

# EUROPEAN WINDOW

*Market Highlights from the European Window*

08 JANUARY 2026



## FLAT PRICE

The Mar'26 Brent futures contract climbed from \$60.75/mt at 11:45 GMT to \$61.27/bbl at 14:35 GMT, where it briefly met resistance and eased below \$61/bbl, before recovering to \$61.35/bbl at 17:30 GMT (time of writing). According to a Reuters exclusive report, Vitol has received a preliminary special license from the US government to conduct negotiations for importing and exporting oil from Venezuela for a period of 18 months. Vitol will reportedly seek to finalise the permit and the terms under which it can operate in the South American country in the coming days. In related news, the Trump administration has invited the heads of Vitol and Trafigura to the White House on 09 Jan for talks on marketing Venezuelan oil, as per a Reuters source. The White House previously stated it would be holding US oil majors on 09 Jan, but this is the first mention of the invitation being extended to trading houses. Nevertheless, US oil majors have stated that they require "serious guarantees" before making significant investments in Venezuela. Meanwhile, US Energy Secretary Chris Wright said there was room for Washington and Beijing to balance commercial roles in Venezuela "as long as ... America is the dominant force there, the rule of law, the United States controls oil flow", reiterating that the US will not allow Venezuela to become a "client state of China." India's Reliance Industries Ltd said it would consider buying Venezuelan oil if permitted for sale to non-US buyers. In non-Venezuela news, Iraq's cabinet has approved plans to nationalise operations at the West Qurna 2 oilfield, attempting to avert disruptions arising due to US sanctions on Russian stakeholder Lukoil. The state-run Basra Oil Company will reportedly take over the oilfield's operations for a period of 12 months. Finally, at the time of writing, the front-month (Mar/Apr'26) and six-month (Mar/Sep'26) Brent futures spreads stand at \$0.48/bbl and \$1.05/bbl, respectively.

## CRUDE OIL

This afternoon in Dated Brent, we continued to see strong Feb into Mar buying. Feb DFL was lifted up to \$0.74/bbl and Mar DFL up to \$0.32/bbl, whilst the Ballmo Jan DFL traded up to \$1.26/bbl on screen in the window. Prior to the window, we saw a trade house and major lifting 19-23 Jan vs Cal Feb up to \$0.90/bbl, and 26-30 Jan vs Cal Feb lifted at \$0.58/bbl by a major. We also saw a major lifting 2-6 Feb vs Cal Feb up to \$0.33/bbl, and 2-13 Feb vs Cal Mar at \$0.74/bbl.

In the physical window, a major bid a back-end Forties cargo, pushing the implied diff up 2c. In the paper window, trades and a major lifted 19-23 Jan CFD to \$1.13/bbl while the 26-30 Jan CFD was lifted to \$0.83/bbl by majors and a trade house. 12-16 Jan CFD also traded at \$1.55/bbl in smalls. Post window, 19-23 Jan 1w traded at \$0.35/bbl, and 2-6 Feb CFD was bid at \$0.96/bbl.

This afternoon Brent/Dubai traded rangebound, with Feb Brent/Dubai traded between \$0.71/bbl to \$0.84/bbl, finishing in the middle of this range. The main buyer continued to be a market maker, with selling by a trade house and a Chinese player. The Feb/Mar'26 Dubai spread traded rangebound, between \$0.01/bbl to \$0.04/bbl, with interest still remaining more buy-side. There was buy-side interest in the Bal-Jan/Feb spread, which traded higher at -\$0.30/bbl and -\$0.24/bbl. Brent/Dubai boxes were fairly quiet, with only sell-side interest by a trade house in the Feb/Mar box, which traded \$0.23/bbl to \$0.21/bbl.

## FUEL OIL

In VLSFO, 0.5 cracks drifted down for the first half of the afternoon on higher crude, with the front Sing crack trading from \$4/bbl to \$3.80/bbl. The Euro 0.5% crack was initially trading around -\$1.90/bbl, but we then saw outright selling and Euro MOC selling, which caused the front crack to gap down to -\$2.25/bbl. The front Sing 0.5% crack traded down to \$3.60/bbl as a result. Post window, we saw better buying in the front Euro crack, which supported it back up to -\$2.05/bbl, 0.5 E/W, therefore turned offered with selling at \$36.50/mt. The front Sing crack stabilised at \$3.70/bbl to end. Sing structure saw mixed interest this afternoon and traded between -\$1.25/mt and -\$1/mt, while front Euro structure also traded between -\$3/mt and -\$2.75/mt.



