

04/06/2024

Prices movement (front month)	27 May	03 Jun	% Change (Settlement Prices)
Brent Crude	83.10	78.36	-5.70%
VLSFO (Singapore)	575.25	577.53	+0.40%

## Crude Oil Market :

After a very rangebound May, June has brought all the excitement. Crude markets crashed yesterday, off the back of Sunday's OPEC meeting agreements, and we continue to slide in today's trading.

Early morning trade on Monday was fairly sideways but sentiment felt bearish as the market assessed the OPEC+ decision to extend 2.2m voluntary production cuts into Q3 but to allow some supply to return later this year from these particular producers. OPEC cuts of 3.66m barrels per day were, however, extended until the end of 2025. Front month Aug24 Brent crude futures trickled down to the \$80.00/bbl mark which seemed to act as a trigger price for the sell off. We predict that there were technical stop out levels at this number as well as it seeming to be a psychologically significant level. Yesterday, Brent prices seeped into lows around the low \$78s – down over 3.5% from Friday's settlement and the lower levels since early January.

Markets continued to come off today, with the front Aug24 Brent future touching intraday lows (at the time of writing) of \$76.76/bbl. The return of more OPEC+ oil to the market after Q3 has certainly turned the market bearish, particularly because analysts did not expect it so early. The planned increase in supply this year is adding to the general trend for softer demand growth estimates, with US ISM figures suggesting weaker manufacturing and economic data out of China looking weak. VLSFO has held firm on higher cracks.

### Aug24 Brent Crude Futures From 28/05/24 to Date



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