

05/03/2024

| Prices movement (front month) | 26-Feb | 04-Mar | % Change (Settlement Prices) |
|----------------------------------|--------|--------|---------------------------------|
| Brent Crude | 82.53 | 82.80 | +0.33% |
| VLSFO (Singapore) | 602.72 | 627.16 | +4.05% |

Crude Oil Market :

Oil prices were hovering slightly below the yearly highs of \$84.80/bbl at the start of the week, with the May24 Brent crude future touching \$84.34/bbl in Monday's trading. Support came from the OPEC+ announcement of an extension to the production cuts into Q2, but are expected by the market to run further into the year. Furthermore, the lack of progress on Israel/Hamas ceasefire negotiations is bolstering the rising prices – just today the ceasefire talks were actually broken up, according to Reuters.

Despite the above, crude prices have tumbled today, keeping the benchmarks rangebound, as they have been all year. Concern for demand in China continues to weigh on markets despite China's pledge to transform the economy as the market watches for measures to stimulate growth. Also adding to downward pressure is robust non-OPEC supply, following a US production recovery after cold weather disruptions in January.

With regards to global oil supply, HSBC have forecasted a market deficit of over 1mbpd in the second and third quarter of this year, off the back of the newly announced Russian output cuts and only a partial unwinding of OPEC+ cuts potentially starting from July, the bank said in a note.

May24 Brent Crude Futures From 26/02/24 to Date



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

Bunker Market:

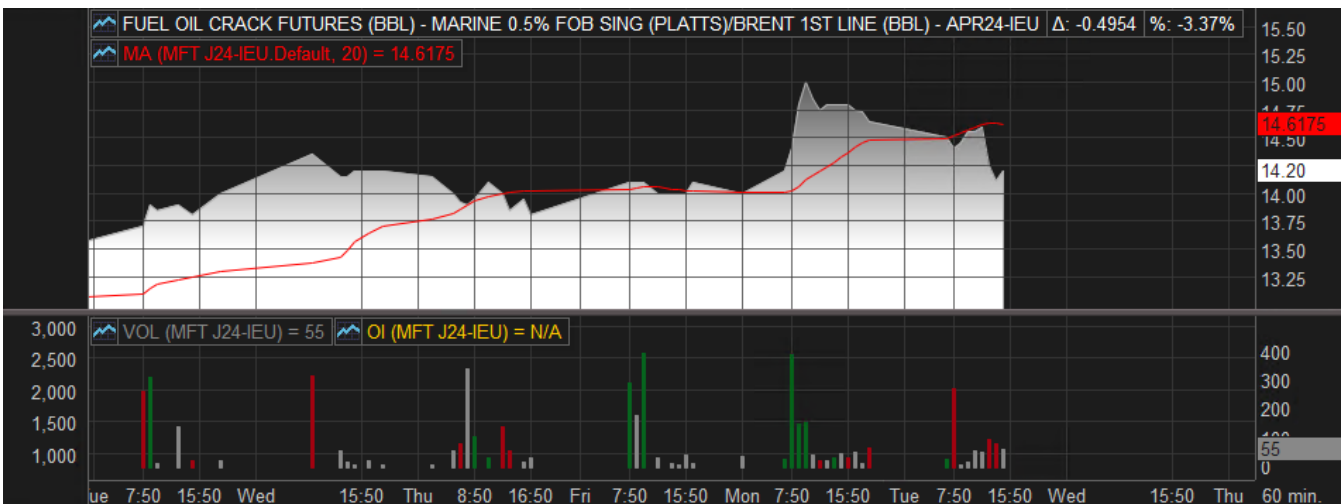
Front month VLSFO cracks have been particularly choppy since the start of this week. In Monday's trading, the VLSFO market rallied as a whole, with cracks and prompt spreads all pushing up during the Singapore window in what was some usual window trading behaviour, added to by a large Asian physical player coming back onto the bid side after some hiatus. Apr24 Sing 0.5% crack traded up to \$15.00/bbl – one dollar up on the day and a recent high. Its currently sitting around \$14.10/bbl after slipping this afternoon. Yesterday, VLSFO Sing spreads into Q324 had rallied as much as 75 cents higher than Friday's settlements, but have since cooled, especially in today's trading, with the front Apr24/May24 contract trading last at \$8.00/mt – down \$2.50 on the day, after sitting around the \$10.50/mt mark for most of the week prior. We are hearing that weaker than expected daily settlements are putting pressure on the front month Apr24 Sing 0.5% marine fuel.

