FIS Weekly Oil Report

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Market Review:

Crude oil market — Short-term **neutral bearish** with Brent ranging from $81 - $70/bbl, as the collapse of Silicon Valley Bank continued to plague the market with financial crisis fears, thus hitting fuel demand sentiment .

Bunker market — Short-term **neutral bearish** Singapore VLSFO front month future ranges were $515 - $558/mt.

Prices movement (front month)	14-Mar	20-mar	Weekly Change % (settlement prices)
Brent Crude	77.45	73.79	**4.73**
WTI Crude	71.33	67.82	**4.92**
VLSFO (Singapore)	557.99	524.92	**5.92**

Crude Oil Market :

Oil prices rebounded on Monday, rising over 1%, after what transpired to be their worst week since 2015. The tumultuous state of the Western banking sector sparked fears of a financial crisis and a predicted bearish trajectory, but Brent crude futures for May rose 73 cents to $73.70/bbl today, and WTI crude futures for April gained 73 cents, or 1.09%, to $67.47/bbl. Despite this rebounding, Goldman Sachs analysts cut their oil price projections to $94/bbl in the next 12 months compared with forecasts of $100/bbl earlier this year.

There was an announcement made on Monday by Unite union that major oil and gas operators in the UK Continental Shelf (UKCS) should expect to face a 'tsunami of industrial unrest' from 29 March until 7 June in a series of 24, 48 and 72-hour stoppages. The action will include workers from contractors Bilfinger UK, Stork, Petrofac, Wood Group Ltd and Sparrows Group and will affect major oil and gas operators, including BP, Shell and Total. Greenpeace UK's head of climate Mel Evans said of these companies, "the greed is almost palpable. Oil and gas workers have been hung out to dry while their bosses and shareholders have raked in tens of billions of pounds over the past year."

Weekly (14/03—present) May23 Brent Crude Futures

Source: *FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar*

Crude Oil Market (cont)

Bullish sentiment around Chinese oil demand is still strong as the country continues to ease Covid restrictions. Chinese refiners are beginning to charter more supertankers for later this year, pushing the rate for very large crude carriers (VLCC) up to $100,000 a day. Tanker rates are also rising due to the dwindling availability of vessels as more ships are being utilised in the Russian oil trade. The number of newly built tankers and orders for them are at their lowest rates in decades.

Russia has now surpassed Saudi Arabia as China's top supplier of oil. Chinese imports of Russian oil jumped by 23.8% yearly to 1.94 million barrels per day in January and February as the country continued to take advantage of Russia's discounted oil prices. Independent Chinese refineries have been the primary beneficiaries of this; S&P Global reports that these imports include a jump of 39.6% in fuel oil since December.

Some support for oil prices has been found off the back of investors pulling out around $108 million from an oil exchange traded fund that bets against crude futures—a sign that some market players may be wagering that the worst of the tumble is past us.

