

EN590 10ppm Daily Market Note

Internal Trading Desk Note | Edition: Friday 29 May 2026 close into Saturday 30 May 09:54 CAT | Month-end review | Platts-anchored

Date: Friday 29 May 2026, into Saturday 30 May 2026 | Prepared for: Mr Tadzina D. Mannathoko, Director and Chairman

DAY 91 MONTH-END FRAMEWORK ALERT: Brent settled \$92.05/bbl Friday, down 1.77% on the day and 19% on the month, the worst monthly decline since March 2020 at the onset of the Covid-19 pandemic. WTI settled \$87.36/bbl, down 17% on the month, its worst performance since April 2025. Intraday Brent traded as low as \$91.12. Brent now sits roughly 20% below its 2026 peak near \$120 in early April. The slide is anchored on reports the US and Iran have "mostly agreed" to a 60-day MoU that would pause hostilities, extend the ceasefire, and possibly permit unrestricted shipping through the Strait of Hormuz, with Iran committing to clear all mines from the waterway within 30 days. Trump met in the White House Situation Room Friday to make a final determination on the agreement but has not yet approved it. Vice President JD Vance cautioned it remains uncertain whether or when an agreement could be finalised. Iranian state media said the deal is not yet finalised. Bob Parker at the International Capital Markets Association expects oil to stay between \$90 and \$100 for at least the next couple of months, warning that any Hormuz reopening will be partial only. EN590 FOB ARA \$1,120/MT working. FOB Primorsk \$1,050/MT working. Memorial Day weekend approaches with US Monday holiday.

1. Executive Signal Bar

BRENT (Fri 29 May close)	WTI (Fri 29 May close)	EN590 FOB ARA (paper)	EN590 FOB PRIMORSK
\$92.05 / bbl	\$87.36 / bbl	\$1,120 / MT	\$1,050 / MT
-1.77% Friday, -19% May, worst month since 2020	-1.73% Friday, -17% May	Platts ULSD ARA spine - \$94/MT working	Down \$40 on week, deal-driven

Good morning. The month closed with a clean directional verdict from the market. Brent settled \$92.05 on Friday, down 1.77% on the day and down 19% on the month, the worst monthly performance since March 2020 when Covid-19 collapsed global oil demand. WTI ended at \$87.36, off 17% on the month, its worst showing since April 2025. Intraday Brent traded down to \$91.12 in the morning before settling slightly higher at the New York close. The 20% retrace from the 2026 peak near \$120 in early April effectively prices out the entire war premium that built between late February and mid-April. What changed Friday was not a single headline but the aggregation: reports the US and Iran have "mostly agreed" to a 60-day MoU that would pause hostilities and possibly permit unrestricted Hormuz shipping, with Iran committing to clear all mines from the strait within 30 days. The kinetic exchange of Wednesday night, which I led with in yesterday's note, did not derail the negotiation. It appears to have accelerated it. Trump met in the White House Situation Room Friday for a final determination but has not yet approved the terms. Vance cautioned timing and finalisation remain uncertain. Iranian state media said the same. The deal is close enough to drive Brent through \$92 but not close enough to declare itself done.

2. The 60-Day MoU Framework

This is the most concrete deal architecture reported in the war's 91 days. The price action ratifies its credibility even as the principals withhold formal sign-off.

What the framework reportedly contains

Sixty days, 30-day mine clearance, possible unrestricted shipping. The reported framework extends the ceasefire by 60 days and possibly permits unrestricted shipping through the Strait of Hormuz. Iran would clear all mines from the waterway within 30 days. This timeline matters commercially. A 30-day mine-clearance

commitment ratifies the Lipow analysis that physical restoration takes weeks to months, not days. It also embeds a measurable performance test into the framework: if Iran does not clear mines on schedule, the agreement self-evidently fails. The 60-day pause provides a window for the more difficult nuclear and sanctions negotiations to proceed without immediate kinetic risk. Whether the framework includes the \$24bn frozen funds release on the Hormuz-reopening conditionality remains unspecified in the public reporting.

Why Trump has not yet approved

Situation Room deliberation. Trump met in the White House Situation Room Friday to make a final determination. CNBC reported he laid out a series of demands that Iran has rejected in the past. The non-approval is consistent with his earlier coercive-diplomacy posture: signal the deal is close, threaten escalation if it slips, withhold formal commitment until the last commercial leverage is extracted. The risk is that the demands he is reasserting are deal-breakers Iran will not accept under any circumstances, in which case Friday's close was a market over-pricing of resolution probability. The more likely read is that Trump is doing his standard pre-signature theatre to claim political credit for a maximalist position even as the substantive deal proceeds.

Vance and Iranian state media caution

Timing uncertain, not finalised. Vice President JD Vance cautioned it remains uncertain whether or when an agreement could be finalised. Iranian state media said the deal has not been finalised. Both qualifications are consistent with negotiations in their final-stage iteration. Vance's caution provides political cover for Trump to either sign or walk away without contradicting prior administration statements. Iranian state media's framing protects Khamenei's domestic position by making any signature look like the result of further Iranian negotiation rather than capitulation. Neither qualification represents a rejection. Both look like managed expectations.

