

EUROPEAN WINDOW

Market Highlights from the European Window

07 JANUARY 2026



FLAT PRICE

The Mar'26 Brent futures contract traded rangebound this afternoon, easing slightly from \$60.87/bbl at 13:20 GMT to \$60.08/bbl at 17:10 GMT (time of writing). In the news, the US has seized a Russian-flagged tanker after tracking it for over two weeks across the Atlantic. The *Marinera*, initially called *Bella-1*, had earlier evaded a US maritime blockade of sanctioned tankers in the Caribbean and fought off attempts by the US Coast Guard to board it. Related, US Energy Secretary Chris Wright has stated that the US needs to manage Venezuela's oil sales and revenue to implement the desired changes in the country. Wright has stated that he was in discussions with US oil companies to understand what is required for them to enter Venezuela, further elaborating that he wants to sell Venezuelan oil to US and international refineries. Elsewhere, the Iraqi government has announced its approval to nationalise the petroleum operations at the West Qurna 2 oil field, in line with the provisions of a service contract signed with Russia's Lukoil. The cabinet also agreed to pursue approvals for financing operations via the Majnoon oilfield account, which will be supported from crude shipments sold by the state oil marketer SOMO. In Mexico, Reuters reported that President Claudia Sheinbaum has stated that the country is not sending more oil to Cuba than previously, but amid developments in Venezuela, has turned into an "important supplier" of crude to Cuba. Finally, at the time of writing, the front-month (Mar/Apr) and 6-month (Mar/Sep) spreads are at \$0.36/bbl and \$0.57/bbl, respectively.

CRUDE OIL

This afternoon in dated Balmo DFL traded up to \$1.15/bbl and Feb DFL up to \$0.51/bbl before easing down to \$0.45/bbl. Pre window we continued to see strong buying in the prompt with balmo Jan vs 27-2 Jan lifted at \$0.57/bbl, 7-13 Jan dbl lifted at \$1.6/bbl and 7-16 Jan vs balmo Jan lifted at \$0.45/bbl, as well as strong buying out of 7-13 Jan cal Jan and 7-13 Jan cal Feb. However balweek 1w was sold low at \$0.18/bbl and 12-16 1w traded down to \$0.53/bbl pre window.

In the physical window we saw a trade bidding Forties and a major bidding Midland, pushing the implied diff up to 85c. In the paper window, 12-16 Jan CFD was lifted up to \$1.46/bbl by a refiner and trade. 19-23 Jan CFD traded up to \$0.92/bbl with a trade and majors buying, and 26-30 Jan CFD trade at \$0.58/bbl with a trade selling. Post window, 16-20 Feb cal Feb was sold at \$0.09/bbl and 9-13 Feb cal Mar traded at \$0.48/bbl.

FUEL OIL

In VLSFO, the front Sing crack was better bid this afternoon from \$3.60/bbl to \$3.80/bbl. Sing structure was supported off the back with Feb/Mar trading at \$-1.75/mt. 0.5 EW in the front turned bid in the afternoon traded from \$33.75/mt to \$34.50/mt. Euro crack saw less buy-side interests as a result, traded around \$-1.70/bbl end of day. Euro structure saw mixed interests with Feb/Mar trading at \$-3/mt and Mar/Apr at \$-2/mt. Q2 Euro crack saw some selling at \$-0.35/bbl which kept the front crack at \$-1.70/bbl.

In HSFO, 380 spreads started the afternoon being offered with Feb/Mar trading from \$1.75/mt to \$1/mt. Front EW came off sharply as a result, traded from \$24/mt to \$22.50/mt. There was also selling in Q2 380 crack at \$-7/bbl which pressured the front crack down to \$-6.65/bbl. However, interests on 380 spreads turned bid shortly after with Feb/Mar trading back at \$1.75/mt, and front crack was supported back up to \$-6.30/bbl. In barges, we saw aggressive selling in Q2 crack down to \$-8.90/bbl which pressured the front crack down to \$-10.30/bbl, this caused the front 380 EW to trade up to \$26/mt eod.



DISTILLATES

This afternoon in distillates, Sing gasoil spreads strengthened initially, with Feb/Mar trading up to \$0.22/bbl before turning better offered into the window and being hit down to \$0.18/bbl. The Feb E/W firmed through the afternoon, moving from -\$23.75/mt early on to trade -\$23.0/mt last. Regrade also firmed in Feb, rising from \$0.65/bbl to be lifted at \$0.80/bbl post-window, while the Feb/Mar kero traded at \$1.05/bbl.

Prompt ICE gasoil spreads weakened, with Jan/Mar falling from \$4.50/mt down to \$3.25/mt, while the Mar crack sold off sharply from \$20.50/bbl to \$19.80/bbl. European jet diffs rallied, with Feb trading from \$54.75/mt up to \$55.85/mt, while Q2 firmed to \$50.25/mt. Heating oil spreads sold off, while HOGOs strengthened early afternoon before also coming off, Feb last trading at 14.5c/gal.

GASOLINE

This afternoon in gasoline, flat price traded end window at \$590.5/mt with MOC better offered. RBBR's were choppy, ending the afternoon relatively flat around 12.45/bbl, with arbs trading slightly stronger, up from 3.90c/gal to 4.10c/gal. Ebob cracks were better offered, but remained stable around \$11.10/bbl, with cal 27 valued at \$7.65/bbl. Spreads were better bid, with Feb/Mar trading up from -\$5/mt to -\$450/mt before softening again post window. E/W was balanced at -\$1.25/bbl, with Feb 92 cracks trading at \$9.85/bbl. Spreads were slightly stronger with the front trading up from \$0.11/bbl to \$0.13/bbl.

NAPHTHA

This afternoon in naphtha, MOC was balanced with flat price trading \$492/mt end window. Naphtha cracks had continued strength, rising further to trade at -\$4.50/bbl for size. Naphtha spreads were bid, firming to \$2/mt in Feb/Mar and \$5.50/mt in Mar/May. E/W strengthened further to \$39.50/mt. MOPJ cracks had scale back selling as it firmed to -\$0.40/bbl in Feb pre-window, then traded on screen at \$0.03/bbl after. MOPJ spreads had continued buying, trading at \$5.50/mt in Feb/Mar and \$5/mt in Mar/Apr.

NGLS

This afternoon in NGLs, butane continues to weaken with Feb C4/C3 trading down from 10c/gal to 8.5c/gal with eastern hedgers buy-side at 8.5c/gal. Butane spreads weaken also, seeing Q2/Q3 C4 ENT trade down from -1.75c/gal to -2.25c/gal with Feb/March C4 ENT down 0.75c/gal on the day, trading -0.25c/gal end of window with producers sell side. In LST, Q2/Q4 trades -4.75c/gal with flat price weaker on a crude basis – with selling coming in post stats. Front arb slightly weaker this afternoon with deferred arb selling also, seeing Feb arb trading between -\$179.50/mt and -\$181/mt (Euro physical buying) with sell side interest in Q4 26 arb at -\$150.50/mt. Sell side interest in deferred FEI/MOPJ, particularly Q3 and Q4 at -\$36.50/mt and -\$16/mt, respectively. Europe spreads weaker also, seeing Feb/March trade down to \$17/mt with Feb/May valued \$35/mt end of window.



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