Brent Crude Oil 1 month View

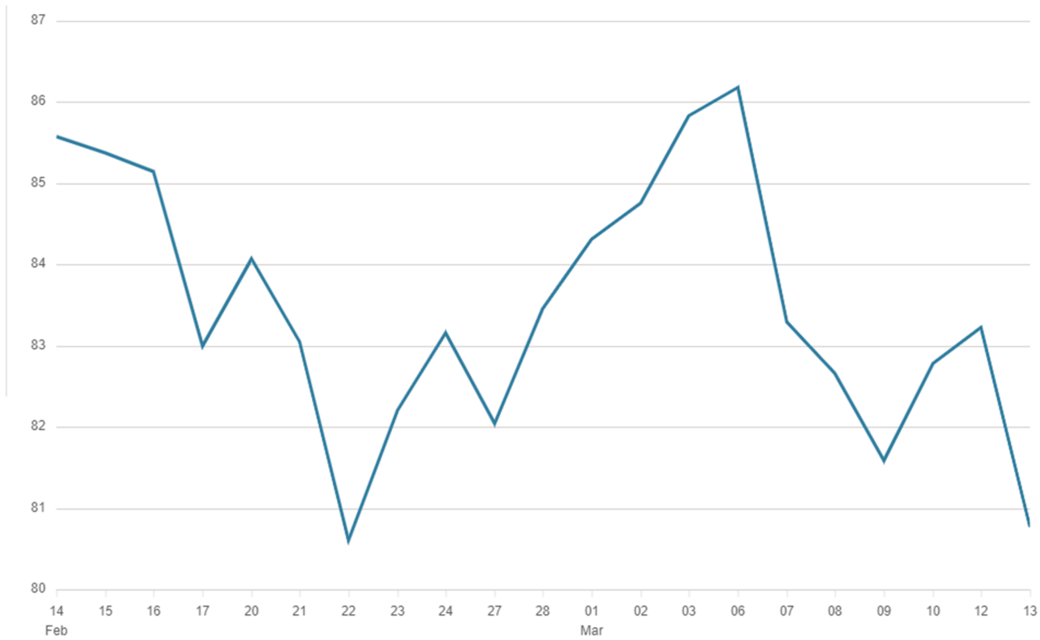


Chart data: *Morningstar, BBC News*

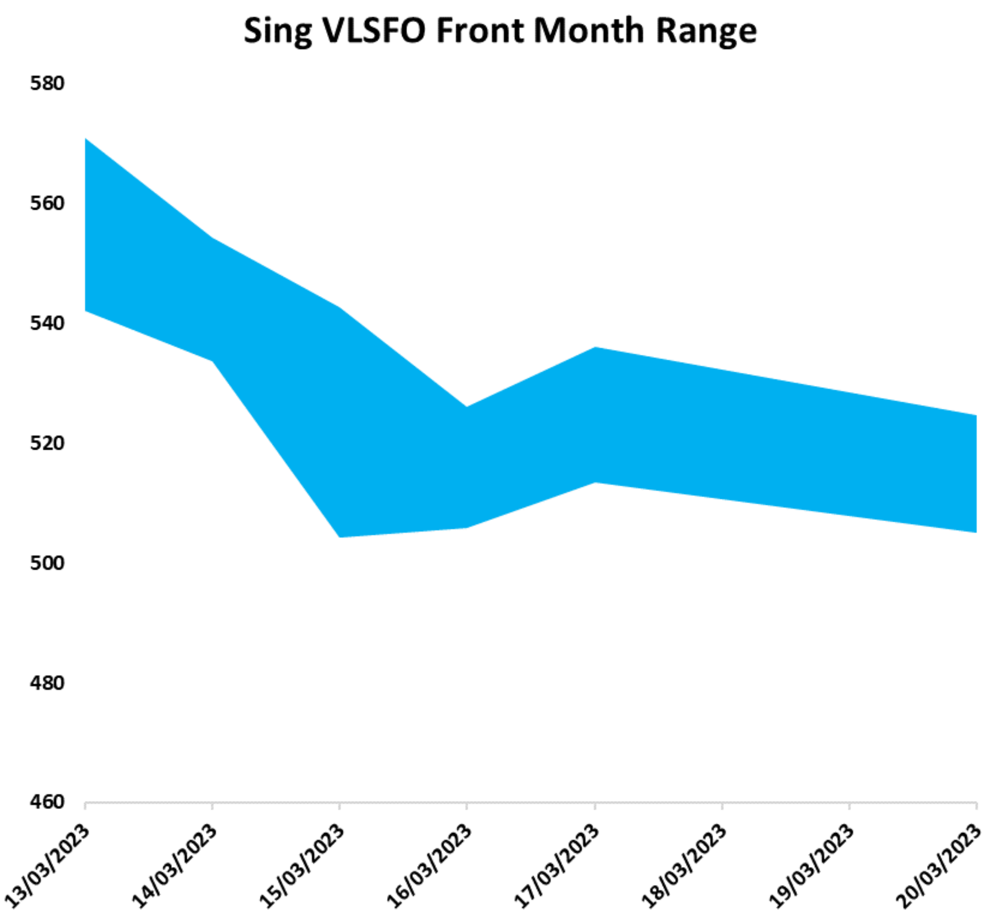
Source: *FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar*

Bunker Market:

Fuel oil prices have shown a neutral bearish sentiment, in line with the crude falling at the end of last week to close its worst week of losses since the year began. After days of thin liquidity and flat movement in the low sulphur cracks, they rallied aggressively on Friday, with Sing 0.5% crack up $1.60 and the Euro 0.5% crack up $1.20, which they have held to some extent into this week. The stronger cracks offered some support to fuel prices.

