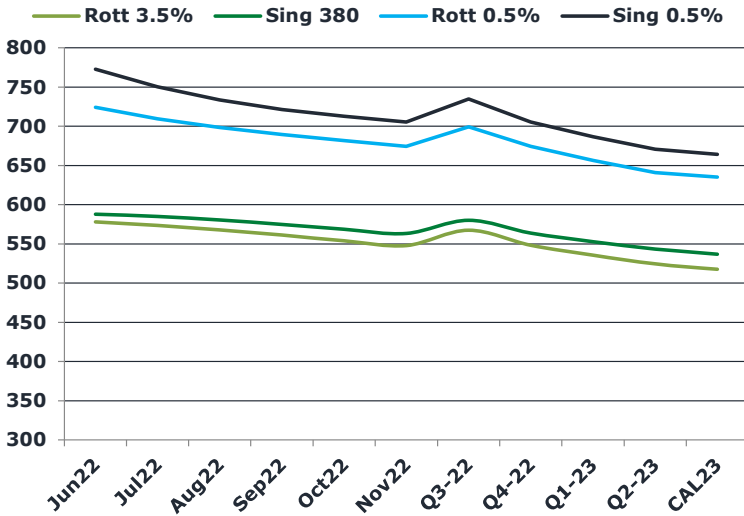
Oil and Energy Market News

The oil market continues to trade in a large intra-day range and is struggling to find direction during this period of uncertainty for both supply and demand. Yesterday, the market took comfort in an easing of Covid cases in some parts of Shanghai. However, China still appears unwilling to drop its zero-covid policy, which will continue to be a risk for demand. There has been little progress in the EU's proposed oil embargo against Russia. The European Commission and other member countries have failed to convince the Hungarian government to back the ban. Instead, the Hungarians have said that they would only support the ban if there is an exemption for Russian pipeline oil flows. If we were to see this, it would significantly water down the impact of the ban, given that the Druzhba pipeline flows amount to somewhere in the region of 1MMbbls/d, which is a significant portion of the roughly 2.3MMbbls/d of crude oil that the EU imported from Russia in 2021. Given the large volumes of Russian pipeline oil coming to the EU, it is hard to see an exemption on pipeline flows as an acceptable compromise. The longer these talks drag on, the more pressure there could be on EU member countries to impose a ban on a national level, rather than waiting for all EU members to finally come to an agreement. The EIA's weekly oil report showed that US commercial crude oil inventories increased by 8.49MMbbls over the last week. However, SPR inventories declined by 6.99MMbbls, which means that total US crude oil inventories increased by a more modest 1.5MMbbls. Crude oil exports declined by 695Mbbls/d over the period, helping the build seen in inventories. However, the refined products market continues to tighten up. Despite refiners increasing operating rates over the week, gasoline inventories declined by 3.61MMbbls, which saw stocks falling below the 5-year range.

Brent

106.30

	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%	Sing Hi5
Jun22	577.80	587.80	724.20	772.75	185
Jul22	573.30	584.80	709.70	750.50	166
Aug22	567.80	580.55	698.70	733.50	153
Sep22	561.05	574.80	689.70	721.25	146
Oct22	553.80	568.55	681.70	712.75	144
Nov22	547.80	563.30	674.45	705.50	142
Q3-22	567.40	580.05	699.35	735.10	155
Q4-22	548.05	563.63	674.62	705.67	142
Q1-23	535.55	552.80	656.45	686.58	134
Q2-23	524.30	543.30	641.20	670.75	127
CAL23	517.36	536.93	635.20	664.21	127



Fuel Oil Market News

OIL MARKET ROUND-UP: (Bloomberg)

- * Diesel Stockpiles in US Fall to Lowest Level in 17 Years
- * No Relief at Pump as US Fuel Prices Keep Climbing Higher
- * Billionaire Catsimatidis Warns of Rationed East Coast Diesel
- * Move Over Diesel, Now Gasoline Is Being Gripped by Supply Fears
- * Libya's Parliament-Backed PM Says Oil Fields May Restart Soon
- * Europe's Snub of Russian Oil Opens Door for OPEC's Minor Players
- * Record Iranian Oil Flows to Venezuela Signal Production Rebound
- * Biden Scraps Offshore Oil Auctions in Alaska and Gulf of Mexico
- * Brent \$1 Call Spreads Lead the Way in Oil Options on May 11
- * Caspian CPC Blend Loadings to Fall to 10-month Low in June

