

11/06/2024

Prices movement (front month)	03 Jun	10 Jun	% Change (Settlement Prices)
Brent Crude	78.36	81.63	+4.17%
VLSFO (Singapore)	577.53	562.25	-2.65%

### Crude Oil Market :

Crude markets have recovered and they are back to levels seen prior to the OPEC+ meeting last Sunday. Aug24 Brent crude futures dropped to lows of \$76.76/bbl last week on Tuesday 04th June as the market assessed the OPEC+ decision to extend 2.2m voluntary production cuts only into Q3, and to allow some supply to return later this year from those particular producers. The same benchmark has hit intraday highs, today, of \$82.02/bbl.

As market participants still works out what they think of the news, benchmarks have found support from the back end of last week. It is worth noting that prices were fairly slow to react in the first place, with early morning trade last Monday after the meeting being fairly sideways, indicating a lack of market outlook on the meeting. Perhaps the market got a little carried away and oversold, given the general expectation of a rollover prior to the meeting, and so the more recent strength could be passed as readjustment.

Other factors to consider that are offering upside support to prices are demand optimism for the northern hemisphere as consumption rises into the summer. The prospect of US inflation rate cuts also lurks in the background as a possible market prop amid persistently high inflation.

### Aug24 Brent Crude Futures From 02/06/24 to Date



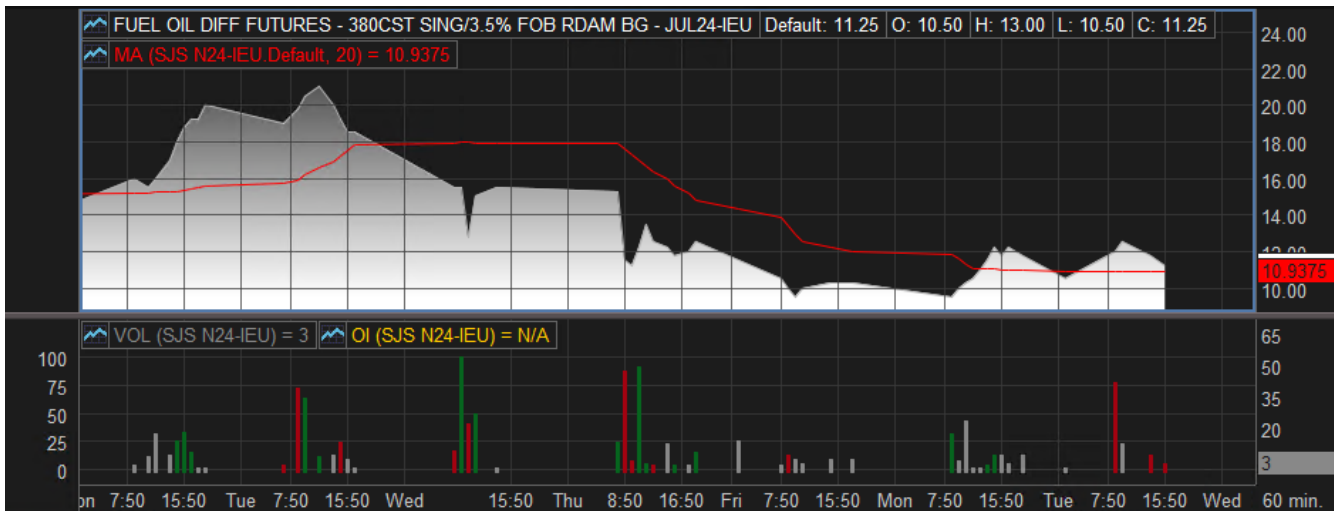
Source: FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar

