



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The Dec'24 Brent futures contract found strength this morning, moving from \$73.85/bbl at 07:00 BST up to \$74.96/bbl at 11:20 BST (time of writing). Prices have been supported this morning as tensions heighten in the Middle East, with airlines including Emirates and Qatar Airways now suspending flights to Iran. In the news today, US Secretary of State Antony Blinken has arrived in Israel to meet Israeli Prime Minister Netanyahu and revive ceasefire talks. Just a few hours before Blinken's arrival, Hezbollah has fired several missiles into Tel Aviv and Haifa, according to Financial Times. In other news, Russia's seaborne crude shipments have risen to their highest level since June this year. Russia shipped 3.47mb/d of crude in the four weeks to 20 Oct, a 140kb/d jump in four-week average cargoes, as per data by Bloomberg. Finally, the Chinese Ministry of Commerce has increased China's 2025 crude oil import quota for non-state-owned firms at 5.14mb/d. The ministry will add and adjust quotas based on companies' demand and new capacity. At the time of writing, the front-month (Dec/Jan'25) and six-month (Dec/Jun'25) Brent futures spreads are at \$0.38/bbl and \$1.63/bbl, respectively.

## CRUDE

This morning in Dated, we saw Nov DFL trade up from \$0.07/bbl to \$0.14/bbl with refiner buying and Dec DFL up from \$0.07/bbl to highs of \$0.16/bbl. Nov/Dec also saw buy-side interest and traded around -\$0.04/bbl. In structures however, we saw Nov weekly rolls offered with a Geneva trade house offering the 4-15 Cal Nov and 25-29 Nov Cal Dec which traded at \$0.33/bbl up to \$0.35/bbl. This was followed by a London trade house bidding for 4-8 Nov 2 week roll which traded at \$0.03/bbl and buy-side interest in the 28-1 Oct 2 week roll at -\$0.15/bbl.

Very calm morning today in Dubai. There was early selling in Nov/Dec Dubai, which traded significantly lower as a result of this selling. It currently trades at \$0.33/bbl and traded in a range of \$0.27/bbl to \$0.36/bbl. At the bottom of this range, flow shifted to the buy-side. Nov BD gapped up higher, trading in a range of \$1.20/bbl to \$1.28/bbl, currently trading at \$1.26/bbl. The increase in Dec BD was not as strong which currently trades at \$1.18/bbl. The relative strength of Nov to Dec led to an increase in the Nov/Dec BD box, which traded in a range of \$0.05/bbl to \$0.10/bbl, currently trading at \$0.08/bbl. In terms of flow, we also observed selling interest in Q2'25 BD and buying interest in Mar EFS.

## FUEL

In VLSFO, we saw a strong morning on Sing 0.5. Both the Sing crack and spreads opened better bid, the Nov Sing crack began the morning at \$13.60/bbl before trading up in decent size to \$13.80/bbl towards the end of the window. The crack did come off somewhat post-window, closing the morning at \$13.70/bbl. Spreads were well bid down the curve this morning into 2025, combined with the crack rally saw the front spread trade up to \$11.50/mt from \$11.00/mt. Although a quiet morning on Euro 0.5 in terms of trading activity, deferred spreads were fairly well bid. The front found support from this combined with Sing strength, with Nov/Dec Euro trading at \$11.00/mt, a fair bit stronger than where it closed last night. In turn, the Euro crack was also stronger, trading up to \$5.75/bbl.

There was strength in the HSFO market to start the day. 380 spreads were bid this morning, which saw the Nov/Dec 380 buy up to \$11.00/mt from \$10.50/mt. There was similar strength on the 380 crack, with the front crack trading up to -\$5.35/bbl from -\$5.50/bbl. Barges was very strong this morning, with lots of buying on the crack. The Nov barge crack bought up to -\$4.40/bbl from -\$5.50/bbl. The crack rally supported barge structure, with Nov/Dec barges trading up to \$23.00/mt from \$20.00/mt. The relative strength of barges, put the 380 E/W under extreme pressure, with Nov 380 E/W selling down to -\$6.25/mt from -\$2.00/mt.



## DISTILLATES

This morning in distillates, the Sing gasoil spreads rallied, with the Nov/Dec lifted to \$0.37/mt post-window as the Dec/Jun traded up to -\$0.80/mt. The Nov E/W rallied to -\$21.50/mt as the Q2'25 traded at -\$21.50/mt. The prompt regrade opened lower and was hit down to lows of \$0.30/bbl before rallying back to \$0.40/bbl after the window. The Nov/Dec kero spread similarly came off to \$0.35/mt as the Nov/Mar traded for size at \$0.65/mt.

