

18/06/2024

Prices movement (front month)	10 Jun	17 Jun	% Change (Settlement Prices)
Brent Crude	81.63	84.25	+3.21%
VLSFO (Singapore)	562.25	591.18 (18th June)	+5.15%

### Crude Oil Market :

Crude markets have bounced back to the levels seen prior to the OPEC+ meeting at the beginning of June. Aug24 Brent crude futures dropped to lows of \$76.76/bbl on Tuesday 04<sup>th</sup> 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. In fact, the benchmark rallied yesterday to the highest since May 29 at \$84.55/bbl and has continued to surge in today's session to highs, here, of \$85.14/bbl.

Support to oil prices is coming from better risk sentiment, as equities and other commodities rise. It is worth noting that crude has broken the 200-day moving average as outlooks expect balances to tighten and the US heads into the summer driving season. That being said, gasoline demand in the US is down 17% YoY but improvement is expected. This is strengthening this Brent curve backwardation.

Overall global demand outlook remains uncertain amid mixed data coming out of China and a drop in refinery output by 1.8% y/y in May amid maintenance and weak margins.

### Aug24 Brent Crude Futures From 11/06/24 to Date



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

### Dirty Petroleum Products

VLCC rates came under further pressure this week, however, the decline appeared to slow in contrast to the previous week. The market has been impacted by decreased demand and heightened competition for cargoes over the past decade. On the week, TD3c spot moved down from ws52.60 to ws50.60. Bal mo saw activity at ws58 this time last week, trading off to a last done level of ws53 on Friday. Size today on TD3c July saw ws53 to trade in 600kt. The back end witnessed the Cal25 remain relatively unchanged, \$13.85 the level to trade on more than one occasion over the course of the week. Q3/Q4 spread commenced the week at -14.5ws, with little change at the time of writing, -15 the current value at last done on Monday.

The Suezmax market also lower still, spot softened from ws112.89 to ws108.44. Balmo softened from ws114 to ws109 over the course of the week, 100kt trading there on Tuesday afternoon. The quarters saw Q3 trade off from ws96 to ws89 this morning, Q4 currently sits at ws106.5, down from ws108 last week.

Following the trend of the other DPP vessel sizes, USGC Afra moved downward from ws221.39 to ws208.33 for TD25. Balmo has witnessed good levels of activity across the last week, 375kt trading last Tuesday down to ws210, ws195 the last done level at the time of writing. The back end of the curve saw Cal 25 activity go through at \$33.8 and \$33.85 last Thursday, with as far out as Cal 26 trade at \$32.2.

### Clean Petroleum Products

The MR market showed signs of recovery after a gloomy week previously, spot recovered from ws149.06 to ws159.69, Balmo traded up from ws161 to ws169 on Wednesday, ws171.29 the current Baltic mark. Q3/Q4 saw activity at -6.5ws at the time of writing, with the legs pegged at ws179 & ws185.5 respectively. Across the Atlantic, the MR's TC14 saw a volatile spot drop 20 points to ws147.14, recovering to ws168.57 on Tuesday. The paper followed a stronger physical sentiment today, Balmo trading up to ws205, after a week low of ws175 on the previous days trading. In the TC14 quarters, Q3 & Q4 saw ws165 & ws169.5 go through in respective order, the last done levels after trading on Friday.

In the MEG, LR1 freight remained steady, the 55kt MEG/Japan index of TC5 up from ws226.88, ws239.38 the current value. Balmo traded up from ws211 to ws230, July traded up to ws216 on Tuesday following a quiet Monday due to a Singapore public holiday. Q3/Q4 spread currently sits at 10ws value, after trading there on Friday, the legs were pegged at ws200 & ws190, Q3 outright trading up to ws207 at the time of writing.

In the Med, TC6 came under pressure, ws187.78 off to ws154.44 on spot, due to a lack of inquiries, available tonnage increased, leading to a decline in rates. TC6 paper peaked at ws227.5 last Wednesday, lower to ws210 at the time of writing, Q3 remained flat over the week, ws210 trading at the time of writing.

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