EUROPEAN WINDOW

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FLAT PRICE

The Jan'25 Brent futures saw an interesting trend this afternoon as price action initially rose from the $71/bbl level at 13:00 GMT, creating a triple top pattern near $71.90/bbl before falling lower to $71.35/bbl by 17:30 GMT (time of writing). Alongside reports of PetroChina's plan to shut its largest refinery in 2025, the Jan'25 contract tested the $71.90/bbl level on multiple occasions throughout the afternoon. However, crude oil prices ultimately failed to sustainably stay above this level, amid a removal of some of the geopolitical risk premium previously supporting oil prices. In the news today, state-owned PetroChina is projected to shut its Dalian Petrochemical plant in 2025, which accounts for 410kb/d, or 3%, of the total Chinese refinery output, according to Reuters. In other news, Chinese oil and gas exploration company CNOOC reported a net profit of $5.2 billion for Q3'24, up by 9% y/y from 2023. In the first nine months of 2024, CNOOC made 9 new discoveries and appraised 23 oil and gas-bearing structures. In other news, IndianOil, the biggest refiner in India, has released its Q2'24 results, showing that the company's net profit fell by 98.6% y/y, partly influenced by low fuel demand in the monsoon season. At the time of writing, the front-month (Jan/Feb'25) and six-month (Jan/Jul'25) Brent futures spreads are at $0.34/bbl and $0.92/bbl, respectively.

CRUDE

This afternoon in Dated, we saw Nov DFL bid up from $0.21/bbl to highs of $0.38/bbl and Dec DFL stayed range bound between $0.12/bbl and $0.15/bbl. Nov/Dec DFL was very bid and traded up to highs of $0.23/bbl with a Geneva trade house as the main buyer. In terms of structures, we saw a trade house offering 28-1 1 week roll at -$0.03/bbl down to -$0.06/bbl and 18-22 Nov Cal Dec traded at $0.58/bbl. We also saw the 18-22 Nov 1 week roll trade at $0.17/bbl. In the physical window, we saw a British Major and a Geneva trade house offering Midland and another Geneva trade house bidding Forties at the back of the curve, pushing the phys up to around $0.22/bbl. In paper, Nov DFL was offered down to $0.32/bbl and Nov/Dec DFL down to $0.20/bbl. CFDs remained stable with the 4-8 Nov CFD trading from $0.35/bbl to $0.36/bbl and 18-22 Nov CFD trading at $0.22/bbl. We also saw a Geneva trade house bidding for 20-31 Oct vs 12-13 Nov and trading at $0.10/bbl. Post-window, Nov DFL was stayed rangebound between $0.33/bbl and $0.35/bbl and there was buying interest in 2-6 Dec Cal Dec at $0.20/bbl.

This afternoon in Dubai, we saw continued selling pressure in Brent/Dubai. Both outright BD and boxes were offered, with Nov BD and Dec BD trading lower in ranges of $1.12/bbl to $1.16/bbl and $0.94/bbl to $1.03/bbl, respectively, currently trading at $1.13/bbl and $0.96/bbl. The Nov/Dec BD box traded higher in a range of $0.13/bbl to $0.20/bbl, currently trading at $0.17/bbl. Dubai spreads remained roughly unchanged with the Nov/Dec spread trading at $0.18/bbl and $0.19/bbl and the Dec/Jan spread trading between $0.39/bbl and $0.41/bbl.

FUEL

In VLSFO, Sing 0.5 came under pressure this afternoon. The Nov Sing crack was offered down consistently throughout the afternoon, trading down to $13.00/bbl from $13.50/bbl. The crack weakness put pressure on the Sing spreads, with Nov/Dec Sing selling down to $11.00/mt from $11.75/mt. The Euro crack came under pressure from the Sing crack weakness, with the Nov Euro crack trading down to $4.60/bbl from $5.00/bbl. In turn, Euro structure sold down, with the front spread selling down to $6.75/mt from $7.75/mt.

In HSFO, Chinese arbers were buyers of deferred 380 flat price this afternoon, which supported the front crack a touch. Liquidity was fairly low on the front 380 crack, however the Nov 380 crack had an implied price of -$3.20/bbl, also supported by 380 E/W being a touch stronger. A fairly quiet afternoon on the front 380 crack, which traded between $16.75/mt and $17.00/mt on fairly thin liquidity. A slightly volatile afternoon on the barge crack with the barge crack initially buying up to -$3.00/bbl from -$3.20/bbl heading into the window. However, the front crack came off in the window fairly drastically, trading down to -$3.35/bbl. There was less price action on barge structure, with the Nov/Dec barges trading between $24.50/mt and $24.75/mt. Liquidity was fairly low this afternoon on the 380 E/W, however price action followed off the back of general weakness in the barge crack in the window. The Nov 380 E/W traded up to $0.75/mt from $0.00/mt.

