

26/03/2024

Prices movement (front month)	18-Mar	25-Mar	% Change (Settlement Prices)
Brent Crude	86.89	86.75	-0.16%
VLSFO (Singapore)	630.47	624.11	-1.01%

Crude Oil Market :

Crude prices have held onto most of their gotten gains from last week, although the front month Brent futures are currently trading lower than their recent high of \$87.70/bbl – the highest level seen since October 2023. Trading this week has seen the contract rangebound between \$85.50/bbl and \$87.20/bbl. Support to prices at the moment comes from multiple streams, including the chance that the US will reinstate sanctions on Venezuela, limited short term hope for a ceasefire in Israel, tighter supplies from OPEC+ output cuts in Q2 and a weaker US dollar.

Looking at the OPEC+ cuts, the group delegates see the current supply curbs as effective, according to Bloomberg sources, with no recommended changes to supply policy expected at a review meeting next week. In line with this; the Russian oil companies have been ordered to reduce output in Q2 to ensure they meet a production target of 9mbpd by the end of June in line with its pledges to OPEC+ according to Reuters sources.

Something to also mention is the market focus that still remains on Russia amid further Ukrainian drone attacks on oil infrastructure over the weekend. The impact of the refinery disruptions is mixed “with a bearish effect from the decline in refinery demand and a bullish effect from the potential reduction in Russia oil exports,” according to Goldman Sachs.

May24 Brent Crude Futures From 19/03/24 to Date



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

Tanker Weekly Report 19thFeb24 – 26thFeb24

Dirty Petroleum Products

The VLCC market came under a degree of pressure over the past week. The MEG-China 270,000mt rate dropped by over 5 points on Thursday to 71.50, falling lower with ws65.18 the current spot rate as of Monday 25th March. TD3C Cal 25 traded down to \$13.80/mt on Friday, the April contract trading off to ws63, down 7 points on the week.

For the Stateside Aframax market, rates on the trans-Atlantic USGC/UKC route were no exception this week and also declined. The TD25 Index has fallen from ws160.31 to ws151.56 at the time of writing after an uneventful week of enquiry. In contrast, the Suezmax market showed signs of strength over the past week, with four points added to the 130,000 mt Nigeria/UK Continent voyage. TD20 April has traded up from ws106 to ws108 on the week, activity at the back end of the curve saw the Cal 25 trade up from \$15.0 to \$15.8/mt.

Clean Petroleum Products

MR's in the UK-Continent fell lower over the past week, The 37kt ARA/US-Atlantic coast (TC2) came down to ws186.94 at the time of writing on physical. Paper side TC2 followed a weaker physical market, Cal 25 traded off to \$28.80/mt. TC2 April, after starting the week trading ws239, went through at a low of ws211 on Wednesday, before showing signs of strength on Monday 25th, where it closed at a last done of ws224. TC14 remained somewhat stable over the course of the week, April with a last done of ws215 at the time of writing, 5 points up on the time last week.

In the AG, the TC5 55kt MEG/Japan peaked at ws318 last week, before softening to ws297.5 on Monday 25th March. April after trading ws248 last Tuesday 19/3, came under pressure for the remainder of the weeks trading, ws223 the last done level at the time of writing. Activity at the back end of the curve saw \$40.25 trade in the Cal 25.

In the Mediterranean, Cross Med (TC6) gained around 30 points to ws350 where it looks to have settled out. TC6 April after starting week in the region of ws280, traded off with ws250 the last done .

Text pricing data: FIS Chart data: FIS

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