

02/07/2024

Prices movement (front month)	18 Jun	01 Jul	% Change (Settlement Prices)
Brent Crude	85.53	86.60	+1.26%
VLSFO (Singapore)	591.18	612.57	+3.62%

## Crude Oil Market :

Crude prices have been on the rise recently, with the front month Brent future even trading through the top of the recent range yesterday to what was the highest since late April at \$86.91/bbl, until the benchmark continued its rally in today's session, hitting intraday highs of \$87.46/bbl – at the time of writing.

Recent support seems to be coming from the start of hurricane season in the Atlantic, as Hurricane Beryl has become the earliest ever category 5 and is moving towards Jamaica and across the Caribbean Sea later this week. On the current trajectory, its headed to the Yucatan Peninsula and the Gulf of Mexico – a key oil hub for both production and trade.

Also still lingering in the background is the expected tight market balance this quarter before OPEC+ start to trickle some supply back into the market from October. This has seen resumed crude curve backwardation gains.

Another factor to consider, amongst other things, is the surge in demand in the US ahead of 4<sup>th</sup> July celebrations, as North Americans drive and fly across the country.

## Sep24 Brent Crude Futures from 25/06/24 to Date



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

## Dirty Petroleum Products

The VLCC market appears to be in the summer slump with market dynamics focusing on taking ships under the radar at last done levels to stall any rate revival for now. Spot has remained steady within the range of 49.55-49.85 over the week. On the paper side of things, TD3c July has remained between ws53-ws54 over the course of the week, ws53 the current last done, July/Aug spread value sits at -1ws, ws53 & ws54 the legs. More deferred end of the curve saw Cal 25 trade \$14 & Cal 26 go through at \$13.25/mt. Current spot gives a TCE rate of approximately \$26k/day based on Baltic Parameters.

A rather flat week in the Suezmax market, the market softened to ws108.72, down from ws111.78 at the same time last week, giving an average TCE of around \$43k/day across the week. Reports of a lower fixture WAF-USAC on Tuesday saw July trade lower to ws94, down 2 points on the previous days close. Paper activity has been relatively slow, as we move down the curve, 2H traded ws99.5 last Wednesday.

USGC Afra continued its downward slide, with the spot down almost 13 points on the week, ws163.33 the current mark. Paper July saw good size trade on Tuesday, ws170 went through in 100kt, down 3 points on this time last week, we witnessed a peak of ws178 reached last Friday. The back end of the curve saw Cal 25 trade \$32 on more than one occasion last week, Aug/Sep spread currently sits at -0.5ws, ws162 & ws162.5 the respective legs.

## Clean Petroleum Products

The MR's showed positive signs of a resurgence over the last week, with TC2 spot up to ws181.88 (up 17 points on the week). TC2 July traded ws190 around the time of writing, gaining 3 points on the week. An otherwise quiet week on the paper side, Q3 went through at ws184.5 and ws185 on a handful of occasions last week, the current mark just shies of ws186.

Across the Atlantic, a volatile TC14 market saw spot initially make gains to ws238.57 last Thursday, before dropping back off to ws225 as of Monday. TC14 paper sits at a last done of ws186 at the time of writing, 4 points down on the week. TC14 Q3 moved from ws173, off to a last done of ws172.25, Q4 at ws176 as of Friday, Q1-25 activity at \$33.

Strong gains in the Med with TC6 spot adding almost 40 points, ws190 the current spot level. TC6 paper saw July trade up to a last done of ws222.5 from ws205 last Tuesday, the July/Aug spread at 10ws (ws222.5 & ws212.5).

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