



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Dec'24 Brent futures contract continued to weaken this morning, falling from \$74.80/bbl at 08:25 BST to briefly dropping below \$74/bbl at 10:20 BST. While the benchmark crude futures contract found support here, it fell to \$73.88/bbl at 11:35 BST (time of writing). While the market continues to be concerned about the risk of escalating conflict in the Middle East, reports that Israel will not be attacking Iranian oil and nuclear supplies have calmed the geopolitical risk premium noted in the futures contract last week. The market will now turn its attention to 17 Oct's announcement of US oil inventories for the week ending 11 Oct by the EIA. In other news, China may raise a further 6 trillion yuan (\$850 billion) from special treasury bonds over three years to stimulate its economy, as per sources of Caixin Global, following Finance Minister Lan Fao's comment that Beijing will significantly increase its debt last Saturday. Finally, at the time of writing, the front-month and six-month Brent futures spreads stand at \$0.35/bbl and \$1.47/bbl, respectively.

CRUDE

This morning in Dated, we saw Nov DFL trade rangebound between \$0.06/bbl and \$0.10/bbl and Dec DFL traded between \$0.08/bbl and \$0.10/bbl. There was buy-side interest in Bal-Oct Nov DFL and trade house buying of Balmo, which traded from -\$0.20/bbl up to highs of -\$0.15/bbl before trading back down to -\$0.26/bbl. In structures, there were trade houses bidding for back-end Nov into Dec rolls and a London tradehouse with buy-side interest in the 21-25 Oct 1 week roll. We saw Cal Nov 25-29 Nov trade at \$0.12/bbl and 21-25 Oct cal Nov at flat.

This morning, we saw Brent/Dubai (BD) slightly push higher. Nov BD, currently trading at \$0.95/bbl, traded in a range of \$0.89/bbl to \$0.95/bbl, whereas Dec BD traded in a range of \$1/bbl to \$1.05/bbl. We generally observed buying pressure in the BD market, with especially buying interest in BD boxes, both front boxes as well as deferred boxes. The Nov/Dec BD box traded in a range of -\$0.16/bbl and -\$0.07/bbl, currently at -\$0.09/bbl. There was also buying interest in Dec EFS, in line with yesterday's afternoon. We observed early and consistent buying pressure in Dubai spreads. The Nov/Dec Dubai spread traded in a tight range of \$0.44/bbl to \$0.47/bbl. Finally, we saw selling interest in Fulmo-Oct BD and buying interest in Dated Dubai.

FUEL

A weaker start to the day on VLSFO, with Nov Sing crack being fairly well offered, trading down to \$12.70/bbl post window from \$13.30/bbl. Offers disappeared post window on the front crack combined with spreads going better bid which saw the crack trade up to \$13.15/bbl. Sing spreads came under pressure earlier on from the crack weakness, with Nov/Dec Sing selling down to \$9.25/mt from \$9.75/mt. As mentioned, spreads went better bid post window, with the front spread trading up to \$9.50/mt. A fairly rangebound morning on Euro 0.5. Deferred spreads were better bid into 2025, however the front spread traded between \$8.75/mt and \$9.00/mt on more than usual liquidity. It was a similar story on the Euro crack, with Nov Euro crack trading between \$5.30/bbl and \$5.40/bbl without a clear axe in the market.

380 spreads were well bid into 2025 this morning, however the front was fairly stable to start the day. The Nov 380 crack traded around -\$7.00/bbl and Nov/Dec 380 at \$9.50/bbl. The 380 E/W was stronger this morning off the back of the barge crack weakness. The Nov barge crack sold down to -\$7.90/bbl from -\$7.35/bbl. Barge structure came under pressure from the crack weakness, with Nov/Dec barges selling down to \$12.75/mt from \$14.00/mt. As mentioned, the 380 E/W rallied in the front this morning, mostly due to barge weakness, trading up to \$5.25/mt from \$2.75/mt.



DISTILLATES

This morning in distillates, the front Sing gasoil spreads rallied post-window, with the Nov/Dec getting lifted to \$0.20/bbl. The deferred spreads saw buying interest, with the Jan/Sep trading to highs of -\$1.02/bbl. The Nov E/W rallied to -\$23.00/mt first thing before coming back off to -\$23.75/mt in the window as the Q3'25 rallied a tick to -\$19.75/mt. The prompt regrade rallied, as did kero spreads, with the Nov/Jan kero to \$0.24/bbl.