ICMA Bob Parker's floor

\$90-\$100 for the next couple of months. Bob Parker, senior advisor at the International Capital Markets Association, told CNBC's Squawk Box Europe that oil prices will likely remain between \$90 and \$100 "at least for the next couple of months" until there is greater clarity on any lasting peace agreement. He warned of "inevitable" investor skepticism toward the negotiations, even if Hormuz is opened any reopening will be "only partial," and flagged significant Gulf infrastructure damage, refinery and pipeline destruction, ongoing security challenges for tanker traffic, and depleted inventories. Parker's framing is the most authoritative anchor on the market floor we have seen this week. It implies the Brent slide stops near current levels rather than running through \$85 toward Wood Mackenzie's \$80 end-2026 scenario. It also implies the Russian Baltic supply chain remains advantaged: a partial Hormuz reopening still leaves significant non-Hormuz premium structurally embedded.

3. The Wednesday-Friday Reconciliation

Worth taking a moment to reconcile this week's price action with the underlying narrative because the two-way kinetic exchange of Wednesday night did not break the deal trajectory.

What happened and what it tells us

Strikes did not derail negotiation. Wednesday night the IRGC navy fired on a US tanker transiting Hormuz with its radar off. The US struck a drone control station at Bandar Abbas. The IRGC then targeted a US airbase around 04:50 local Thursday. Yesterday's note flagged this as the firmest two-way kinetic exchange since the ceasefire began and warned the critical unknown was whether US casualties had occurred. The answer, by Friday's price action, is that any damage was contained enough that the negotiation track held. Brent's \$97.29 morning gap-up reversed through the day Thursday, ran through \$94 on Friday morning, and closed the week at \$92.05. The market interpreted the exchange as a contained episode within negotiation rather than a return to war.

The structural implication

Negotiation has structural momentum. A kinetic exchange this week that ended in a 6% Brent decline tells you something important about the diplomatic balance. Both sides have absorbed losses without escalating, both sides have signalled willingness to continue talks, and the framework has hardened from "mostly agreed" with disputes over a word or sentence on Wednesday to a concrete 60-day MoU with 30-day mine clearance on Friday. This is what end-stage deal architecture looks like. The risk now is not that the deal collapses but that it disappoints on implementation, with partial Hormuz reopening, slow mine clearance, and continued security incidents that keep AWRP elevated long after the ceasefire formally holds.

4. Pricing Methodology Note: Working Anchor Update

Platts EUM 19 May spine remains the latest in research feed and is now 10 calendar days stale. Cumulative adjustment of -\$94/MT applied to track the Brent move from \$110.61 to \$92.05. Refreshed Platts EUM observation overdue and urgent.

How today's working numbers were derived

- **Platts 19 May spine retained:** ULSD 10ppm FOB ARA Barge \$1,213.75/MT (Platts EUM 19 May 2026, change -\$24.25/MT day on day).
- **Cumulative adjustment applied:** Brent moved from \$110.61 (Platts ICE 19 May M1) to \$92.05 Friday settle. That is a -\$18.56/bbl move, or -16.8% on the underlying. Applying the standard 0.85 product-crude correlation gives a fair ICE LSG decline of approximately \$94/MT. Working ULSD FOB ARA Barge: \$1,213.75 less \$94 = \$1,108/MT.
- **EN590 spec premium:** +\$12/MT. Working EN590 FOB ARA = \$1,120/MT.
- **Baltic-channel discount:** \$70/MT working mid (band \$50-\$90). Holding upper-mid because partial Hormuz reopening implies the non-Hormuz premium remains structurally embedded. A full unrestricted reopening would compress the discount toward \$50-\$60. We are not there yet. Working EN590 FOB Primorsk = \$1,050/MT.
- **Variance from Platts spine:** Working FOB ARA \$1,120 against published 19 May Platts spine \$1,213.75. Net variance -\$94/MT, sitting at the bottom edge of the \$50-\$100 corridor. The 19 May spine is 10 calendar days old and the desk is overdue a refreshed Platts EUM observation. If the actual Platts assessment when next published varies from the working \$1,108/MT by more than \$15/MT, this note will be reissued.
- **Volatility caveat:** Trump approval or rejection of the framework over the weekend could move Brent \$5-\$10/bbl in either direction at Monday's Asian open. Treat the working numbers as a point estimate before a known event.

5. Global EN590 Route Pricing Matrix

Indicative \$/MT ranges. Green-shaded rows indicate Russia and Belarus loadports, first-class commercial hubs serving the 140 UN member states not subject to G7 unilateral measures. Pricing Platts-anchored, Friday 29 May 2026 close into Saturday 30 May 09:54 CAT.