## FUEL OIL

In HSFO, Sing 380 cracks were better offered initially, with selling in Q2 380 crack at -\$7.05/bbl. This pressured the front crack down to -\$7.25/bbl despite some buying in Mar at -\$7.10/bbl and FP buying from Chinese arbers. As the afternoon progressed, we saw sell side interests in Q2 3.5% barge crack from -\$9.60/bbl to -\$9.80/bbl. This caused the front barge crack to sell off very aggressively, from -\$11.10/bbl to -\$11.50/bbl, and the front 380 EW to rally from \$25.75/mt to \$27.75/mt. 380 structure turned well bid heading into the window, trading from \$1.75/mt to \$2.50/mt. The front 3.5% barge crack further sold off in the window due to MOC selling trading down to -\$11.75/bbl. And front 3.5% barge spreads also saw selling in Feb/Mar at -\$3.75/mt.

## DISTILLATES

This afternoon in distillates, Sing 10ppm gasoil spreads weakened, with Feb/Mar moving from \$0.17/bbl down to being hit at \$0.14/bbl. The Feb gasoil E/W also weakened, selling off from -\$24.50/mt down to -\$25.00/mt, while Q2 traded down to -\$18.50/mt. Regrade initially strengthened, trading from \$0.70/bbl to \$0.80/bbl before weakening back to \$0.74/bbl, while Jun/Dec kero traded at \$0.12/bbl.

Prompt ICE gasoil spreads continued to weaken, with Jan/Mar falling from \$3.50/mt down to \$2.25/mt, while the Mar crack strengthened to \$20.50/bbl before coming back off to \$20.20/bbl. European jet diffs sold off, with Feb falling from \$58.75/mt down to \$57.75/mt, while Q2'26 traded at \$50.00/mt. Both heating oil spreads and HOGOs strengthened, with the Feb HOGO reaching 14.60c/gal.

## GASOLINE

This afternoon, in gasoline, EBOB flat price traded at the end of the window at \$605.50/mt with MOC better offered. RBBRs were slightly stronger, trading around 12.80/bbl post-window with TA arbs trading up from 3c/gal to 3.40c/gal before coming off again. EBOB cracks were scaleback offered as they traded up from \$11.90/bbl to \$12.05/bbl in the front, with Cal'27 bid at \$7.95/bbl. Spreads were mixed in the front, with Feb/Mar remaining at -\$4/mt. The gasoline E/W was slightly weaker, trading down from -\$1.50/bbl to -\$1.60/bbl with 92 cracks trading at \$10.40/bbl post-window.

## NAPHTHA

This afternoon, MOC was bid with NWE FP trading at \$500.25/mt at the end of the window. NWE naphtha cracks turned offered, trading down to -\$4.6/bbl in Feb, then recovered to -\$4.45/bbl post window. Spreads were bid, and Feb/Mar drifted even higher to trade at \$3/mt. Naphtha E/W remained trading slightly weaker at \$38/mt. MOPJ crack interest was quiet but last traded at -\$0.2/bbl in Feb during the window. MOPJ spreads were still buyside but remained more balanced with \$6/mt in Feb/Mar and \$5.50/mt in Mar/Apr.

## NGLS

This afternoon in NGLs, LST better offered with flat price weaker on a crude basis, with US trade and Euro phys players selling Feb LST flat price. LST spreads weakened with real interest on the sell side, seeing Feb/April trade down to 1.875c/gal. US majors buying the Feb arb, which trades rangebound around -\$180/mt. Little interest in Feb C4 ENT/C3 LST today, with Feb C4 ENT flat price better offered, but then flipping to better bid into close, with buyside interest in Q4 C4 ENT/C3 LST at 12c/gal this afternoon. Selling in CP spreads with March/June getting hit \$37.5/mt. Aug FEI/CP better bid by importers at \$18/mt.



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