The Darling of the Global Oil Market…Diesel
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The diesel crack will outperform gasoline for some time. Refiners are doing everything they can to maximize output but are having trouble keeping up with demand. The margins are historic.

There are widespread stories that the Russian diesel exports are down double digit this month. Some Europeans may have stopped buying, but the world is very short of diesel. If Russia has been successful in selling crude oil (at a discount) to India, China, and Japan (to name a few), I don't believe they would have any difficulty in selling diesel to Asian customers. Shipping is an issue as it is typically shipped in smaller vessels, but not a big enough issue to inhibit the redirected flow.

Russia is at war. All-purpose diesel is the most valuable petroleum product. If Russian exports are down it must be because most of the exported diesel has been redirected to the war effort.

Diesel demand is likely to stay strong in the region. When the fighting ends and both Russia and Ukraine get on with the cleanup and reconstruction of the impacted regions, diesel will once again prove its value and importance.

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