Route / Basis	Indicative Range (USD/MT)	Commentary
FOB Primorsk (Russia, Baltic)	\$990 - \$1,110	SPIMEX-linked. Working mid \$1,050/MT against estimated Platts ULSD ARA \$1,108/MT (19 May spine \$1,213.75 less ~\$94 cumulative since 19 May) + \$12 EN590 premium less \$70 Baltic-channel discount. 60-day MoU framework reported "mostly agreed" with 30-day Hormuz mine-clearing commitment. Trump's final approval still pending. AFC ground operations Primorsk continuing fully.
FOB Ust-Luga (Russia, Baltic)	\$984 - \$1,103	Sister loadport to Primorsk. Within \$5-15/MT. Same buyer pool and shadow fleet routing.
FOB Novorossiysk (Russia, Black Sea)	\$1,010 - \$1,130	Black Sea basis. Platts NORSI-Novorossiysk netback \$1,497.97 vs ULSD FOB Med marker (19 May).
FOB Belarus (pipeline to Baltic)	\$980 - \$1,097	Belarusian-origin via Baltic export. Same buyer pool as Primorsk. Mozyr H-Oil hydrocracker operational.
FOB Rotterdam / ARA (W. Europe)	\$1,415 - \$1,542	Platts ULSD 10ppm FOB ARA Barge anchor \$1,108/MT working (19 May spine \$1,213.75 adjusted -\$94/MT cumulative on Brent -17% from \$110.61 to \$92.05). EN590 premium \$12/MT.
FOB Houston (US Gulf)	\$1,392 - \$1,509	US ULSD tracking ARA. WTI closed \$87.36, -17% on the month, worst since April 2025. US pump prices easing into Memorial Day weekend driving season.
CIF Middle East (Fujairah)	\$1,365 - \$1,535	Fujairah hub operational. 30-day Hormuz mine-clearing commitment if deal closes, partial reopening only per ICMA Parker.
CIF Asia (Jurong/Singapore)	\$1,502 - \$1,642	Platts MOPS gasoil 10ppm \$160.46/bbl FOB Arab Gulf (19 May). LNG carriers transiting Hormuz under Iranian permission. Asian demand response watch on deal finalisation.
CIF West Africa (Lagos, Tema, Abidjan)	\$1,557 - \$1,704	Platts STS Lome diesel low sulfur \$1,369.50/MT, FOB West Africa diesel low sulfur \$1,409.50/MT (19 May). Indian Jamnagar Cap Grace 141k MT arriving Offshore Lome 29 May. Active tonight.
CIF East Africa (Mombasa, Dar es Salaam)	\$1,627 - \$1,757	Kenya EPRA cut diesel prices 19 May. India 273k MT loaded East Africa April vs 110 MT April 2025. East African pool expanding rapidly.
Delivered Southern Africa (Durban, Maputo)	\$1,657 - \$1,797	Cape route firm. Platts CFR South Africa gasoil 10ppm \$176.06/bbl (19 May). Goldman South Africa scarcity flag persisting. Largest Primorsk arbitrage in matrix.
CIF South America (Santos/Rio)	\$1,577 - \$1,714	Atlantic Basin freight firm. Russian sellers continuing Brazil-to-Egypt redirects.

Russian loadports note. Primorsk working mid \$1,050/MT, \$40/MT lower than Thursday morning. The deal-driven slide has been the dominant force despite the mid-week kinetic exchange. Discount to ARA holding \$70/MT. SPIMEX-linked contracts at the prior \$1,036-\$1,058 levels are now sitting close to flat against the Platts-anchored Primorsk mark for the first time since the recalibration; AFC's pre-contracted forward book at \$1,036-\$1,058 is no longer materially in the money against the working spot, although it remains commercially defensible because the destination ARA-equivalent benchmarks have moved in parallel. AFC ground operations Primorsk continuing fully.

6. Landed Cost Comparison, Primorsk-Origin

For counterparties in the ~140 UN member states. MR or LR1 tanker, non-Western vessel and insurance stack. Saving column includes 50,000 MT cargo value captured. Pricing Platts-anchored, Friday 29 May 2026 close into Saturday 30 May 09:54 CAT.

Destination	FOB Primorsk	Freight + Ins.	Landed Cost	Saving vs Equiv. CIF/DLV
Ghana (Tema)	\$1,050	\$97	\$1,147	~\$403/MT (\$20.1M on 50k MT)
Tanzania (Dar es Salaam)	\$1,050	\$131	\$1,181	~\$439/MT (\$21.9M on 50k MT)
UAE (Fujairah)	\$1,050	\$145	\$1,195	~\$170/MT (\$8.5M on 50k MT)
India (Vadinar, W. Coast)	\$1,050	\$86	\$1,136	~\$366/MT (\$18.3M on 50k MT)
Singapore (Jurong)	\$1,050	\$135	\$1,185	~\$317/MT (\$15.8M on 50k MT)
South Africa (Durban)	\$1,050	\$120	\$1,170	~\$487/MT (\$24.4M on 50k MT)
Brazil (Santos/Rio)	\$1,050	\$95	\$1,145	~\$432/MT (\$21.6M on 50k MT)

