

EUROPEAN WINDOW

Market Highlights from the European Window

06 JANUARY 2026



FLAT PRICE

The Mar'26 Brent Futures contract fell to \$61.27/bbl at 15:07 GMT before rallying to \$61.90/bbl at 15:44 GMT. Prices have since fallen to \$61.23/bbl at 17:30 GMT (time of writing). In the news, Phillips 66 can process Venezuelan crude at two US Gulf Coast refineries as supplies become available, according to CFO Kevin Mitchell. The comments follow U.S. President Donald Trump's statement that the United States would "take control" of Venezuela, potentially opening access for US energy firms to Venezuela's large oil reserves. Venezuelan crude is heavy and sulfur-rich, suited for diesel and heavier fuels but typically yielding lower margins than other grades. Canadian crude oil will remain competitive and low risk even if Venezuelan output rises, Canadian Prime Minister Carney said. Carney argued Canada's stable governance makes its oil lower risk and cost for investors. He added that higher Venezuelan production would support regional stability and that proposed carbon capture projects in Alberta could boost the appeal of Canadian crude to emissions-conscious buyers. In other news, India's fuel consumption rose to a record 21.75 million metric tons in December, up 5.3% y/y, the highest level in oil ministry data since 1998. Growth was driven by higher use of petrol, LPG, diesel and bitumen, reflecting strong transport and construction demand. Petrol sales increased 7.1% annually, LPG rose 11.2%, and diesel climbed 5% from a year earlier, though it dipped slightly m/m. India remains the world's third-largest oil consumer and the biggest buyer of Russian seaborne crude. Finally, the front-month Mar/Apr'26 and 6-month Mar/Sep'26 spreads are at \$0.40/bbl and \$0.90/bbl respectively.

CRUDE OIL

This afternoon in dated, balmo DFL traded up to \$1.12/bbl and Feb DFL traded up to \$0.56/bbl before easing back down to \$0.47/bbl post window. Pre window, we saw strong buying in the prompt with 12-16 Jan 1w lifted up to \$0.38/bbl, 12-16 Jan 3w up to \$0.90/bbl and 12-16 Jan CFD up to \$1.28/bbl. We also saw balmo vs 19-23 Jan trade up to \$0.17/bbl. The market then found a bit of a ceiling and a refiner sold 26-30 3w low at \$0.55/bbl pre window.

In the physical window, we saw a refiner buy a Forties cargo from a major and a major buying another Forties cargo from a trade. However, the implied diff was fairly unchanged around 69c with both trades at curve. In the paper window, 12-16 Jan CFD and 19-23 Jan CFD traded down to \$1.2/bbl and \$0.81/bbl with MMs selling to trade and majors buyers. 26-30 Jan CFD also traded down to \$0.48/bbl and 2-6 Feb CFD down to \$0.69/bbl.

FUEL OIL

In VLSFO, front Sing crack continued to be better offered this afternoon traded around \$3.25/bbl. Structure in the front was a touch weaker as a result, with Feb/Mar trading at -\$2/mt. 0.5 E/W was better offered this afternoon traded down to \$31.75/mt. And Euro crack also ended the day on a softer note at -\$1.80/bbl.

In HSFO, Chinese arbers were aggressive buyers of 380 flat price down the curve. Which supported the front crack at -\$7/bbl. As the afternoon went on, 380 spreads started getting lifted with Feb/Mar trading up to \$0.50/mt and Mar/Apr at \$0.50/mt. We also saw aggressive buying in Q2 380 crack and Q2 E/W at -\$6.20/bbl and \$12.25/mt respectively, as a result front E/W rallied from \$18/mt to \$20.25/mt. During the window, front barge crack was well bid traded from -\$9.55/bbl to -\$9.35/bbl, front spreads rallied with Feb/Mar trading from -\$3/mt to -\$2.25/mt, and as a result, front E/W softened down to \$19.75/mt.



DISTILLATES

This afternoon in distillates, Sing gasoil spreads sold off in the prompt, with Feb/Mar falling from \$0.34/bbl down to lows of \$0.26/bbl before firming slightly to trade \$0.29/bbl last. The Feb E/W was very well bid and rallied on weaker IPE, climbing from -\$25.25/mt up to -\$23.75/mt. Regrade also rallied, with Feb moving from \$0.65/bbl up to \$0.82/bbl last, while Feb/Mar Kero was lifted up to \$1.18/bbl on screen.

Prompt ICE gasoil spreads sold off sharply, with Jan/Mar falling from \$5.50/mt down to \$4.25/mt, while the Mar crack also sold off, sliding from \$21.00/bbl down to \$20.40/bbl. European jet diffs rallied, with Feb moving from \$52.00/mt up to \$54.25/mt, while Mar was lifted at \$51.00/mt. Heating oil spreads sold off, while HOGOs weakened initially before firming, with Feb HOGO moving from 14.8c/gal down to 14.5c/gal and then back to 14.8c/gal.

GASOLINE

This afternoon in gasoline, flatprice traded end window at \$598.5/mt with MOC better bid. RBBR's rallied, pushing Feb Arbs up from 3.60c/gal to 3.90c/gal. EBOB cracks were better bid this afternoon, with Feb climbing from \$10.50/bbl to \$10.75/bbl and Q2 was well bid at \$15.55/bbl. Spreads saw mixed interest down the curve but strengthened in the front, with Feb/Mar trading up from -\$4.75/mt to -\$4.50/mt. E/W weakened from -\$0.90/bbl to -\$1.08/bbl, but there was buying in Q2 at -\$6.55/bbl. 92 cracks were quiet, with march trading at \$9.65/bbl post window, and spreads were stable as Feb/Mar remained at \$0.21/bbl.

NAPHTHA

This afternoon in naphtha, MOC was offered with flatprice trading \$496.75/mt end window. Naphtha cracks were stronger, firming from -\$5.6/bbl to -\$5.25/bbl post window. Spreads were bid, rising 25c in Feb/Mar to \$1.5/mt and 50c in Mar/Apr to \$3.5/mt. E/W came off into the afternoon, trading down to \$36.75/mt then stayed at \$37/mt through the window. MOPJ cracks saw selling in Q2 at -\$2.25/bbl coming into the afternoon, while Feb increased by 10c to trade at -\$1.3/bbl pre window. MOPJ spreads remained buyside, trading up to \$4.75/mt in Mar/Apr.

NGLS

This afternoon in NGLs, LST better bid at open with LST flat price performing on a crude basis. Market makers buying Feb/Q2 LST at 2.375c/gal preopen, with Q2/Q3 26 trading between -1.25c/gal and -1.125c/gal. Real interest both sides of LST flat price, with US trade selling and Euro trade buying Feb LST with Q3 LST better offered. LST/FEI trades up to -\$182/mt but comes off back to -\$185/mt, with front arb slightly weaker on the day. C4/C3 better offered, with Feb C4/C3 trading down to 9.875c/gal. Eastern hedgers selling Feb C4 ENT at 73.375c/gal with buyside interest in the May-June butane strip. CP spreads slightly stronger this afternoon, with Feb/March CP trading up from \$15.5/mt to \$16/mt with global trade buyside of Feb CP flat price at \$525/mt.



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