We've seen some strengthening in both the HSFO and VLSFO spreads since last Tuesday as all the fuel products extend their backwardation in the front months and also in the deferred contracts for the VLSFO.

Last week, Shanghai was aggressively buying up the Sing380cst flat price during the midnight arbitrage session, whereas during today's session, they were strong sellers of the May 23 contract.



Text pricing data: *FIS and ENGINE Online,* ***Chart data:*** *FIS*

Source: *FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar*

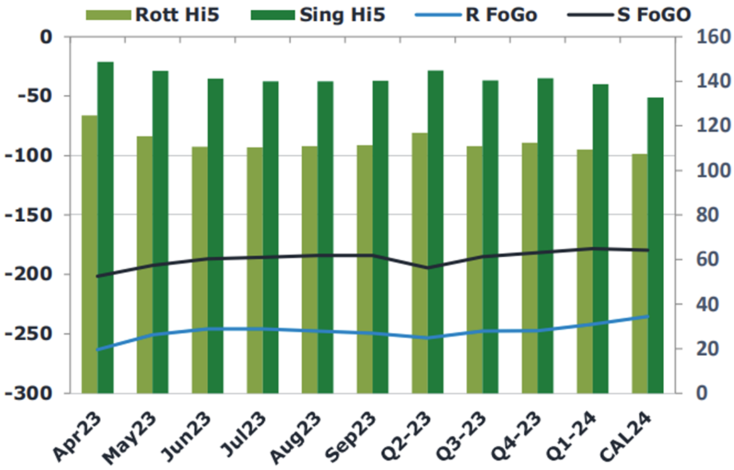
Bunker Market (cont)

Hi5 and EW Spreads

We saw a push in the VLSFO EW into the end of last week after an aggressive rally in the sing 0.5% on Thursday, widening the spread to $48.90/mt in the front month. The current value is under the $44.00/mt level due to a weakening Sing crack vs a prevailing Euro crack. The lower Sing, 0.5% crack, might spur from the availability of cheaper Russian HSFO across the region, which is deferring the shift to VLSFO to burn for power generation.

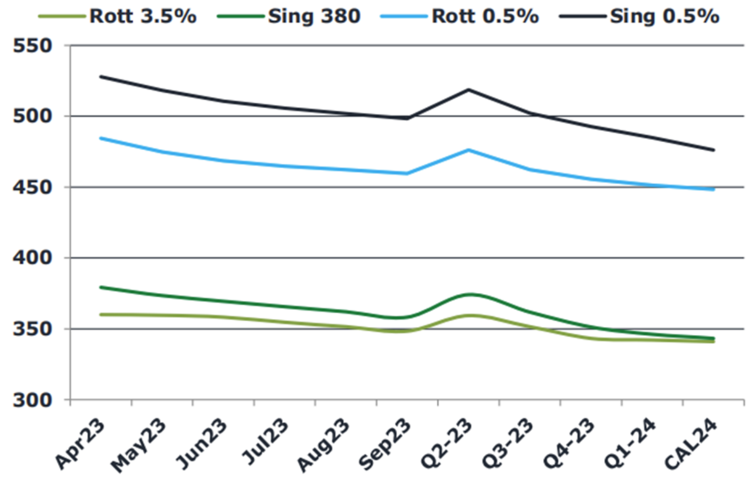
Front-month Sing Hi5 is flat with yesterday around the $148.00/mt mark, but $6 weaker in comparison to the end of last week due to the falling Sing 0.5% crack. The Euro Hi5 has moved oppositely, as the low sulphur crack improves vs a 30 cents drop in the Rotterdam 3.5% barges crack on the day. We see a $5 wider Hi5 spread compared to yesterday, which closed around the $119 level.

