FIS

Weekly Oil Report

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15/08/2023

Prices movement (front month)	07-Aug	14-Aug	Change % (settlement prices)
Brent Crude	85.34	86.21	**+1.02%**
WTI Crude	81.37	82.51	**+1.40%**
VLSFO (Singapore)	622.31	629.18	**+1.10%**

Crude Oil Market :

Oil prices edged higher at the end of last week following the IEA's forecast of surging global demand and tightening supplies. This is the seventh straight week of gains, the longest streak since Jan-Feb 2022. Bullish analyst consensus reflects this - oil is expected to drive into the $90/bbl range, with Rapidan Energy eyeing potential for it to hit $100/bbl. On the downside, disappointing Chinese economic recovery and stronger US dollar are leaving market participants torn.

On the supply side, Rapidan suggest that the Saudis are unlikely to reverse output cuts at $90-$92/bbl, as they look for certainty that the impacts of their deficits materialise. Coupled with Russian cuts and IEA suggestions that oil demand could surpass June's 103 million bpd in August, inventories are set for a sharp decline which analysts expect to drive prices higher. OPEC also retained their strong 2024 demand forecasts (expecting a rise of 2.25 million bpd) and increased global GDP forecasts by 0.1% from last month's estimates, a positive sign for oil bulls. ING suggest this is feeding into a stronger flat price and time spreads.

Contrary to OPEC, the IEA's 2024 demand growth forecast is down by 150,000 bpd from last month, citing a challenging global economic outlook due to rate hikes and tighter credit. Crude traded lower on Monday, outlining further downside pressures on crude prices. Some market participants see fading hope that the Chinese economy will return to pre-COVID levels of oil demand. Chinese overall exports were down 14.5% in July and monthly crude imports fell to their lowest level since January. US dollar strength has also pressured demand, making oil more expensive for buyers that hold other currencies

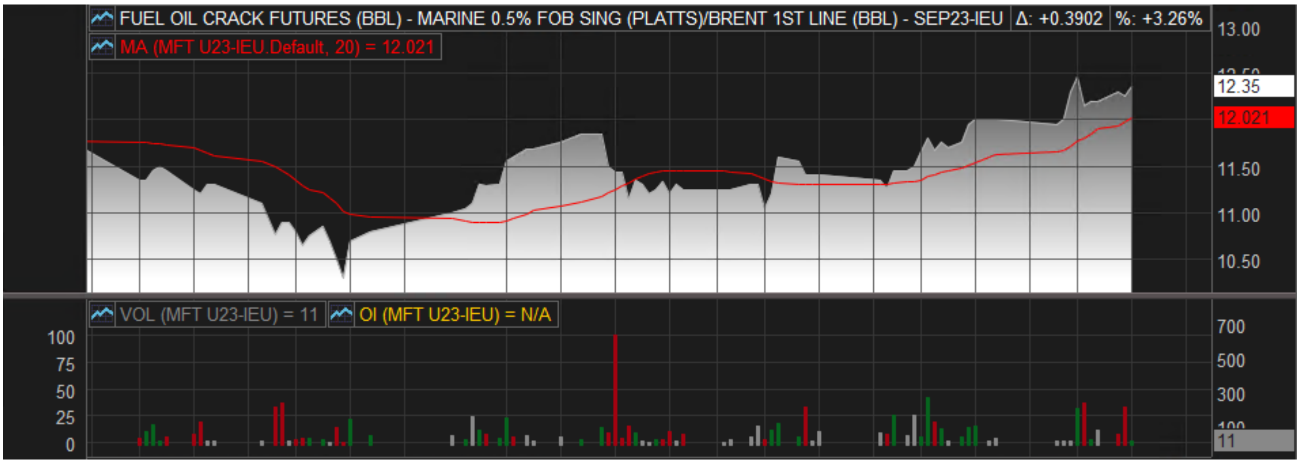
Oct23 Brent Crude Futures from 07th Aug to Date

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

Bunker Market:

VLSFO cracks have rallied this week, up around two dollars on the week, despite lower Brent – an indication of tightening supply in the fuel oil market. Sep23 Sing 0.5% crack was printing at around $10.30/bbl at European close a week ago today. It printed last here at $12.40/bbl. The story is the same in the equivalent Euro crack, which is trading at $5.15/bbl at the time of writing, having settled yesterday at $5.00/bbl and around $3.10/bbl at this time last week. In turn, the Hi5s are five bucks higher on the week at $67 and $113 in the front month for Euro and Sing, respectively.

