

23/05/2023

Prices movement (front month)	15-May	22-May	Change % (settlement prices)
Brent Crude	75.23	75.99	1.01
WTI Crude	71.11	72.05	1.32
VLSFO (Singapore)	527.51	545.43	3.39

Crude Oil Market :

OPEC nations are likely to act during their next meeting on 3rd-4th June amid current the speculative trading patterns of heavy short selling. The Saudi Energy Minister Prince Abdulaziz bin Salman said at the Qatar Economic Forum that oil short-sellers should watch out. "I keep advising them that they will be ouching — they did ouch in April. I would just tell them: Watch out,"

Brent crude futures settled slightly higher yesterday at \$75.99/bbl and have been rallying today, despite there still being little progress in US debt ceiling talks as well as some hawkish comments from Fed officials hinting at potential further rate hikes. Even with a slight increase yesterday and marginal gains on the week, sentiment still remains mostly negative in the oil market - evident via positioning data which shows that speculators have reduced their net long in ICE Brent significantly in recent weeks.

Through the scope of technical analysis, bearish threat in Brent futures remains present. The contract is consolidating below the recent high of \$77.60 (May 10) and has been pretty rangebound since last week. A clear break of the average is required to strengthen a bullish threat and signal scope for a stronger recovery. We are technically bearish with a neutral bias.

In refinery news - yesterday, Nigeria opened the Dangote refinery, the biggest in the country, with an output capacity of 650,000 barrels per day. According to Nigerian media, this is enough to cover the entirety of the country's fuel demand.

Brent Crude Jul23 Futures From 15/05/23 To Date



Source: FIS, Reuters, Oil Price, Bloomberg, BBC News, MNI

Bunker Market

Hi5 and EW Spreads

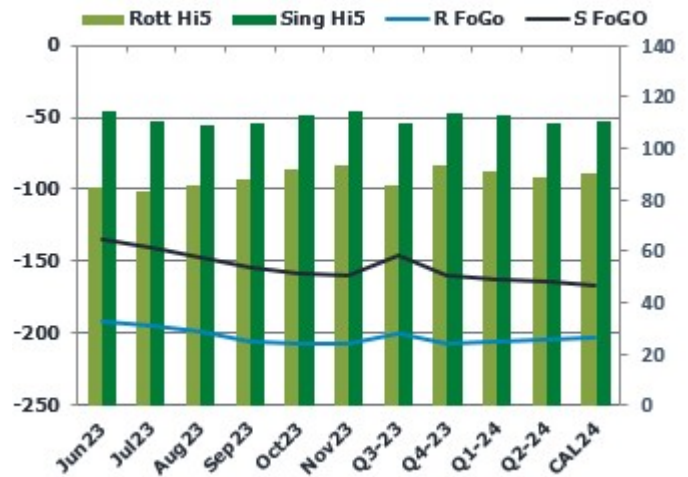
Hi5 values are pretty flat with this time last week and completely flat on the day as cracks have been moving somewhat in tandem. Jun23 Sing Hi5 was trading actively yesterday around the \$114/mt mark which is where we peg current value. We also saw some Cal24 Hi5 go through the broker market.

The HSFO EW has tightened marginally since last Tuesday, printing last here at \$14.25/mt in the Jun23 contract – weaker by 75 cents on the day and over two dollars lower than last week. This differential has lacked direction recently as the HSFO cracks from Sing and Euro and been moving fairly in tandem.

We saw some Dec23 and Aug23 Singapore 380cst flat price print during the Chinese arbitrage session, although volumes were thinner than usual as the Chinese futures were not always lining up.

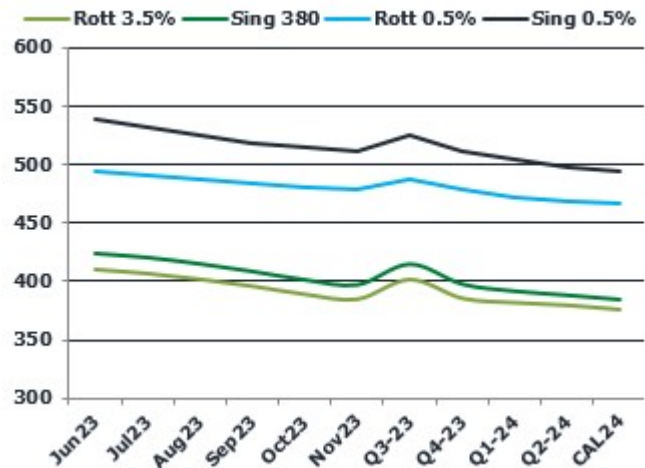
The Asian low sulfur fuel oil market structure was seen weakening May 23 as sentiment was turning increasingly bearish with more near-term supplies coming into the region. This was reflected in the weaker Sing 0.5% crack today that dropped by 45 cents from yesterday's settlement, to trade last at \$8.00/bbl in the front month.