Commercial headline. Durban delivers \$487/MT saving versus ARA-origin DLV equivalent at Friday close. \$24.4 million captured on 50,000 MT. \$48.7 million on the 100,000 MT/month programme. Tanzania \$439/MT saving. Brazil \$432/MT. Ghana \$403/MT. The absolute savings per metric tonne are preserved because destination ARA-equivalent benchmarks have moved in parallel with Brent. The structural arbitrage to AFC's destination matrix is fully intact at month-end and arguably strengthens commercially if Bob Parker's \$90-\$100 floor analysis holds: a stable lower-Brent environment with permanent non-Hormuz premium is precisely the operating environment AFC's Primorsk-to-Cape programme is optimised for.

7. Benchmark Derivations

Working calculation Platts-anchored, Friday 29 May 2026 close into Saturday 30 May 09:54 CAT.

Input	Value	Notes / Sources
Brent crude (Fri 29 May settle)	\$92.05/bbl	CNBC, -1.77% Friday. Intraday low \$91.12 per AFC observation. Six-week low.
WTI crude (Fri 29 May settle)	\$87.36/bbl (-1.73%)	CNBC. Brent-WTI spread \$4.69/bbl. Both at six-week lows.
Brent monthly move (May)	-19%	Worst month since March 2020 (Covid-19 onset). WTI -17%, worst since April 2025.
Brent decline from 2026 peak	~20%	From near-\$120 peak in early April to \$92.05 today. Full retracement of the war premium.
Platts ULSD 10ppm FOB ARA Barge (19 May, latest in research feed)	\$1,213.75/MT	Platts EUM 19 May 2026. Change - \$24.25/MT. Spine now 10 calendar days stale; refresh urgent.
Working cumulative adjustment (since 19 May)	-\$94/MT	Brent \$110.61 (19 May Platts M1) down to \$92.05 Friday close. $-16.8\% \times 0.85$ product correlation \times \$590/MT base.
Working ULSD FOB ARA Barge (Fri 29 May close)	\$1,108/MT	Platts 19 May spine \$1,213.75 less \$94 cumulative ICE LSG decline tracking Brent -16.8%.
EN590 10ppm spec premium	+\$12/MT	BS EN 590:2022 spec premium over 10ppm ULSD.
EN590 FOB ARA (Fri 29 May close working)	\$1,120/MT	Working ULSD FOB ARA \$1,108 + \$12 EN590 premium = \$1,120/MT.
Baltic-channel discount band	\$50 to \$90/MT	Working mid \$70/MT. Holding upper-mid despite deal momentum because partial Hormuz reopening only.
EN590 FOB PRIMORSK (Fri 29 May close working)	\$1,050/MT	EN590 FOB ARA \$1,120 less \$70 Baltic-channel discount = \$1,050/MT. Mid of \$990-\$1,110 band.
Move from Thursday morning	-\$40/MT	Thursday morning Primorsk \$1,090 to Friday close \$1,050. Deal-driven slide despite Wednesday night kinetic exchange.

Variance verification. Working EN590 FOB ARA \$1,120 against published Platts 19 May ULSD FOB ARA \$1,213.75. Net variance -\$94/MT, sitting at the bottom edge of the \$50-\$100 corridor. The 19 May spine is 10 calendar days old. The next observed Platts EUM is the priority reconciliation. Given the month-end weekend with potential Trump deal approval over the next 48 hours, the actual Tuesday Platts assessment after the US Memorial Day holiday could differ materially from the working figure.

8. Geopolitical and Macro Drivers

Friday 29 May: month-end deal optimism

- **Brent -19% May, worst since March 2020 (CNBC):** Brent posted its biggest monthly loss in six years as traders anticipated a US-Iran deal that would reopen Hormuz. WTI -17%, worst since April 2025. Brent settled \$92.05 (-1.77%), WTI \$87.36 (-1.73%).
- **60-day MoU framework reported (CNBC, Trading Economics):** US and Iran reported to have "mostly agreed" to a 60-day MoU that would pause hostilities, extend the ceasefire, and possibly permit unrestricted shipping through Hormuz. Iran would clear all Hormuz mines within 30 days.
- **Trump Situation Room (CNBC):** Trump met in White House Situation Room Friday to make a final determination on an agreement with Iran. Laid out a series of demands Iran has rejected in the past. No formal approval yet.
- **Vance caution (Trading Economics):** Vice President JD Vance cautioned it remains uncertain whether or when an agreement with Iran could be finalised. Major obstacles remain including Tehran's nuclear ambitions and control of Hormuz.
- **Iranian state media (Trading Economics, CNBC):** Iranian state media said the deal has not been finalised. Tehran continuing to manage domestic political optics ahead of any signature.
- **ICMA Bob Parker floor (CNBC Squawk Box Europe):** Oil prices will likely remain between \$90 and \$100 for at least the next couple of months until greater clarity on any lasting peace agreement. "Inevitable" investor skepticism toward negotiations. Any Hormuz reopening will be only partial. Significant damage to infrastructure, refineries and pipelines across the Gulf. Ongoing tanker security challenges. Depleted inventories.
- **Brent -20% from 2026 peak (CNBC):** Global oil prices have tumbled by around 20% from 2026 highs as investors have grown increasingly optimistic on prospects for a long-lasting ceasefire deal. Full retracement of the war premium.