The HSFO EW has been trading under some volatility this week, as is custom with this differential. The Apr24 traded last at -\$6.25/mt, up \$2.50 on the day, meaning that the Sing 380cst fuel oil is trading at a \$6.25 discount to the Rotterdam 3.5% counterpart. This differential has been in the negative territory in the front month since the beginning of February.

Apr24 HSFO EW From 01/02/24 to Date



Apr24 Sing 0.5% crack From 27/02/24 to Date



Text pricing data: FIS Chart data: FIS

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

Tanker Weekly Report 26thFeb24 – 4thMar24

Dirty Petroleum Products

The Baltic Dirty Tanker Index fell again this week slipping from 1191 to 1145 but is showing signs of recovery now. In the VLCC market rates weakened initially with TD3C slipping from ws63.91 to a low of ws59.95 before the weekend. However after a flurry of cargoes and traders returning to their posts after IE week in London, rates have rebounded, with the index marked at ws65.36 last. The paper market has experienced a bit of a rollercoaster with March FFA trading in the ws65.25-69 range for most of last week before pushing higher from Monday to trade up from ws68 to ws73 last. Q2 has also bounced between levels but is now trading 3.5 points higher week-on-week at ws65.5.

On the Suezmax market rates for the TD20 Nigeria/Rotterdam voyage have been fairly stable hovering around the ws103.75 level with the index pegged at ws102.95 last. Though rates are steady there seems to be a lack of enquiry so if things don't improve soon these levels could be tested. TD20 paper has remained fairly quiet other than some good volume trading at ws108 on March across the week, a total of 420kt seen trading on the outright since last Monday.

For the Stateside Aframax market, rates on the trans-Atlantic USGC/UKC route edged lower. The TD25 Index has closed the week out just over 3 points down at ws189.69 but better than the ws187.81 seen earlier in the week. USGC/UKC paper suffered more noticeably with March falling from ws186 to ws175 Mon-Fri but has traded back up at ws181 since.

Clean Petroleum Products

The BCTI Index dropped further this week from 1061 to 964. MRs on the UK continent initially climbed seeing TC2 reach ws252.83 on Wednesday before sharply recorrecting to now be marked at ws214.17. Last week was difficult to call for TC2 with so many individuals out of the market for IE week, but with slim enquiry since the start of the week owners have been unable to hold their ground. TC2 paper has steadily fallen at the front of the curve with March dropping from ws227 to ws203.19 last. In America MR rates for TC14 suffered again this week dropping from ws170.36 to ws150.71 by Thursday, however they have recovered slightly to close at ws161.07 last. Lastly MR's in the MEG are little changed with TC17 still holding around ws320 for much of the week and closing at ws317.14 yesterday.

In the Middle East Gulf LR1s on the 55kt MEG/Japan run (TC5) have fallen for the fifth consecutive week with pressure from softening LR2's and a lack of activity. TC5 has lost nearly 20 points to close at ws167.81 at the time of writing, but with a relatively thin list a rebound may be on the horizon. The paper market has followed in similar fashion at the front of the curve seeing March FFA fall from ws217 to ws187.5 week-on-week. Q2 has been resilient however and is actually trading 2.5 points higher than Monday of last week at ws215.

Lastly Mediterranean Handymax's have fallen this week from ws334.11 to ws320.56 at the time of writing. TC6 paper has been completely inactive on the deferred but March FFA has slipped about ten points as would be expected with the spot move, last done at ws260.

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