Rotterdam and Singapore Hi5 and FOGOs



Source: FIS

Rotterdam and Singapore FO Futures



Source: FIS

Hi5 Forward Curve Values

	Rott Hi5	Sing Hi5
Apr-23	124	149
May-23	115	145
Jun-23	110	141
Jul-23	110	140
Aug-23	111	140
Sep-23	111	140
Q2-23	117	145
Q3-23	111	140
Q4-23	112	141
Q1-24	109	139
CAL24	107	133

Table Sources: FIS

HSFO and 0.5% East-West Spread

	EW380	EW0.5%
Apr-23	19.25	43.50
May-23	13.75	43.25
Jun-23	11.25	42.00
Jul-23	11.00	40.75
Aug-23	10.50	39.75
Sep-23	9.75	38.75
Q2-23	14.75	42.75
Q3-23	10.25	39.75
Q4-23	8.00	37.00
Q1-24	4.00	33.50
CAL24	3.00	27.75

Tanker Weekly Report 13/03/23 - 21/03/2023

Product tankers continued to trend higher this week, with the BCTI Index climbing from 972 to 1067. For MRs on the UK continent, rates surged this week, rising from ws197.78 to ws271.39 last. Trading was pretty thin on the TC2 Paper market; however, Apr FFA saw small gains of around 10 points between Tuesday and Thursday. In America MRs took a downturn for most of the week, slipping from ws165 down to a low of ws109.17; it has recovered over the weekend to close back up at ws145.83 yesterday. TC14 Paper followed a similar pattern at the front of the curve, with April dropping from ws183 at the start of the week down to as low as ws160 on Thursday; in late trading, on Friday, it firmed to trade back up at ws170, ws175 and ws176 last all in quick succession. Q2(23) also firmed late Friday afternoon to trade at ws170, ws175 and ws179 last, up from the week's low of ws164. Finally, TC17 MEG/East Africa MRs had a mixed week, fluctuating around the ws230 mark but managed to close out stronger up at ws243.57 yesterday.

In the Middle East Gulf, LR1s on the 55kt MEG/Japan run (TC5) suffered reduced enquiry, and the spot edged consistently lower from ws200.71 down to ws187.86. In the paper market, TC5 fell with April FFA trading actively and giving up 12 points across the week, trading at ws198 last yesterday, still up from the low seen on Thursday at ws193. Q2(23) also declined to move from ws200 down to ws196, seen yesterday. European Handymax freight has rebounded this week, driven by an increasing number of cargoes open; the TC6 index has consistently closed up around the ws330 level, up from an average of just ws158 the previous week. This move has not been evident in the paper market, however, with TC6 April edging lower from ws245 seen on Tuesday down to as low as ws215 on Thursday. It has since recovered to trade at ws249 at the time of writing.

The Baltic Dirty Tanker Index gained some momentum this week, climbing from 1478 to 1611. In the VLCC market TD3C spot was mixed, dropping initially only to firm for the remainder of the week and pushing above the ws100 level for the first time this year. Largely driven by Chinese refiners continuing to charter more supertankers for later this year and a dwindling supply of vessels available as more and more ships are being utilised in the Russian oil trade. At the front of the curve on the TD3C Paper market, April FFA climbed 12.5 points across the week, trading at ws86 last. It saw a flurry of activity on Friday, trading multiple levels as it climbed from ws81.5 to a high of the day at ws87. Across the week, there were some sizable spread trades, with May/Jun spread trading initially at ws4 in 370kt Tues-Wed then widening to trade at ws7 in a further 200kt on Friday. Q3(23)/Q4(23) traded at ws-8 in 200kt and Q2(23)/Q3(23) traded at ws9.5 in 200kt as well. In the Atlantic markets, the 270,000mt US Gulf/China route gained over $1m for a second week in a row to close at $12.42 million.

On the Suezmax market, the TD20 Nigeria/Rotterdam voyage gained a considerable 38.41 points, closing up at ws152.73. As such, TD20 paper also climbed, with April FFA trading up at ws137.5 in 100kt yesterday – a gain of 15.5 points from earlier in the week. Tuesday also saw a noteworthy print with just over 250kt trading on the Apr-Dec strip at ws103. Lastly, on the longer-haul Aframax US Gulf/Rotterdam voyage, rates increased from ws230 to ws270.63. USGC/AFRA paper also firmed with April FFA trading up at ws235 late on Friday, up from ws202.5 Tuesday morning. Q2(23) also gained 12.5 points over the week.

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Chart Source: Bloomberg