

# FIS Fuel Oil Daily Morning Report

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12 July 2022

## Oil and Energy Market News

Oil prices fell on Tuesday as fresh COVID-19 curbs in China, the world's biggest crude importer, and fears of a global economic slowdown weighed on the fuel demand outlook.

Brent crude futures for September fell \$1.35, or 1.3%, to \$105.75 a barrel by 0305 GMT, while U.S. West Texas Intermediate crude for August delivery was at \$102.64 a barrel, down \$1.45, or 1.4%.

"Growing fears of a recession and continued sluggish demand in China are pulling oil prices lower, though the current supply-demand balances remain precarious," analysts from consultancy Eurasia Group said in a note.

Multiple Chinese cities are adopting fresh COVID-19 curbs, from business halts to lockdowns, to rein in new infections as the highly infectious BA.5.2.1 subvariant has been detected in the country.

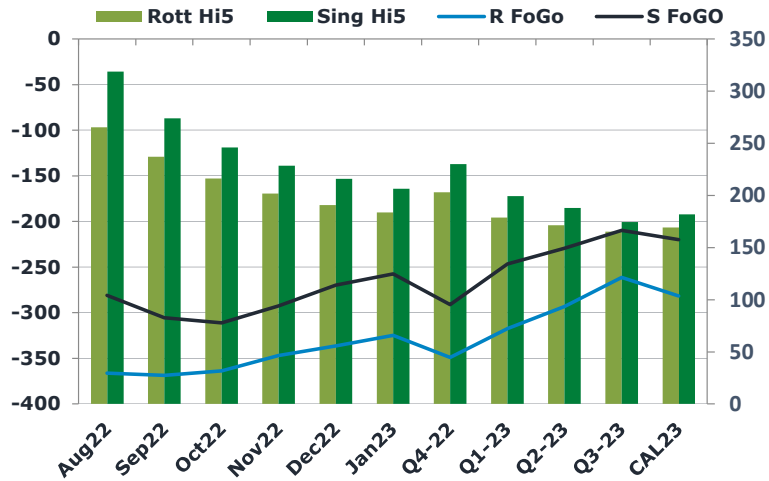
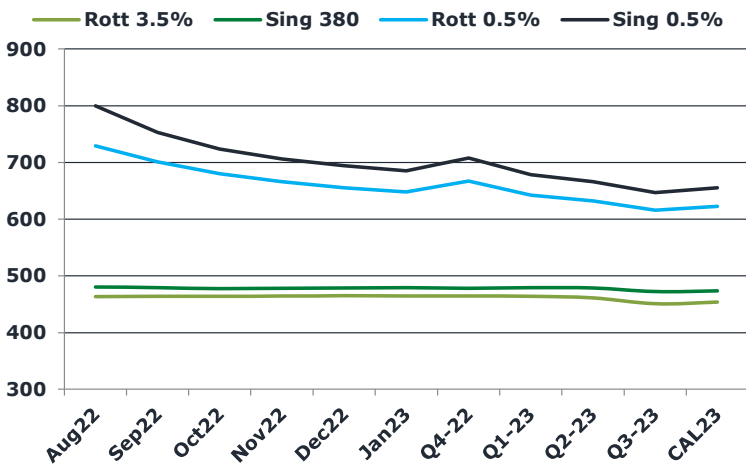
"While China may take a more targeted approach in trying to squash any outbreak, we will need to see how this plays out given the country's COVID zero policy," said Warren Patterson, head of commodity research at ING.

The intraday technical yesterday broke a fractal resistance to the upside meaning the 1-hour chart is bullish; however, the daily technical remains bearish. Upside moves that fail at or below USD 109.22 will leave the daily futures vulnerable to further tests to the downside, above this level we have a neutral bias. Only above USD 114.75 is the daily technical bullish. Intraday Elliott wave analysis would suggest that the current upside move is countertrend, warning the USD 98.50 low remains vulnerable at this point.

## Brent

105.26

	Barges 3.5 %	Sing 380cst	Rott 0.5%	Sing 0.5%	Sing Hi5
Aug22	463.45	480.45	728.85	799.35	319
Sep22	463.70	478.95	700.85	752.85	274
Oct22	463.95	477.45	680.10	723.35	246
Nov22	464.20	477.95	666.10	706.35	228
Dec22	464.70	478.45	655.60	694.35	216
Jan23	464.45	478.95	648.10	685.35	206
Q4-22	464.30	477.95	667.25	708.00	230
Q1-23	463.62	479.03	642.43	678.52	199
Q2-23	461.03	478.28	632.43	666.18	188
Q3-23	450.62	472.20	615.85	646.68	174
CAL23	453.47	473.28	622.77	655.10	182