DISTILLATES

This afternoon in distillates, the Nov/Dec Sing gasoil spread continued to rally to highs of $0.60/mt as the deferred came off, the Dec/Jun to -$0.42/mt. The Nov E/W continued to get lifted to -$12.75/mt before coming off back off later in the afternoon to -$13.50/mt as the Q2'25 came off to -$18.00/mt. The prompt was rangebound at higher levels, rallying back to $2.15/mt before coming back off to $2.05/mt. In kero spreads, the Nov/Dec continued to rally to $1.32/mt as the deferred spreads saw interest post-window, the Mar/Jun and Jun/Sep trading at -$0.02/mt and -$0.55/mt, respectively.

The ICE gasoil spreads continued to come off, the Nov/Dec and Dec/Jun to -$1.00/mt as did the cracks, the Q4'24 coming off to $15.10/bbl. The Nov European jet fuel diff rallied to $65.25/mt as the Q1'25 came off to $54.50/mt. Heating oil spreads were rangebound as the HOGOs continued to come off, the Q4'24 to 9 c/gal.

GASOLINE

This afternoon in gasoline, we saw MOC mixed but better offered with flat price trading at the end of the window at $7.00/bbl on a crack equivalent. The prompt crack traded at $7.05/bbl during the window and in the afternoon we saw buy-side interest in Q1’25, valued at $6.25/bbl. Prompt spreads remained weaker in the afternoon with Nov/Dec trading at $13.75/mt and Dec/Jan trading down to $1.75/mt where it found buying to be lifted back up to $2/mt after the window. RBBRs were bid through the window, lifted from $9.28/bbl up to $9.49/bbl and arbs were also bid, with the prompt getting lifted up to 6.9 c/gal end of window after trading at lows of 6.3 c/gal this morning. E/W remained firm this afternoon with the prompt trading at -$3.35/bbl and deferred interest with buying at -$0.90/bbl in Q1’25. 92 cracks saw little price action in the window with the prompt crack implied value remaining around $3.75/bbl and spreads found buyers at these levels with Nov/Dec trading at -$0.37/bbl and Dec/Jan at -$0.22/bbl.

NAPHTHA

This afternoon in naphtha, we saw Nov NWE flat price valued at $626/mt at the end of the window on a -$1.20/bbl crack equivalent. NWE Nov cracks weakened to -$1.65/bbl before seeing buying up to -$1.20/bbl as Q1'25 cracks traded at -$2.55/bbl at end of window. Nov/Dec NWE saw buying up to $7/mt from $6.25/mt as Dec/Jan also strengthened from $5.25/mt to $5.50/mt. Nov E/W came off from $20.25/mt to $19.75/mt on stronger European buying in the front as Dec E/W continued to trade at $21.25/mt. MOPJ cracks saw little activity, offered at $0.40/bbl in Jan, as Nov/Dec MOPJ continued to be valued at $5.25/mt and Dec/Jan seeing selling at $6/mt levels.

NGLS

This afternoon in NGLs, LST was well bid and opened with gains on a crude percentage basis, as implied this morning with FEI well supported despite crude’s fall and arbs roughly unchanged. LST was also better bid in the phys, while prompt spreads remained well bid with Nov/Dec at -0.75 c/gal, Dec/Jan at -0.625 c/gal, Jan/Feb at 0.5 c/gal. Butane weakened relative to LST with Nov C4/C3 trading lower at 31.5 c/gal, though prompt spreads still climbed with Nov/Dec trading up at 3 c/gal. Arbs continued to be well bid this afternoon with Dec LST/FEI seeing particular interest from physical players, trading up to -$225/mt in the afternoon, while Nov LST/FEI traded up to -$237/mt and implied even higher at -$234/mt as Nov LST/NWE traded up at -$174/mt post-window. E/W strengthened in the afternoon, trading at $60/mt in Nov pre-European window and implied higher around $61/mt post-window as NWE was better offered. Prompt FEI spreads weakened slightly in the afternoon with Nov/Dec unchanged, Dec/Jan trading down at $7.50/mt and Jan/Feb at $12.50/mt. Similarly, prompt NWE spreads were also better offered as Nov/Dec traded down at $11.50/mt. FEI/CP continued weaken, implied down to $18/mt in Nov, as CP continued to see good buying in the front.

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