The ICE gasoil spreads rallied this morning, the Nov/Dec and Dec/Jan to \$0.75/mt and -\$1.00/mt, respectively, as did the crack, the Q4'24 swap crack to \$15.00/bbl. The European jet fuel diffs rallied, the Nov to \$46.00/mt and the Q1'25 to \$50.00/mt. Heating oil spreads were rangebound, as were the HOGOs, the Q4'24 at 8.9 c/gal.

## GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$77.80/bbl with mixed flows. Prompt cracks weakened from \$4.75/bbl this morning to trade at \$4.40/bbl end of window. Spreads in the East firmed post-window with Dec/Jan getting lifted up to flat from previously trading at -\$0.05/bbl during the window as well as Jan/Mar getting lifted at -\$0.36/bbl and Nov/Dec valued at \$0.20/bbl throughout the morning. E/W was implied weaker throughout the window on weaker cracks with the prompt implied value down to -\$3.00/bbl from -\$2.75/bbl. EBOB cracks were well bid this morning with Nov cracks trading at \$7.35/bbl end of window and bid on post-window up to \$7.55/bbl. EBOB structure in the front also followed by being well bid with Nov/Dec firming from trading at \$18.00/mt during the window up to \$19.00/mt post-window. Jan/Apr also saw buy-side interest this morning getting valued at -\$45.00/mt. Arbs were also strong this morning with Dec trading between 8.15 c/gal-8.35 c/gal and RBBRs were well bid, strengthening post-window to trade up to \$9.17/bbl from opening in the window at \$8.90/bbl.

## NAPHTHA

This morning in naphtha, we saw Nov MOPJ flat price valued at \$653.75/mt at the end of the window on a -\$0.10/bbl crack equivalent as MOC was bid. Nov MOPJ cracks strengthened slightly from -\$0.15/bbl to -\$0.10/bbl as Nov/Dec MOPJ traded at \$4.75/mt and Dec/Jan at \$5.25/mt. Nov E/W was offered as it traded from \$23.00/mt to \$22.00/mt with Q1'25 E/W seeing selling at \$19.75/mt and NWE cracks softening to -\$2.65/bbl from -\$2.50/bbl as Q1'25 cracks were offered at -\$3.25/bbl. NWE spreads saw little activity with Nov/Dec trading at \$4.50/mt and Dec/Jan at \$4.25/mt.

## NGLS

This morning in NGLs, FEI weakened in the window while structure also fell with Nov/Dec trading down at \$4.50/mt, Dec/Jan at \$9.50/mt and Jan/Feb at \$13.50/mt. Deferred spreads were also better offered as Dec/Dec'25 traded down to \$81.50/mt. At the end of the window, bids were hit with Nov FEI trading at \$648.00/mt while the physical window only saw offers for 2H Nov at Nov FEI +3 basis Yantai. FEI weakness saw E/W better offered, trading down to \$66.00/mt in Nov and offered on post-window. FEI weakness also led FEI/CP lower, trading down at \$25.00/mt post-window despite crude rallying. Arbs were relatively quiet but eastern arbs implied higher as FEI weakened, with Nov LST/FEI implied around -\$263.50/mt, while euro arbs were broadly unchanged. Q1/Q2'25 Eastern arb rolls bid up to -\$32.00/mt as Q1/Q2'25 FEI spreads weakened, trading down to \$54.50/mt. In FEI/MOPJs, we saw Dec'24 trade down from -\$4.50/mt earlier in the morning to -\$7.50/mt post-window with FEI weakness and higher crude.



## GLOBAL MACRO

- Before the Fed cut interest rates by 0.50% on September 18, the 30-year mortgage rate in the US was at 6.11%. Today it's at 6.82%, the highest since July.
- Yields moving higher as data beats lowered expectations, predictions of a Trump victory and budget deficit concerns. This yield move will off-set the rate cut as financial conditions tighten.
- Having said that the data is clearly not strong, just beating expectations, such as retail sales and payrolls. However yesterday US conference board's Leading Economic Index fell -0.5% m/m vs -0.3% est. highlighting the clear expectations of slowing momentum going forward. Expect the 2yr-10yr year curve to continue steepening.
- Fed's Daly: No reason to halt rate cuts.
- Daly: Favours strong 50bps interest rate cut.
- The yield move is hitting the housing market directly. Firstly, mortgage applications fell -17% m/m and now US housing market continues to roll over. Data from Redfin shows closed sales of existing homes dropped to lowest level on record in September (aside from start of pandemic). A -0.5% m/m change brought seasonally adjusted annual rate to 4.023 million.
- Car sales in Europe fell in September for the first consecutive monthly decline in more than two years as the region's economy continued to stagnate and consumers trimmed spending.
- In fact, German yields are also moving higher but on clearly weak data. Yesterday, German 10-year yield rallied 10bps after September producer prices fell -0.5% (est -0.2%).

Key events today:

- Richmond Fed manufacturing survey.
- BOE's Bailey and ECB's Lagarde speaking.



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