## Bunker Market:

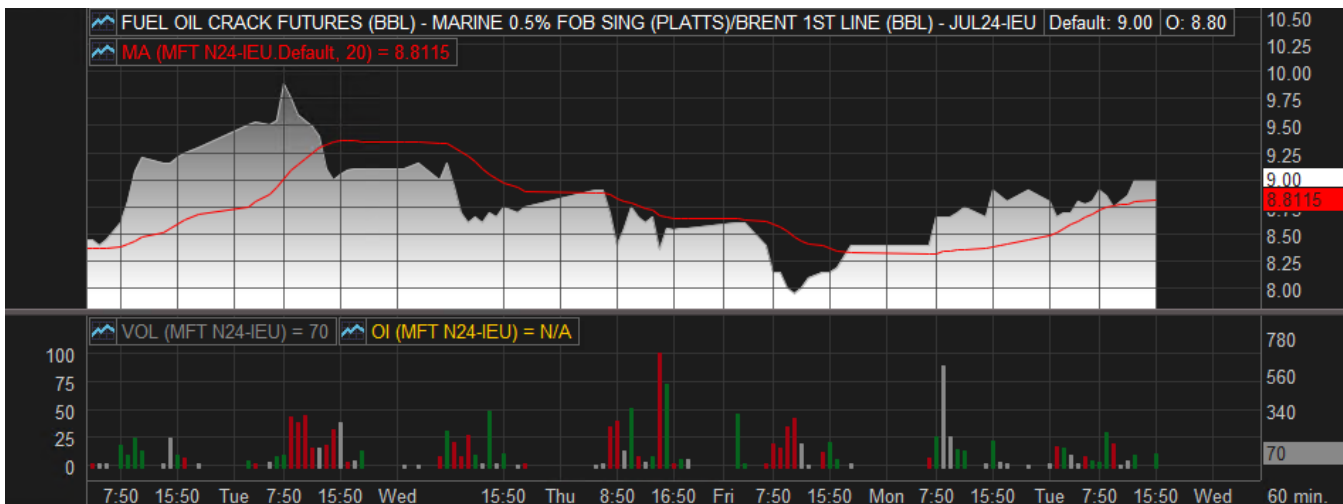
Front month VLSFO cracks are softer on the week, which explains the weaker fuel oil flat price despite a higher Brent, as seen in the table on the previous page. Jul24 Sing 0.5% crack is trading here at \$9.00/bbl—about a dollar lower than this time last week. In last Monday’s trading, the VLSFO market rallied as a whole, with cracks and prompt spreads all pushing up during the Singapore window in what was some usual window trading behaviour and some reactions to the OPEC meeting results.

The HSFO EW has been trading under some volatility this week, as is custom with this differential. The Jul24 has dropped about 10 dollars since last Tuesday 4th June, trading last at \$11.25/mt - down 50 cents on the day, meaning that the Sing 380cst fuel oil is trading at an \$11.25 premium to the Rotterdam 3.5% counterpart. The moves in the EW could be down to the aggressive HS crack swings off the back of the Brent movements. Coming from a fundamental standpoint, The Middle East is coming into their summer demand season for high sulphur fuel oil, which will be offering support to the Sing 380cst grade.

**Jul24 HSFO EW From 03/06/24 to Date**



**Jul24 Sing 0.5% crack From 03/06/24 to Date**



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

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

## Tanker Weekly Report 4thJun24 – 11thJun24

### Dirty Petroleum Products

This week witnessed further weakening in VLCC rates, TD3C spot dropped just shy of ws3.5, TCE rates currently sit around \$32,000/day. The paper side came under pressure after a slow start to the week with Posidonia taking place in Greece. TD3c June started the week at ws60.5 levels, coming off to a last done of ws54.5, July trading ws55 at the time of writing. At the back end of the curve, Cal 25 was sold down to \$13.80/mt, the previous week closed at a last done of \$14.10/mt, Cal 26 traded \$13.18/mt on Thursday of last week.

The Suezmax market was also lower, spot softened from ws114.28 to ws109.56, (a daily round-trip TCE of \$44,368), we move into the new week with the USG market firmer, expecting next done for WAF to be higher. Balmo last done currently sits at ws115, after closing last done at ws111 on Friday last week, with TD20 July trading ws104 at the time of writing, up 5 points on this time last week.

Good gains in USGC Afra, as TD25 experienced an increase of around 13 points, bringing the rate to WS216.39. TCE rates exceeded \$50,500 per day for the Houston to Rotterdam route towards the end of last week. Balmo last done sits at ws211, down from ws214 earlier in the day, and relatively flat on the close of last week. Good size was witnessed on the Q3/Q4 spread last week at -18ws.

### Clean Petroleum Products

The MR market came under intense pressure over the last week, TC2 spot softened from ws177.5 to ws142.19. TC2 Balmo last done is currently 19 points lower than the same time last week, with ws161 the current last done. TC2 Q3 traded 5 points lower on the week, ws178 last done, Q4 traded at ws180, 3 points lower than last week. TC14 spot dropped from ws256.43 to ws198.93 over the last 5 prints, Balmo softened from ws198 to ws179 at the time of writing, with the quarters also falling in value, Q3 4 points lower to ws158.

In the Middle East Gulf, LR1 freight rates held up slightly better compared to the larger clean vessel categories. An almost 3 week low of ws250 last Tuesday for TC5 spot was about to fall even lower, spot currently sits down at ws236.25, Balmo at the time of writing traded ws211, following a high of ws219 last Wednesday. Further down the curve, Q3 sits 5 points lower on the week with ws195 last done. Q4 traded ws184.5 at the time of writing, 6 points lower than last week.

TC6 spot moved from ws222.78 to ws211.11, a quiet paper market saw June soften from ws235 last week to w220 on Monday, Q3 and Q4 traded ws206 and ws255 respectively at last done on Friday.

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