FIS

Weekly Oil Report

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Market Review:

Crude oil market— Technically Bullish on the intraday, whilst the daily technical is bearish with neutral bias.

Prices movement (front month)	27-Mar	03-Apr	Weekly Change % (settlement prices)
Brent Crude	78.12	84.93	**8.72**
WTI Crude	72.81	80.42	**10.45**
VLSFO (Singapore)	536.45	576.67	**7.50**

Crude Oil Market :

It seems that the banking crisis involving SVB and Credit Suisse is very much out of the short-term focus of oil market players, with the limelight now stolen by tightening supply issues.

After Brent crude prices tumbled towards $70 last month amid Western banking scares, oil is back up this week supported by shock OPEC production cuts as Saudi Arabia flexes its oil muscles. At the time of writing, we are trading around the $85.60/bbl level for the Jun23 Brent crude futures due to OPEC+ announcing on Sunday that the cartel would be reducing output by one million barrels per day, collectively. This is on top of Russia's previously planned cuts of 500,000 barrels per day. Brent crude futures jumped as much as 8 per cent, moving from near $79 a barrel at Friday's close to more than $86 a barrel, before tempering slightly.

In light of the cuts, some comfort for consumer nations can be found in the flow data for March showing a surge of seaborne oil. There was a huge increase in cargoes from the US Gulf of Mexico, and also gains from Saudi Arabia, Kazakhstan via the CPC terminal, and even Russia, despite their pledge to slash output by 500,000 bpd starting in March.

Brent Crude Jun23 Futures Week Chart

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

Crude Oil Market (cont)

Last week, crude oil was finding support in a halt of production from Iraqi Kurdistan of 450,000 barrels per day amid some unrest between Turkey and Baghdad. The problem developed to the stage of halting repayments via crude cargoes of around $6 billion owed to large energy traders such as Petraco and Vitol. News came in this afternoon that Kurdistan and Iraq have reached a deal to resume the exports by the end of the week, which could ease oil prices marginally.

From June, the Dated Brent oil benchmark will be updated to include US WTI Midlands crude. The change comes mainly because the supply of the Dated Brent is in long term decline, thus will become more unreliable as a benchmark.

WTI Jun23 Futures Week Chart

Chart data: *Morningstar, BBC News*

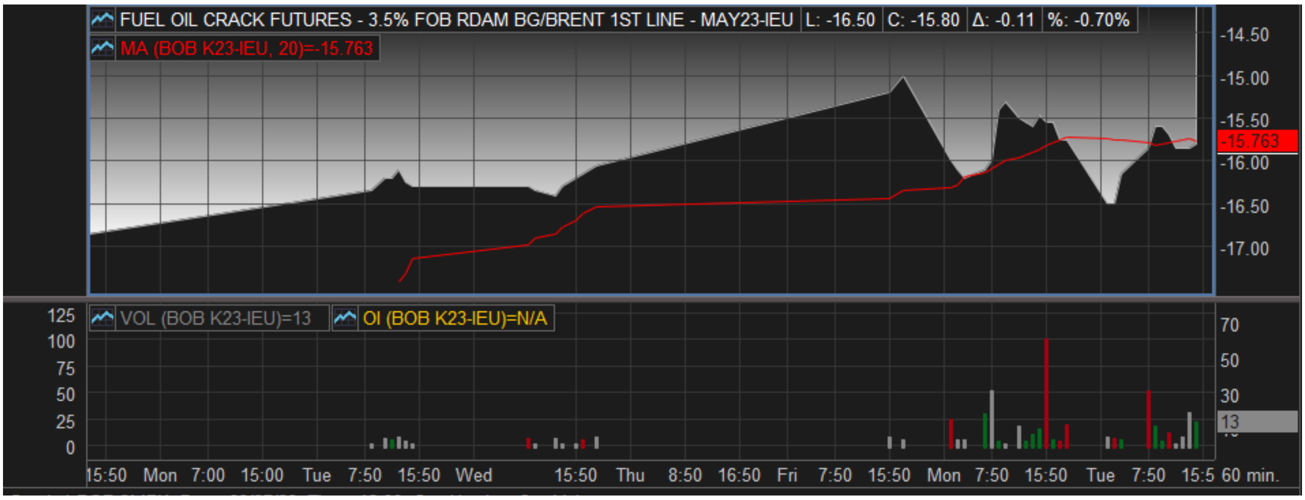
Source: *FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar*