Wednesday-Thursday kinetic exchange (reconciliation)

- **Two-way exchange did not derail negotiation:** IRGC fired on US tanker in Hormuz Wednesday night. US struck Bandar Abbas drone site. IRGC targeted US airbase 04:50 local Thursday. Brent gapped +3% to \$97.29 Thursday morning. By Friday close Brent at \$92.05. The exchange was absorbed without negotiation collapse. Market interpreted as contained episode within end-stage diplomacy.

Underlying physical and structural context

- **Hormuz physical restoration timeline (ICMA Parker, Trading Economics):** Mines need clearing, damaged infrastructure repaired, shut-in production restarted, tanker delays still limit supply restoration. The 30-day mine-clearance commitment ratifies Lipow's 4–6-month physical restoration estimate, but the formal commitment provides the trigger framework rather than the timeline reality.
- **Gulf infrastructure damage (ICMA Parker):** Significant damage to infrastructure, refineries and pipelines across the Gulf as a result of the war. The repair backlog will sustain elevated middle-distillate cracks even as crude eases. Distillate complex tightness already flagged by CERA's James Simpson remains the structural support beneath the deal-driven crude weakness.
- **Russian Baltic export channel (Platts EUM 19 May, S&P Global CAS):** Russian seaborne diesel exports +13% week-on-week to 784kt latest reading. Primorsk primary 10ppm diesel loadport. Atlantic basin redirection to Asia and East Africa continuing. Russian channel unaffected by Hormuz deal narrative.
- **Indian Jamnagar Cap Grace at Offshore Lome today (Platts EUM 19 May, Kpler):** 141,000 MT diesel cargo loaded from Jamnagar refinery for shipment to West Africa, scheduled to land at Offshore Lome 29 May. Marks first Indian-origin West African cargo since February. Live competitive pressure on West African demand pool AFC has been bidding into.

- **Western analyst desks:** ICMA Parker \$90-\$100 next couple of months. Wood Mackenzie \$80 end-2026 if Hormuz opens by June, now plausible. UBS \$105 Brent forecast clearly overshoot. ING \$104 Q2 average overshoot. Goldman South Africa scarcity flag structurally persisting. Citi Hormuz reopening risk priced. Dragonfly Wilkinson re-escalation realised but contained.

9. Freight and War-Risk Insurance

Freight

- Baltic Exchange MR rates eased Friday on deal-driven crude weakness.
- Cape route well utilised. India-to-East Africa redirection continuing at scale.
- Hormuz transit: 30-day mine-clearance commitment in reported framework. Physical restoration will take longer than the political commitment.
- Indian Jamnagar Cap Grace 141k MT cargo landed Offshore Lome today per Kpler tracking.

War-risk insurance (AWRP)

- **Strait of Hormuz AWRP:** Easing modestly toward 1.5-1.8% of hull value on the 60-day MoU framework reporting. Pre-war baseline 0.125%. Full normalisation will require completed mine-clearance and demonstrated incident-free transit, likely 2-3 months even on best-case implementation.
- Red Sea/Suez AWRP: 0.55-0.75% range. Stable.
- Baltic exit AWRP: \$0.45-\$0.90/MT, holding elevated. AFC ground operations confirm full loading rhythm intact. Insulated from Hormuz risk.
- Non-Western P&I providers fully operational for Russian-origin cargoes. Cover unchanged.

10. Jurisdictional Disclosure

Factual disclosure by sanctions regime. Buyer-jurisdiction specific. Counsel determination essential.

- **UN Security Council:** No UN sanctions on Russian hydrocarbons. All restrictions are unilateral measures by approximately 40 of 193 UN member states.
- **G7 price cap:** \$100/bbl applies only when G7 shipping, insurance or finance is involved. Non-G7 services outside scope. Brent now below the cap, reducing G7-related discount pressure on Russian-origin cargoes.
- **EU Article 3ma:** EU-linked cargoes may not import Russian-origin EN590 into the EU. Non-EU to non-EU flows entirely unaffected.
- **US OFAC SDN:** January 2025 package, ~183 designated vessels. Applies to US persons and USD clearing. Non-USD settlement chains outside primary scope. 18 May waiver for already-loaded Russian oil cargoes still active.
- **Iran enforcement (active, easing on framework):** US naval blockade in place pending Trump approval of 60-day MoU. Wednesday night kinetic exchange absorbed without negotiation collapse. \$24bn frozen funds release remains contingent on Hormuz reopening per senior US official. Maritime risk easing but not yet normalised.

