



# EUROPEAN WINDOW

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## FLAT PRICE

The Mar'25 Brent futures contract has weakened this afternoon, selling-off from \$77.50/bbl around 1300 GMT down to \$76.25/bbl at 1730 GMT (time of writing). Crude oil prices saw bearish sentiment alongside the release of EIA data at 1550 GMT today, which showed a lower-than-expected draw of 959kb in US crude oil inventories for the week ending 03 Jan, compared to a forecasted draw of 2mb. In the news today, the Ukrainian military said it set fire to a Russian oil depot which provided fuel to the Engels-2 military air base containing Russian nuclear bomber planes, as per Reuters. Meanwhile, a Russian regional governor Roman Busargin stated that a fire caused by a "mass drone attack" had broken out in Engels at an industrial site, which he did not name. In other news, India's state-owned Oil and Natural Gas Corporation (ONGC) has hired BP to be the technical services provider at their Mumbai High oilfield, a move aimed at identifying improvements in the facilities to boost crude production. The oilfield hit a peak oil production of 471kb/d in March 1985, with output declining to around 134kb/d as of last year. Finally, strong European demand for Guyana's crude has pushed the country's oil exports up by 54% to 582kb/d in 2024, according to Reuters citing LSEG shipping data. Since Guyana began exporting oil in early 2020, it is now the fifth largest Latin American crude exporter after Brazil, Mexico, Venezuela, and Colombia. Finally, at the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$0.62/bbl and \$2.63/bbl, respectively.

## CRUDE

This afternoon in Dated, we saw the Feb DFL trade at \$0.66/bbl and the Bal-Jan DFL at \$0.88/bbl. The 13-17 1w roll was offered down to \$0.18/bbl and there was refiner buying of 1H vs 2H Feb rolls at \$0.50/bbl. We also the 6-12 Feb Cal Feb roll hit down to \$0.24/bbl and the 10-14 Feb Cal Feb roll sold down to \$0.11/bbl. Pre-window, the Bal-Jan DFL was offered down to \$0.80/bbl and the Feb DFL down to \$0.60/bbl. In the physical window, we saw a Geneva trade and European major offering back-end Forties while a refiner and Geneva trade house were bidding at the front. There was also another Geneva trade bidding Brent, with the diff at around \$0.37/bbl. In paper, spreads came off aggressively and DFLs went offered with Feb DFL trading down to lows of \$0.58/bbl. In the window, we also saw the 13-17 2w roll offered down to \$0.36/bbl and the 27-31 3w traded at \$0.75/bbl. CFDs also went offered with the 3-7 Feb CFD trading down to \$0.80/bbl and the 27-31 Jan CFD down to \$0.45/bbl. Post-window, we saw the 10-14 Feb Cal Feb roll trade at \$0.10/bbl and the Balmo Jan DFL down to \$0.79/bbl. The 13-17 2w roll was bid back up to \$0.39/bbl.

This afternoon, we saw this morning's Brent/Dubai weakness completely reverse, with Feb Brent/Dubai moving from \$0.03/bbl up to \$0.22/bbl. This was largely driven by large screen buying of Mar EFS. Despite the move up, trade houses and banks were still on the offer of Feb Brent/Dubai as well as some backend Q2'25, Q3'25 and Q4'25 which traded between \$0.55/bbl to \$0.58/bbl, \$0.70/bbl to \$0.72/bbl, and \$0.80/bbl to \$0.83/bbl, respectively. Dubai spreads also reversed their morning gains, with Feb/Mar Dub and Mar/Apr Dub trading down to \$0.62/bbl and \$0.54/bbl, respectively. The Apr/Mar Brent/Dubai also finally traded at \$0.92/bbl, with a major both on the bid and offer.

## FUEL

In HSFO, the Feb barge crack was better bid this afternoon, trading from -\$8.55/bbl to the highs of -\$8.00/bbl, this supported the front spreads as we saw Feb/Mar trading from \$0.50/mt to \$0.75/mt. As a result, Feb 380 crack was a touch stronger following the strength in barges, trading from -\$6.65/bbl to -\$6.35/bbl. This initially led to the weakness in 380 E/W, trading to the lows of \$11.50/mt, but as the afternoon progressed, we saw buy-side interest in front 380 structure, Feb/Mar bid to \$3/mt, and front 380 crack traded up to -\$6.20/bbl, which strengthened the Feb E/W to the highs of \$12.25/mt.