Rotterdam and Singapore Hi5 and FOGOs



Source: FIS

Rotterdam and Singapore FO Futures



Source: FIS

Hi5 Forward Curve Values

	Rott Hi5	Sing Hi5
Jun23	85	114
Jul23	84	111
Aug23	85	109
Sep23	88	110
Oct23	92	113
Nov23	94	114
Q3-23	86	110
Q4-23	93	114
Q1-24	91	113
Q2-24	89	110
CAL24	91	111

HSFO and 0.5% East-West Spread

	EW380	EW0.5%
Jun23	14.00	43.50
Jul23	14.00	41.25
Aug23	13.50	37.50
Sep23	13.00	34.75
Oct23	12.75	33.75
Nov23	12.75	33.50
Q3-23	13.50	37.75
Q4-23	12.75	33.75
Q1-24	10.50	32.00
Q2-24	9.00	29.75
CAL24	9.50	28.75

Table Sources: FIS

Tanker Weekly Report 15May23 – 22May23

Product tankers continued to fall this week with the BCTI Index slipping from 626 to 591. For MRs on the UK continent freight levels have continued to struggle hovering at what looks to be the bottom of the market. Still suffering from a lack in available tonnage TC2 Index stayed around the ws125 level for much of the week though did close marginally higher at ws130 yesterday. In the paper market TC2 June FFA saw a low of ws151 mid-week but has since recovered slightly to trade at ws160 yesterday afternoon. Q3(23) also fell from ws165 down to ws155 before then trading at ws156 for the remainder of the week. In America MR's, much like their UK counterparts, continued to bottom out despite what appeared to be a lot of off market fixing. The TC14 index remained consistently in the low ws80 levels until yesterday where it managed to close a touch higher at ws89.17. On TC14 Paper June FFA reached a low of ws105 on Wednesday just like TC2 before recovering on Friday and through the weekend to see a last done up at ws120 yesterday. Finally, MEG/MRs saw a big correction downwards this week with the TC17 Index falling 49.28 points to ws266.43.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) slipped this week, dropping from ws171.07 down to ws159.64. On the TC5 paper market there was a bit of a lag with June holding its ground around ws155 for most of the week before it surrendered to trade lower at ws145 yesterday afternoon. Tuesday saw a noteworthy print with the Q3(23)/Q4(23) roll trading at ws-1 in 120kt. Mediterranean Handymax's rounded off a bad week for CPP tankers, the TC6 index was tested down slipping from ws148.56 down to ws138.75.

The Baltic Dirty Tanker Index climbed early in the week from 1280 to a high of 1318 but then retreated to close the week out marginally lower at 1276. In the VLCC market rates rose over 10 points for TD3C with the index closing at ws54.36 yesterday. In the paper market Jun FFA was mixed, climbing early in the week only to give up gains and trade lower at ws45 last. It did see good volume at ws46 on Friday trading 321kt there. Q3(23) also saw a flurry of activity early in the week trading 347kt across Monday and Tuesday as it traded numerous levels in the ws43.5- ws46.5 range. In the Atlantic markets, the 270,000mt US Gulf/China route closed the week out higher at \$8.44 million, a gain of just over \$325,000.

On the Suezmax market rates for the TD20 Nigeria/Rotterdam voyage rates peaked on Wednesday at ws133.25 before retreating to ws123.75 seen yesterday, still a couple of points higher than the same time last week. The paper market mirrored the spot perfectly with both June and Q3(23) FFA's peaking on Wednesday at ws104.5 and ws82.75 respectively before slipping lower. Q3(23) was particularly active across the week with ws81 trading in 230kt on Tuesday. Lastly on the longer-haul Aframax US Gulf/Rotterdam voyage rates dropped sharply into the weekend and yesterday closing down at ws216.88, nearly a 54point drop from last week. On the paper market however June FFA went against the grain actually firming yesterday trading numerous levels as it climbed from ws168 up to ws175 last. Q3(23) also gained a couple of points yesterday trading at ws145 last.

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