AFC buyer base position. Approximately 140 UN member states trade Russian-origin refined product legally. SPIMEX FOB Primorsk EURO-5 deliverable futures contract operational. KSE Institute confirmed 82% of Russian oil products move on non-G7-insured tankers. AFC's non-Hormuz supply chain remains structurally insulated and benefits from the persistent non-Hormuz premium that survives any partial reopening.

11. Fraud and Scam Red Flags

Month-end framework optimism plus US Memorial Day weekend liquidity gap create elevated scam-market environment. Sellers exploiting both the deal narrative and the trading-week compression require maximum scrutiny.

- "Pre-deal allocation" offers: a reported framework not yet approved by Trump does not generate allocation channels.
- "Trump signs over weekend" offers: any seller claiming insider knowledge of approval timing is fabricating.
- "Hormuz mine-clearance contract" offers: physical mine-clearance is a US Navy operation, not a commercial product channel.
- "60-day MoU cargo pre-positioning" offers: a 60-day pause does not generate pre-positioned distress cargoes.
- "Bob Parker \$90 floor lock-in" offers: an ICMA analyst forecast is a market view, not a contracting price.
- "Memorial Day weekend gap" offers: Tuesday 2 June trading resumption is normal market function.
- "Russian distress on deal" offers: SPIMEX functions normally. AFC ground operations Primorsk continuing fully.
- Fujairah FOB at Platts minus \$50: still fraudulent. Verified Platts Fujairah benchmarks published daily.
- Iranian-origin cargo represented as Iraqi, Omani, Russian or re-flagged: US enforcement remains active pending formal deal approval.
- TTO/TTV without current SGS Q&Q, Q88, product passport, live GPS: do not engage.
- Primorsk offers >\$150/MT below the Platts-anchored \$1,050 working mid: cross-reference SPIMEX, named refinery mandate required.
- Kazakhstan EN590 sub-\$500/MT: economically impossible at \$92.05 Brent.

12. Trading Opportunities

Prompt opportunities

- FOB Primorsk for non-sanctioned buyers at \$1,050/MT working mid: \$315-\$487/MT landed saving vs ARA-origin CIF depending on route. Discount to ARA holding \$70/MT. SPIMEX-linked supply remains commercially competitive even at the lower crude environment.
- Durban specifically: \$487/MT saving at Friday close. \$24.4 million captured value on 50,000 MT. Goldman South Africa scarcity flag persisting. Execute Tuesday on European open after US Memorial Day holiday.
- **The month-end positioning question.** If Trump approves the framework over the weekend, Monday Asian open could see Brent press toward \$88-\$90 testing Bob Parker's lower band. If Trump rejects, Brent reclaims \$98-\$103 quickly. The Russian Baltic discount remains structurally embedded under both outcomes because partial Hormuz reopening only ratifies the non-Hormuz premium rather than eliminating it. Pre-contracted SPIMEX-linked supply at this week's pricing covers both directions. The 4–6-week physical product lag (Lipow) means even in a clean deal-approval scenario, the EN590 spot price will not collapse in line with crude for several weeks.
- Indian Jamnagar Cap Grace 141k MT landing Offshore Lome today is the operational signal of the new West African competitive dynamic. AFC origination capacity must respond on tender pricing and turnaround speed.
- Pakistan, Bangladesh, Vietnam, Mauritius rationing continues. AFC origination capacity positioned to bid into emergency tenders.

Structural opportunities

- SPIMEX-indexed 12-month supply at the Platts-anchored \$1,050 Primorsk: even under deal-approval scenario, ICMA Parker's \$90-\$100 floor and Wood Mackenzie's \$80 end-2026 path both leave the non-Hormuz premium intact.
- 100,000 MT/month Baltic-origin EN590 programme: approximately \$48.7 million per cargo cycle at Friday close pricing.
- Distillate complex structural tightness persists per CERA and per Parker's Gulf infrastructure damage flag. Middle-distillate floor reinforced regardless of crude direction.
- Non-Hormuz premium: now a structural feature of the post-war commercial environment, not a war-time anomaly.

Three-scenario positioning (revised month-end)

- **Scenario A - Trump approves over weekend, framework signed, Brent \$85-\$92 (probability now base case):** Physical diesel lags 4-6 weeks per Lipow. EN590 FOB ARA eases to \$980-\$1,080. Primorsk \$910-\$1,010. Pre-contracted SPIMEX-linked forward cargoes capture the lag. The 60-day MoU and 30-day mine-clearance create a defined commercial calendar.
- **Scenario B - Approval slips, framework hangs, oscillation in \$92-\$105 range (probability moderate):** Brent oscillates on weekend headline flow and Trump statements. Primorsk discount to ARA holds \$60-\$80/MT. AFC structural programme captures consistent monthly value.
- **Scenario C - Trump rejects, demands escalate, framework collapses (probability lowered but not eliminated):** Brent back to \$105-\$120. EN590 FOB ARA \$1,250-\$1,400. Primorsk \$1,180-\$1,330. Pre-contracted Russian Baltic supply at today's \$1,050 represents transformative forward value. Watch Trump's weekend social media for the trigger.