In VLSFO, Chinese arbers were buyers of Apr Sing flat price. We saw buying interest in Feb Sing crack from \$10.10/bbl to \$10.30/bbl after a rangebound day, this supported front structure where there was some buying in Feb/Apr at \$8/mt. However, we continued to see selling interests in 0.5 E/W, Feb at \$36.25/mt, and as a result, Euro was relatively stronger this afternoon. In Euro, we initially saw selling in the Feb Euro crack at \$4.40/bbl, but the Euro crack traded up to \$4.60/bbl post-window due to MOC hedging. Front structure was therefore supported with Feb/Mar trading at \$5.50/mt and Mar/Apr at \$4.50/mt.



## DISTILLATES

This afternoon in distillates, the Feb/Mar Sing gasoil spread was hit down on screen to \$0.44/bbl where it continued to trade as the Mar/Jun was sold down to \$0.95/bbl. The prompt E/W saw selling down to -\$16.50/mt where buying came in and it was lifted back up to -\$16.25/mt in the window. The Feb regrade came back off to -\$1.18/bbl as the Feb/Mar kero was sold back down to \$0.30/bbl.

ICE gasoil spreads came off post-window, the Jan/Jun to \$14.50/mt as the cracks continued to soften, the Q1'25 to \$17.25/mt. The European jet diffs continued to be sold down in Feb and Q2'25 to \$36.75/mt and \$47.25/mt, respectively. Heating oil spreads similarly softened at the front of the curve as the HOGOs remained rangebound, the Q1'25 at 10.5 c/gal.

## GASOLINE

This afternoon in gasoline, we saw Feb'25 EBOB flat price valued at \$697.5/mt at the end of the window equivalent to \$8.25/bbl on a crack basis as matching was offered. Feb EBOB cracks weakened from \$8.45/bbl to \$8.23/bbl before trading back to \$8.40/bbl post-window as Q3'25 cracks saw buying at \$12.45/bbl. Feb/Mar EBOB strengthened to -\$6.75/mt early afternoon before going offered and trading back to -\$7.25/mt and Mar/Apr saw size selling at -\$35.50/mt coming off further to -\$36/mt. Feb arbs traded up to 4.20c/gal pre-window before softening to 3.85c/gal as Mar RBBRs sold off in the window to \$9.20/bbl from a high of \$9.80/bbl post-stats with Q2'25 arbs seeing selling at 12.60c/gal. Feb E/W was offered at -\$1.80/bbl end-window with Feb 92 cracks trading between \$6.45/bbl and \$6.60/bbl. Feb/Mar 92 remained offered trading from \$0.13/bbl to \$0.11/bbl with Mar/Apr strengthening to \$0.30/bbl before coming off to \$0.25/bbl.

## NAPHTHA

This afternoon in naphtha, we saw flat price trade at the end of the window at -\$4.20/bbl on a crack equivalent. Cracks turned bid into the window as crude came off with the front crack seeing buying up to -\$4.15/bbl, up from lows of -\$4.85/bbl in the morning while deferred cracks also had buying with Q1'26 trading at -\$5.85/bbl. Spreads softened into the afternoon with Feb/Mar trading down to \$4/mt off from earlier highs before firming end of window on a better bid front crack to \$4.50/mt. E/W was better offered in the window with Mar trading at \$18/mt and the front softening to be implied at \$19.25/mt. MOPJ saw little activity in the afternoon but the front crack had buy-side interest at -\$2.35/bbl pre-window and spreads were still supported in the afternoon but saw no trading.

## NGLS

This afternoon in NGLs, pre-stats LST was weaker with spreads also weakening. In prompt, we saw Feb/Mar and Mar/Apr trade at 2.875c/gal and 3c/gal, respectively. EIA stats showed a 2.5 million draw, in line with OPIS survey expectations of a draw between 1 to 4 million. Post-stats, LST strengthened along with spreads being better bid; we saw Feb/Mar and Mar/Apr trade up 3.25c/gal and 3.625c/gal, respectively. Arbs weakened pre-stats with Feb and Q2'25 trading down to -\$174/mt and -\$173/mt, respectively. Post-stats, arbs gained strength with Feb trading up to -\$172/mt. E/W was broadly unchanged pre-stats with Feb trading at \$53/mt; post stats, E/W gained strength with Feb and Q2'25 trading up to \$54/mt and \$61.5/mt, respectively. FEI/CP was slightly weaker pre-stats with Feb trading at -\$9/mt, while post-stats we saw Feb implied at -\$7.5/mt. Butane weakened pre-stats and continued to do so post-stats with C4/C3 trading down to 25c/gal. Spreads followed a similar pattern with Feb/Mar and Apr/May trading down to 8.375c/gal and 2.375c/gal, respectively.



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