## Fuel Oil Market News

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

- \* US Believes OPEC Has More Capacity to Raise Crude Production
- \* Treasury Says Russian Oil Price Cap Key to Avoid New Cost Shock
- \* China's Imports of Key Commodities Make a Patchy Recovery
- \* Global Air Travel, Jet Fuel Demand Increases Endure: BNEF Chart
- \* Brazilian Trader Seeks to Buy Russian Diesel Amid Shortage Risk
- \* US Gasoline Imports From Europe Climbs to Highest in 3-Weeks
- \* Rare Diesel Cargo from Russia's Primorsk Heads for West Africa
- \* Synthetic Oil Rises to 10-Yr High After Suncor Stop Work Order
- \* Russia's War Machine Still Getting Plenty of Cash From Oil

	Rott GOFO	Sing GOFO	R FoGo	S FoGo	Rott Hi5
Aug22	631.59	599.59	-366.25	-280.75	265
Sep22	605.83	579.48	-368.75	-305.50	237
Oct22	579.80	557.14	-363.75	-311.25	216
Nov22	548.65	520.88	-346.75	-292.50	202
Dec22	527.22	485.37	-336.25	-269.50	191
Jan23	508.47	464.01	-324.75	-257.50	184
Q4-22	551.85	521.10	-349.00	-291.00	203
Q1-23	496.37	446.04	-317.50	-246.50	179
Q2-23	464.72	417.12	-293.25	-229.25	171
Q3-23	426.49	384.21	-261.25	-209.75	165
CAL23	450.97	401.60	-281.75	-219.75	169



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### TIME SPREADS FUEL

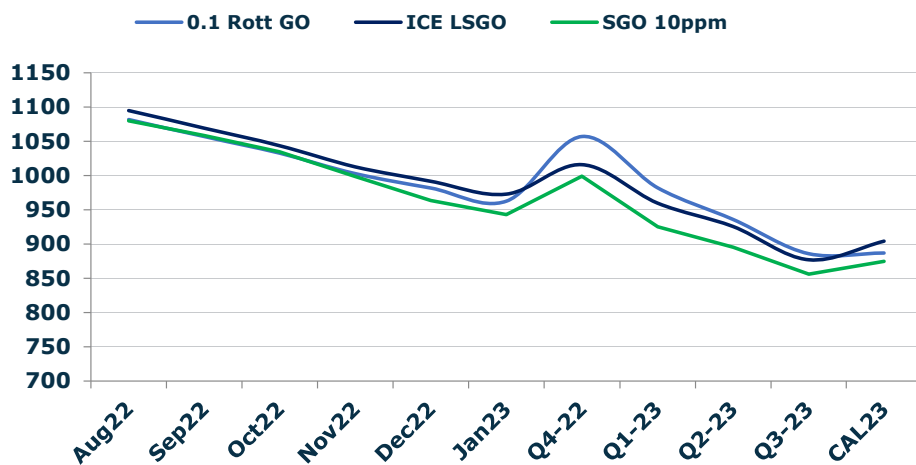
	Barges 3.5	S 380	Rott 0.5%	Sing 0.5%
Aug22/Sep22	-8.50	1.50	28.00	46.50
Sep22/Oct22	-0.25	1.50	20.75	29.50
Oct22/Nov22	-0.25	-0.50	14.00	17.00
Nov22/Dec22	-0.25	-0.50	10.50	12.00
Dec22/Jan23	-0.50	-0.50	7.50	9.00
Q4-22/Q1-23	0.68	-1.08	24.82	29.48
Q1-23/Q2-23	2.58	0.75	10.00	12.33
Q2-23/Q3-23	10.42	6.08	16.58	19.50
CAL23/CAL24	33.00	30.00	84.3	71.82

### GASOIL CURVES

	Rott 0.1	SGO 10ppm	ICE GO
Aug22	1082.0	1080.0	1095.0
Sep22	1057.0	1058.4	1069.5
Oct22	1032.8	1034.6	1043.8
Nov22	1002.9	998.8	1012.9
Dec22	981.9	963.8	991.9
Jan23	962.9	943.0	972.9
Q4-22	1057.3	999.0	1016.2
Q1-23	982.6	925.1	960.0
Q2-23	936.1	895.4	925.7
Q3-23	886.1	856.4	877.1
CAL23	887.2	874.9	904.4

### EW SPREAD

	EW380	EW0.5%
Aug22	17.00	70.50
Sep22	15.25	52.00
Oct22	13.50	43.25
Nov22	13.75	40.25
Dec22	13.75	38.75
Jan23	14.50	37.25
Q4-22	13.65	40.75
Q1-23	15.42	36.08
Q2-23	17.25	33.75
Q3-23	21.58	30.83
CAL23	8.00	32.33



### Contact US:

**Luke Longhurst**

Email: lukel@freightinvestor.com

Mobile: (+44) 7966 968761

**Jessie Deng**

Email: jessied@freightinvestor.com

Mobile: (+86) 13524516743

**Ricky Forman**

Email: rickyf@freightinvestor.com

Mobile: (+44) 7868 708719

**Jarryd Smith**

Email: jarryds@freightinvestor.com

Mobile: (+65) 8798 4987

**Sam Twyford**

Email: samt@freightinvestor.com

Mobile: (+44) 7729 118643

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