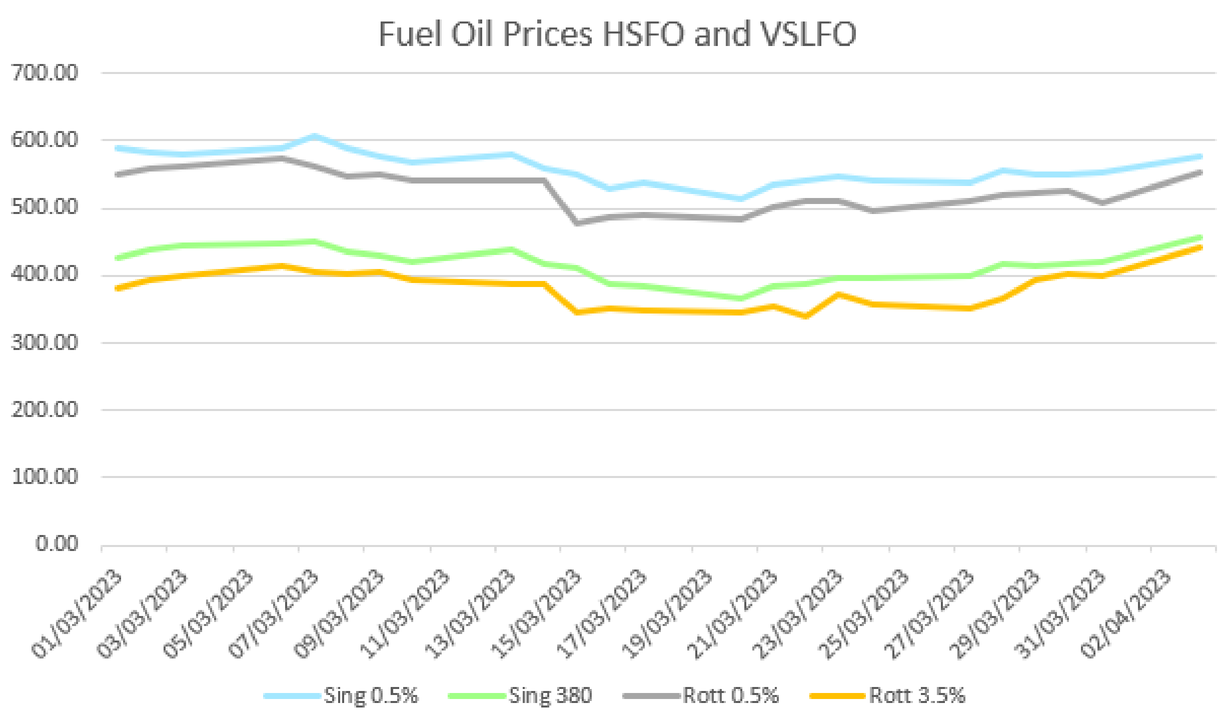
Bunker Market:

This week on VLSFO cracks have been interesting given the move on Sunday night for brent. Both Singapore cracks have remained relatively stable given the 5% move on the benchmark with the Singapore marking at 6.70/bbl on Tuesday midday UK. Rotterdam 0.5% crack trading lower here 0.25/bbl, having weakened slightly from last weeks close. HSFO crack has also made a resurgence over the past few weeks, with it being marked at -15.70/bbl after seeing lows of -18/bbl at the tail end of March.

Spreads have also narrowed from last week, with the front month marking on May/June at 5.25 on the Singapore and 6 on the Rotterdam, with the rest of the VLSFO complex remaining stable and much unchanged for the week into the 2nd half of 2023.

Rotterdam 3.5% Barges Crack May23





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

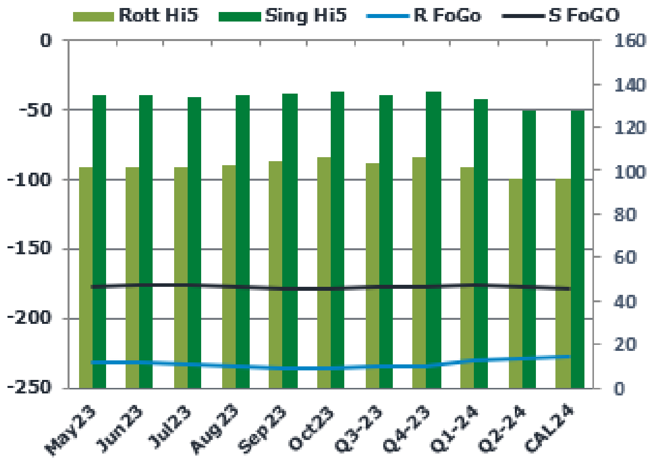
Source: *FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar*

Bunker Market (cont)

Hi5 and EW Spreads

The HSFO EW was hit massively in yesterday's trading, down almost $6 to settle around the $4.00/mt mark. The main driver seems to be off the back of the TD3 crude route freight rates for Middle East to China, dropping almost 10 points lower yesterday. Shanghai were the sellers of the HSFO EW on the lower TD3 as they look towards buying Rotterdam 3.5% barges if Sing 380cst is in lesser supply from OPEC+ cuts.

