

Weekly Oil Report

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Prices movement (front month)	15-Apr	23-Apr	% Change (Settlement Prices)
Brent Crude	90.10	87.00	-3.44%
VLSFO (Singapore)	626.54	629.75	+0.5%

Crude Oil Market:

Despite ongoing turbulence in the Middle East, with Israel responding to Iranian drone strikes on Friday 19th April, crude benchmarks are slipping. Jun24 Brent crude touched the lowest levels of the month yesterday at \$85.79/bbl in what appears to be the shedding of an already priced in war premium as strikes from Iran and Israel appear to have caused little to no damage upon each other.

Analysts at Bloomberg estimated a rather extreme war premium of \$25/bbl already embedded in oil prices even before Iran's retaliatory drone and missile strikes on Israel earlier this month. This estimation is based off the fact that given the current supply/demand levels, dated Brent values should be closer to \$66/bbl without the heightened geopolitical risks. This would imply that without any developments in the conflicts, Brent has a lot of room to fall.

On the other hand, it's been common for other analysts estimate just a \$5/bbl geopolitical risk premium at its height following Iranian retaliatory strikes. Bloomberg added that any escalation in the conflict could drive that risk premium up by a further \$5-\$10/b. However, any de-escalation should cut the risk premium by \$10-\$15/b from current levels.

Jun24 Brent Crude Futures From 01/04/24 to Date



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



Tanker Weekly Report 16thApr24 – 23rdApr24

Dirty Petroleum Products

The VLCC market came under further pressure over the past week. The MEG-China 270,000mt rate fell to a 2.5 month low of ws59 on Monday 22nd April, we've seen the Cal 25 sell down to \$14, from its previous level of \$14.3. The Cal saw further activity at \$14 in decent size this morning (23/4). A similar story at the front of the curve has see the Q3 and prompt months drop below ws60, May sits at ws58, June at ws58.5 & Q3 ws58.

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 ws203.61 to ws172.22, at the time of writing, USGC/UKC Afra May was trading ws181, recovering slightly from its ws176 close on Monday 22nd. TD20 May saw good volume go through at ws109 this time a week ago, May now sits at ws103 and has remained between ws102-104 levels for the best part of a week.

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 ws178.61 at the time of writing on physical. Paper side TC2 followed a weaker physical market, May trading 21 points lower than this time last week, ws190 the current level.

TC14 experienced a further decline of 41 points, reaching WS149 on the physical. On the paper, TC14 May currently sits at ws166, down 24 points on this time last week Cal 25 trading at \$29.75/mt on Monday. TCE rates have witnessed a 37% reduction to \$13,900 per day for a round trip based on Baltic parameters. In the AG, the TC5 55kt MEG/Japan saw the index move from ws200.31 to ws234.69, giving a TCE level of around \$40,000/day. May levels currently sit at ws230 for the paper TC5, after dropping to a week low of ws216 yesterday.

In the Mediterranean, Cross Med (TC6) saw major gains, with spot reaching ws311.39 last week, with ws251.11 the current spot level on 22/4. Paper witnessed May reach highs of ws270, softening back down to ws235 levels as of 23/4. A stronger spot market saw TCE levels were run around \$53.5 levels per day on TC6.

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