13. Bottom Line

The month-end picture. Brent settled \$92.05 Friday, down 19% on the month, the worst monthly performance since March 2020. WTI at \$87.36, down 17% on the month. Brent now sits 20% below the 2026 peak near \$120 in early April, a full retracement of the war premium. The US and Iran have "mostly agreed" to a 60-day MoU that would extend the ceasefire and possibly permit unrestricted Hormuz shipping, with Iran committing to clear all mines within 30 days. Trump met in the Situation Room for a final determination but has not approved the terms. Vance and Iranian state media both caution finalisation remains uncertain. ICMA's Bob Parker expects Brent \$90-\$100 over the next couple of months even if Hormuz reopens partially. The Wednesday night kinetic exchange did not derail the negotiation, suggesting end-stage diplomatic momentum is genuine.

The Platts-anchored working numbers. EN590 FOB ARA \$1,120/MT on the working spine of Platts 19 May ULSD FOB ARA (\$1,213.75) adjusted -\$94/MT for the cumulative 10-day ICE LSG decline tracking Brent and lifted +\$12/MT for EN590 spec premium. EN590 FOB Primorsk \$1,050/MT after \$70/MT Baltic-channel discount. Variance from Platts spine -\$94/MT, sitting at the bottom edge of the \$50-\$100 corridor. The 19 May spine is 10 calendar days stale and reconciliation to a refreshed Platts EUM is the priority operational item for next week. Trump's weekend approval or rejection of the framework could move Brent \$5-\$10/bbl at Monday's Asian open.

For AFC's commercial position. Primorsk at \$1,050/MT, ARA at \$1,120/MT, discount \$70/MT holding. Durban saving \$487/MT. 100,000 MT/month programme generating \$48.7 million per cargo cycle. SPIMEX-linked contracts at the prior \$1,036-\$1,058 pricing are now close to flat against the working spot but remain commercially defensible because destination ARA-equivalent benchmarks have moved in parallel. The structural arbitrage to AFC's destination matrix is fully intact at month-end. The non-Hormuz premium that has driven the AFC commercial case through the war becomes a structural feature of the post-war commercial environment, not a war-time anomaly. ICMA Parker's \$90-\$100 floor and the partial-reopening-only forecast are favourable to AFC's positioning over the next couple of months. The execution instruction for next week is to lock remaining SPIMEX-linked forward tonnage on the Tuesday European open after the US Memorial Day holiday, ahead of any Trump weekend decision being priced in. Watch the weekend Trump social media flow for the framework trigger. AFC ground operations Primorsk continuing fully.

Prepared by: Afri-Fuel-Consult Internal Trading Desk

Note prepared: Saturday 30 May 2026, 09:54 CAT (Gaborone), covering Friday 29 May 2026 full day close into Saturday 30 May 09:54 CAT. Platts-anchored pricing with cumulative 10-day adjustment.

Pricing anchor: *Platts European Marketscan, 19 May 2026 edition (latest in research feed, 10 calendar days stale). ULSD 10ppm FOB ARA Barge \$1,213.75/MT (mid \$1,213.50-\$1,214.00, change -\$24.25/MT). ICE LSG M1 Jun-26 settle \$1,210.00/MT. Cross-referenced against Platts Russian domestic refined products netback table (Yaroslavl-Primorsk \$1,620.14, NORSI-Primorsk \$1,620.22, Kirishi-Primorsk \$1,654.23, Ufa-Primorsk \$1,571.14 - all ULSD CIF NWE Crg marker, domestic refinery-gate values do not export channel). Cumulative working adjustment -\$94/MT applied to track Brent -16.8% move from \$110.61 to \$92.05. EN590 spec premium working \$12/MT. Baltic-channel discount working \$70/MT (band \$50-\$90/MT). Spine refresh urgent for Tuesday next week.*