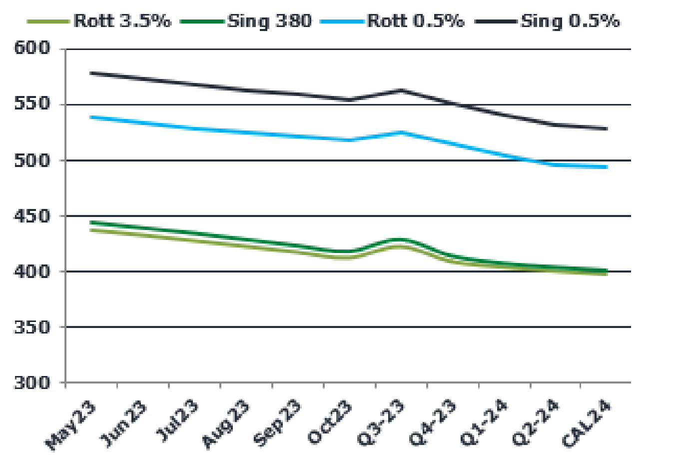
Rotterdam and Singapore Hi5 and FOGOs



Source: FIS

The Singapore Hi5 spread has kept rather steady around the $135 mark since last week as both the Sing cracks have moved relatively in tandem. The Euro Hi5, however, collapsed on Monday from $118/mt closing on Friday to around $103/mt after the VLSFO Rdam crack declined sharply to print last in the market $0.25/bbl.

Rotterdam and Singapore FO Futures



Source: FIS

Hi5 Forward Curve Values

	Rott Hi5	Sing Hi5
May23	102	135
Jun23	101	134
Jul23	102	134
Aug23	103	134
Sep23	105	135
Oct23	106	136
Q3-23	104	135
Q4-23	107	137
Q1-24	102	133
Q2-24	96	128
CAL24	96	128

HSFO and 0.5% East-West Spread

	EW380	EW0.5%
May23	7.00	40.00
Jun23	6.75	39.50
Jul23	7.00	38.50
Aug23	6.50	37.50
Sep23	6.25	36.75
Oct23	6.25	36.25
Q3-23	6.50	37.75
Q4-23	5.75	35.75
Q1-24	4.00	35.50
Q2-24	4.00	35.75
CAL24	2.75	35.50

Table Sources: FIS

Tanker Weekly Report 27Mar-3Apr 23

Product tankers started strong this week, climbing from 1202 to a high of 1250, but then retreated to 1215 last. For MRs on the UK continent, freight levels climbed for the most part, predominantly off the back of a tightened vessel supply. Rates for TC2 Climbed from ws263.33 up to a peak of ws294.17 before the weekend, they did slip back to ws279.17 yesterday however. On TC2 Paper April held around the ws260-ws270 level for much of the week but took a sharp plunge yesterday to trade down at ws230. In America, MR's fluctuated but closed out stronger yesterday at ws123.33, up from ws113 seen at the start of the week. In the paper market TC14 was fairly consistent to last weeks levels with April FFA trading around the ws170 level all week and Q2(23) trading ws175-ws177.5. Finally, TC17 MEG/East Africa MR's edged lower for the majority of the week, slipping from ws260.71 down to a low of ws239.29, it rebounded yesterday to close just 8.21 points down at ws252.5.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) experienced plenty of activity midweek and as such firmed from ws182.86 to ws203.57 last. In the paper market, TC5 April FFA firmed from ws197.5 up to a high of ws213 by Thursday, it then gave up its gains to print at ws198.5 last yesterday. Spurred by the midweek activity in the physical market, Q2(23) also climbed 12 points from Tuesday to Thursday to print at ws213 last, though it is expected to also be a fair amount lower now. European Handymax freight rates remained very strong for another week with spot consistently around the ws450 mark, still feeling the effects of poor weather and continued strikes in French ports. TC6 Paper had another active week with April FFA climbing from ws270 up to a high of ws315, before settling to print at ws295 yesterday.

The Baltic Dirty Tanker Index dropped off sharply this week from 1587 down to 1363. In the VLCC market rates continued to fall. TD3C spot was already edging lower across the week before its sharp decline yesterday that was fuelled by Opec+'s surprise decision to cut oil production. This resulted in a total drop of over 20 points to close down at ws68.95 yesterday. On TD3C Paper the whole curve has experienced a sell off with April and May losing around 13 and 9 points of value respectively. April FFA saw some good volume with 370kt seen at ws78 and 395kt seen yesterday at ws65. Q3(23) also fell from ws56.25 to ws48 by the close of business yesterday. On the long term, Cal24 lost 45cents to trade at $12.50/mt last. In the Atlantic markets, the 270,000mt US Gulf/China route fell by $738,889 to close the week at just over $10.9 million.

On the Suezmax market the TD20 Nigeria/Rotterdam voyage edged lower from ws140.45 down to ws138.41. In the paper market April FFA traded in the ws127-ws131 range from Mon-Fri but fell significantly yesterday to trade at ws121 last. At the back of the curve, Cal24 lost 20 cents across the week. Lastly, on the longer-haul Aframax US Gulf/Rotterdam voyage rates fell a substantial 82.5 points to close at ws170 yesterday. On the paper market both April and May contracts lost around 30 points of value across the week.

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Chart Source: Bloomberg