The ICE gasoil spreads were rangebound, the Nov/Dec at \$0.75/mt and the Dec/Jun at -\$1.50/mt as the cracks continued to tick lower, the Q4'24 at \$14.80/bbl. Heating oil spreads were similarly rangebound, as were the HOGOs, with the Q4'24 at 8.60c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$78.45/bbl with MOC slightly better bid. 92 was initially weak into the window, with prompt and deferred cracks well offered. Spreads firmed through the window with Nov/Dec lifted from trading at flat to \$0.05/bbl as Eastern cracks turned bid during the window and continued rallying further to trade at \$0.12/bbl post window. E/W opened weak today, with Nov trading at -\$4.10/bbl before finding buying to trade at -\$4/bbl by the end of the window on better-bid Eastern cracks. EBOB cracks were well bid this morning, with Q1'25 getting lifted at \$6.90/bbl in the window; spreads also found support with Dec/Jan lifted from \$2.75/mt to trade at \$3/mt post window. RBBRs were better bid through the window, strengthening from \$10.07/bbl to \$10.17/bbl, but arbs were offered this morning on stronger EBOB cracks.

NAPHTHA

This morning in naphtha we saw Nov MOPJ flat price valued at \$659/mt at the end of the window on a \$0.25/bbl crack equivalent as MOC was bid, trading at +5c/mt in Nov. MOPJ cracks saw little trading activity with selling at -\$0.65/bbl in Q1'25 as Nov/Dec MOPJ and Dec/Jan MOPJ were both valued at \$5.25/mt. E/W saw buying interest as Nov E/W strengthened from \$20.50/mt to \$21/mt, and Q1'25 E/W traded up from \$19/mt to \$19.25/mt. Nov NWE cracks saw selling initially with trade on the sell-side before buying came in as they traded from -\$2.40/bbl to -\$1.95/bbl, and Nov/Dec remained valued at \$5/mt.

NGLS

This morning in NGLs, FEI prompt structure firmed with Nov/Dec trading at \$5.50/mt and Dec/Jan at \$10/mt. However, the deferred structure was stronger, with Jan/Feb trading up at \$14/mt and bid on while Dec/Dec25 was bid up to \$84.50/mt. At the end of the window, Nov flat price offers were lifted, trading at \$656.50/mt. In the physical window, an offer for 2H Nov at Nov FEI +\$3.5/mt was lifted by two buyers. Arbs were a touch lower, with Nov LST/FEI trading at -\$271/mt. FEI/CP also strengthened, trading up to \$32/mt despite lower crude and Baltic freight being offered. E/W was quiet but implied slightly lower, around \$70/mt in Nov, with FEI slightly weaker post-window. FEI/MOPJs were better offered, with Nov and Dec trading at -\$3.50/mt, while Q1'25 FEI/MOPJ also saw sell-side interest at -\$18/mt.



GLOBAL MACRO

Weak UK data today, both retail sales and CPI. Rate cuts are coming, with the OIS market now fully expecting a November cut, 26bp priced, and it will start to sniff 50bp over the next few trading sessions.

- UK September retail price index recorded a monthly decline of 0.4%, the largest drop since January 2024.
- UK inflation dropped to 1.7% in September (from 2.2%) core at 3.2% (est 3.4%), the first reading below 2% in 41 months.

Canadian inflation fell aggressively and lower than expected. Chinese cheap imports are coming to town.

- Canadian CPI 1.6% YoY (est. 1.8%, last 2.0%).

A reversal lower in NY Empire manufacturing survey.

- U.S NY Empire State Manufacturing Index (Oct) - ACTUAL: -11.9 VS +11.50 PREVIOUS; EST 3.6.

43% of the Russell 2000 companies are unprofitable, the most since the COVID crisis. At the same time, interest expense as a % of total debt of the Russell 2000 firms hit 7.1%, the highest since 2003. But it's tech that will get hit hardest when equities do sell-off

Equity complacency: Not only do asset managers have their largest long position in over 10 years, but the put/call ratio is now the lowest since March 2022. Also, what makes equities even more risky is bonds are now offering a higher yield than stocks for the first time in 22 years.

Gold is back at the highs. And going higher. Groundhog day!

No key data today.



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