Sources: *CNBC (Brent \$92.05 settle Friday -1.77%, WTI \$87.36 -1.73%, Brent -19% May worst month since March 2020, WTI -17% worst since April 2025, Brent -20% from 2026 peaks, Trump Situation Room final determination, Trump laid out demands Iran rejected in past, ICMA Bob Parker Squawk Box Europe \$90-\$100 next couple months partial Hormuz reopening only significant Gulf infrastructure damage refineries pipelines tanker security depleted inventories), Trading Economics (Brent fell below \$91 intraday \$91.20 lowest in six weeks, 60-day MoU framework mostly agreed extend ceasefire possibly permit unrestricted Hormuz shipping, Iran clear all Hormuz mines within 30 days, Trump not yet approved, VP Vance cautioned uncertain whether or when finalised, Iranian state media not finalised, mines cleared damaged infrastructure repaired shut-in production restarted tanker delays slow restoration), Reuters (Wednesday Bandar Abbas strike context), Tasnim News Agency (Wednesday airbase strike context), Iranian state media (deal not yet finalised), Newsweek (Wednesday US drone shutdown context), ABC News (Wednesday Trump Cabinet "finish the job" context), Antiwar.com (Wednesday tanker firing IRGC airbase response context), Al Jazeera (live updates Iranian territory missile drone attacks), Time Magazine (week sequence context), OilPrice.com (Hormuz transit partial resumption LNG carriers to Pakistan China India Iraqi crude supertanker, Nikkei source Iran clear Hormuz mines within 30 days under framework), CNN (Doha talks generally positive Tasnim, \$24bn Iranian asset unfreezing only once Hormuz reopened senior US administration official, Rubio gaps a word a sentence, IRGC 25 vessels passed Hormuz), Platts European Marketscan 19 May 2026 (ULSD 10ppm FOB ARA Barge \$1,213.75 spine, CIF NWE Basis ARA \$1,232.25, ICE LSG Jun \$1,210.00 Jul \$1,179.50 Aug \$1,123.75, Brent Jul-26 \$110.61 Aug-26 \$106.22 Sep-26 \$101.64 Oct-26 \$97.65, Russian domestic refined products netback table, Norski refinery strike 18 May, Yaroslavl-3 pumping station strike 19 May, Russian diesel exports +13% w-o-w 784kt, North Africa flows collapse, Kenya EPRA diesel price cut 19 May, CERA James Simpson jet fuel structural tightness, India 273k MT East Africa April flows, Jamnagar Cap Grace 141k MT to Lome 29 May), S&P Global Commodities at Sea (Russian seaborne diesel +13% w-o-w), Kpler (Cap Grace cargo tracking, landed 29 May Offshore Lome today), Nikkei (Iran Hormuz mine-clearing 30-day framework, Middle East diplomatic source), Bloomberg (forward curve coverage), International Capital Markets Association (Bob Parker senior advisor), Iranian Tasnim News Agency (60-day MoU not finalised, prior week context), Iranian IRGC, Iranian Foreign Ministry, Iranian Fars News Agency, Press TV, IRNA, ISNA, Voice of Emirates News Agency, ANI India, Tribune India, BusinessToday India, Business Standard India, Al Jazeera Qatar, TASS, MR7 St. Petersburg, Moscow Times, Kyiv Post, Kathmandu Post Nepal, MS NOW Pakistan, Pakistan PM Office, Saudi Aramco (Amin Nasser 2027 normalisation), Adm. James Stavridis, Goldman Sachs (scarcity geographies), Morgan Stanley Amrita Sen, UBS (forecast clearly overshoot), ING Warren Patterson (forecast overshoot), Citi (Hormuz reopening risk), Dragonfly Henry Wilkinson, Wood Mackenzie (\$80 end-2026 now plausible), Sklar Capital Bill Perkins, Oxford Economics Ben May Bernard Yaros, Lipow Oil Associates Andy Lipow (4-6 month mine-clearing minimum ratified by 30-day commitment), JPMorgan, Rapidan Energy Bob McNally, Mercuria, IEA April OMR plus mid-May inventory warning, Lloyd's List, MarineTraffic Joint Maritime Information Center, ISW, UKMTO, BIMCO, Baltic Exchange, KSE Institute (82% non-G7 insured), US CENTCOM, Pentagon, RFE/RL, IISS London, Sparta Singapore June Goh. Non-Western source weight: Iranian state media (deal finalisation status), Iranian Tasnim News Agency, Iranian IRGC, Iranian Foreign Ministry, Iranian Fars News Agency, Press TV, IRNA, ISNA, Voice of Emirates News Agency, ANI India, Tribune India, BusinessToday India, Business Standard India, Al Jazeera Qatar, TASS, MR7 St. Petersburg, Moscow Times, Kyiv Post, Kathmandu Post Nepal, MS NOW Pakistan, Pakistan PM Office, Saudi Aramco direct CEO statements. Primorsk pricing Platts-anchored against ULSD 10ppm FOB ARA Barge with EN590 spec premium and Baltic-channel discount band, cumulatively adjusted. AFC ground operations Primorsk continuing fully.*

Disclaimer: *Internal commercial use only. All prices are working estimates derived from Platts European Marketscan 19 May 2026 anchor with cumulative 10-day adjustment tracking Brent, publicly available data, and AFC operational reporting. Trump weekend approval or rejection of the 60-day MoU framework could move Brent \$5-\$10/bbl at Monday Asian open. Working numbers reconcile to the next observed Platts EUM publication. Verify against direct broker quotes before contracting. No regulatory or compliance advice is provided. Counterparties should consult legal advisors in their own jurisdiction.*