	Rott GOFO	Sing GOFO	R FoGo	S FoGO	Rott Hi5
Jun22	483.33	469.33	-337.00	-284.50	146
Jul22	459.58	420.18	-323.25	-254.50	136
Aug22	442.25	385.69	-311.25	-232.75	131
Sep22	430.15	361.64	-301.50	-215.25	129
Oct22	415.78	343.31	-288.00	-199.00	128
Nov22	396.40	324.34	-269.75	-182.25	127
Q3-22	443.95	389.20	-312.00	-234.25	132
Q4-22	402.92	323.89	-276.25	-181.75	127
Q1-23	362.99	276.98	-242.00	-143.25	121
Q2-23	342.57	255.32	-225.75	-127.75	117
CAL23	338.00	253.09	-220.25	-125.75	118

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TIME SPREADS FUEL

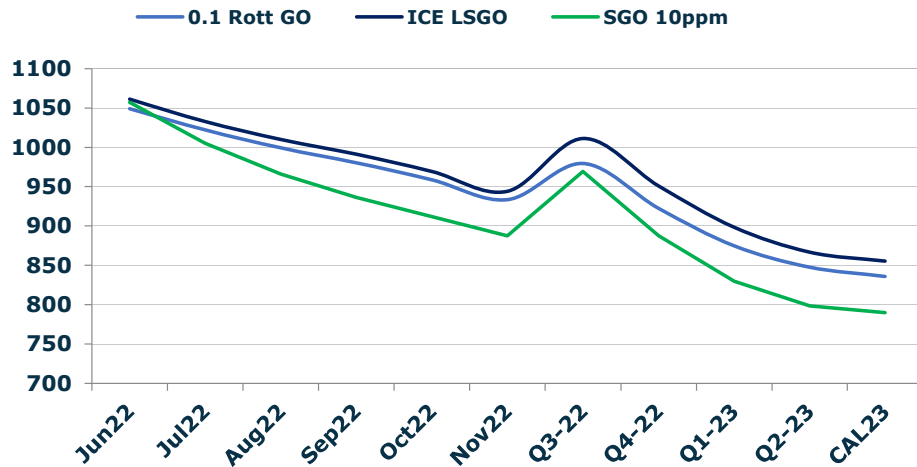
	Barges 3.5	S 380	Rott 0.5%	Sing 0.5%
Jun22/Jul22	4.50	3.00	14.50	22.25
Jul22/Aug22	5.50	4.25	11.00	17.00
Aug22/Sep22	6.75	5.75	9.00	12.25
Sep22/Oct22	7.25	6.25	8.00	8.50
Oct22/Nov22	6.00	5.25	7.25	7.25
Q3-22/Q4-22	19.35	16.42	24.73	29.43
Q4-22/Q1-23	12.50	10.83	18.17	19.08
Q1-23/Q2-23	11.25	9.50	15.25	15.83
CAL23/CAL24	44.50	42.50	44.3	46.78

GASOIL CURVES

	Rott 0.1	SGO 10ppm	ICE GO
Jun22	1049.1	1057.1	1061.1
Jul22	1022.1	1005.0	1032.9
Aug22	999.3	966.2	1010.0
Sep22	980.4	936.4	991.2
Oct22	958.8	911.9	969.6
Nov22	933.4	887.6	944.2
Q3-22	979.6	969.2	1011.4
Q4-22	922.6	887.5	951.0
Q1-23	874.9	829.8	898.5
Q2-23	847.7	798.6	866.9
CAL23	835.9	790.0	855.4

EW SPREAD

	EW380	EW0.5%
Jun22	10.00	48.55
Jul22	11.50	40.80
Aug22	12.75	34.80
Sep22	13.75	31.55
Oct22	14.75	31.05
Nov22	15.50	31.05
Q3-22	12.65	35.75
Q4-22	15.58	31.05
Q1-23	17.25	30.13
Q2-23	19.00	29.55
CAL23	23.00	29.01



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