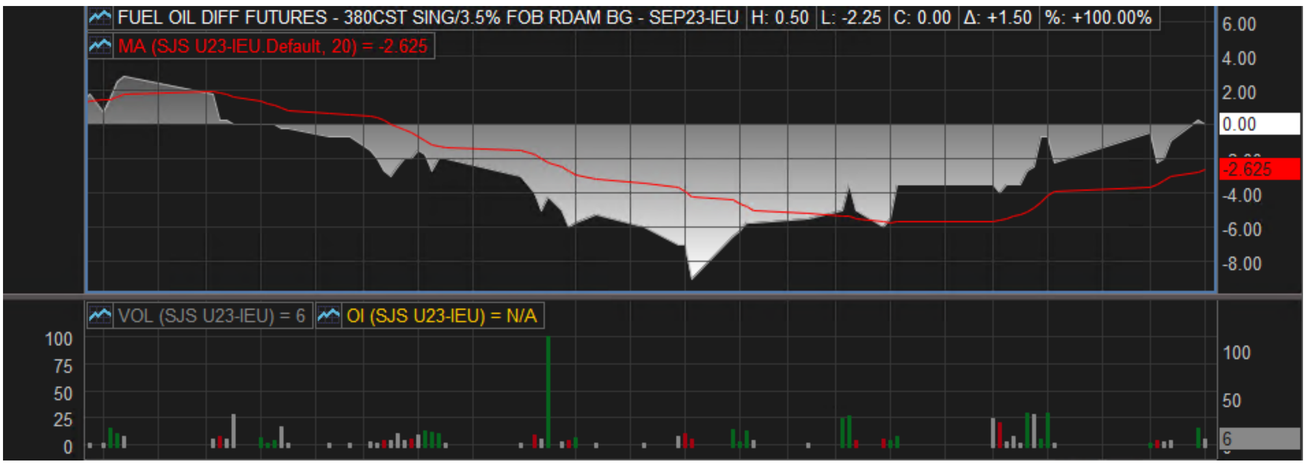
Sing 0.5% crack from 7th August to Date



The HSFO EW has been particularly choppy this month and is currently up from last week's lows of -$9.00/mt for Sep23. The differential settled yesterday at -$1.50/mt and has traded up into positive territory today at $0.50/mt as Chinese buyers during the arbitrage window pushed the Sing 380cst back to a premium above the Rotterdam 3.5% in the front months.

Sing 0.5% spreads were pushing up over the course of last week, with the Sep23/Oct23 contract closing at around $9.25/mt this time last week and at $12.25/mt yesterday evening vs trading today at $13.25/mt and offered on.

HSFO EW from 7th August to Date



Text pricing data: *FIS* ***Chart data:*** *FIS*

Source: *FIS, Reuters, Oil Price, Bloomberg, S&P Global*

Tanker Weekly Report 7Aug23 – 14Aug23

The Baltic Dirty Tanker Index was almost unchanged this week gaining just 3 points from 798 to 801. In the VLCC market rates edged lower yet again with owners tending to preference shorter voyages while rates remain under pressure from tonnage build up. As such TD3C slipped from ws48.65 to ws47. On the TD3C paper market BALMO saw good volume early in the week trading ws50.5 in 330kt and ws50 in 220kt. Sep FFA lost a point of value from ws58 to ws57 over the week while Q4(23) has continued to trade on and around the ws64 level.

On the Suezmax market rates for the TD20 Nigeria/Rotterdam voyage continued to decline, however they did stabilise around the ws65 level towards the end of the week – 2.73 points down. On TD20 paper Sep FFA saw more bloodshed at the start of the week falling aggressively from ws86 to ws80.5, it did recover on Friday and over the weekend however to trade back up at ws86 last in 255kt.

In the Stateside Aframax market, rates for the trans-Atlantic USGC/AFRA route fell yet again as owners continued to take preference for shorter voyages that maintain their eligibility for the larger trips later in the month. USGC/AFRA spot lost just over 4 points to close the week out at ws115. On USGC/AFRA paper September FFA was the most active contract across the week trading in the ws138-144 range – it closed the week unchanged back up at ws144. On Wednesday a noteworthy 215kt traded on the Q4(23) at ws162.

The BCTI Index softened this week dropping from 689 to 670. For MRs on the UK continent, freight rates had a strong week due to a lack of tonnage and a big pickup in enquiry – TC2 rates climbed from ws163.5 to ws178.25 on Thursday although have corrected down to ws170 at the time of writing. TC2 paper had a subdued start to the week but saw a spur of activity on Thursday with Sep FFA trading up from ws174 to ws187 and Q4(23) climbing from ws180 to ws186.5. Sep has traded back down at ws180 since then. In America MR rates strengthened this week from a combination of better enquiry and Panama canal delays restricting ship availability. As a result the TC14 index climbed steadily from ws131.67 to ws144.17 over the week. On TC14 paper Q4(23) saw the most notable move, gaining 11 points between Wednesday and Thursday to trade at ws147 last.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) took a beating this week with rates suffering a 23.75 point drop to close at ws136.25. The TC5 paper market had a volatile week with Sep FFA dropping as low as ws143 before bouncing back to see ws160 trade on Thursday, it settled at ws153 last on Monday. Q4(23) also saw some wild swings trading in the ws158-168 range over the week with a last done at ws162. Lastly, Mediterranean Handymax's lacked enquiry early in the week causing the TC6 Index to reach a low of ws136.78 on Wednesday, it rebounded to close higher at ws145.56 yesterday though.

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Chart Source: Bloomberg