



# OVERNIGHT & SINGAPORE WINDOW

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23 OCT 2024



## FLAT PRICE

The Dec'24 Brent futures contract saw weakness this morning, trading at \$75.93/bbl at 07:00 BST and falling to \$75.10/bbl at 11:10 BST (time of writing). After the release of API figures yesterday evening, showing US crude oil stocks rose far above market expectations of 0.3mb up to 1.64mb, price has declined further amid anticipation of EIA data releasing at 15:30 BST today, with the market expecting a 700kb build in US crude inventories. In the news today, Israeli strikes across Gaza have killed 20 people, with Israel stepping up their operation following the death of Hamas leader Yahya Sinwar last week. Meanwhile, US Secretary of State Antony Blinken urged Israel today to use this opportunity to end the war in Gaza, stating Israel should be looking to bring home remaining Gaza hostages and agree to a ceasefire. In other news, India's Finance Ministry are considering a proposal to scrap the windfall tax on domestic crude oil production due to falling international crude prices, as per Reuters. Finally, Saudi Arabia's economy is projected to grow by 4.4% in 2025 partly due to OPEC+ unwinding production cuts in December, a Reuters poll of economists showed. This would be Saudi Arabia's highest rate of growth in three years, with only 1.3% growth expected for 2024. At the time of writing, the front-month (Dec/Jan'25) and six-month (Dec/Jun'25) Brent futures spreads are at \$0.37/bbl and \$1.69/bbl, respectively.

## CRUDE

This morning in Dated, we saw Nov DFL trade up to \$0.18/bbl before being offered to \$0.16/bbl and Dec DFL traded down to \$0.14/bbl. Nov/Dec saw buy-side interest and reached highs of \$0.02/bbl. There was buy-side interest in Nov rolls, mainly 11-15 Nov with 12-18 Nov Cal Nov trading at \$0.09/bbl with trade house on the bid. The 4-8 Nov Cal Nov was offered by trade houses down to -\$0.03/bbl and the 4-8 Nov vs 11-15 Nov traded down to \$0.10/bbl.

This morning in Dubai, we saw Brent/Dubai continue its rally. Brent/Dubai opened higher and rallied early on with Nov BD and Dec BD trading in ranges of \$1.31/bbl to \$1.42/bbl and \$1.16/bbl to \$1.27/bbl, respectively and currently trading at \$1.42/bbl and \$1.26/bbl, respectively. Early morning, flow was consistent with this rally as we observed buying interest in Dec BD and Jan BD. Furthermore, there was early selling interest in Dubai spreads, notably the Nov/Dec spread which traded between \$0.26/bbl to \$0.33/bbl, currently trading at \$0.28/bbl. During the morning, Brent/Dubai's uptrend started to halt and flow became less bullish and consistent. We observed some selling interest in BD boxes, with the BD Nov/Dec box trading between \$0.14/bbl and \$0.16/bbl, currently trading at \$0.15/bbl. Although flow became less consistent throughout the morning, Brent/Dubai is holding strong near the highs while flat price is selling off. We also observed strong buying pressure in EFS during the window.

## FUEL

A strong start to the day in VLSFO. The Sing 0.5 crack was well bid earlier on out of China with the Nov Sing crack opening the day at \$13.95/bbl before trading up in decent size to \$14.50/bbl. Sing structure was well bid down the curve, which supported the front, with Nov/Dec trading up to \$13.50/mt from \$12.25/mt. It was a similar story on Euro spreads, with structure being bid into 2025 with Nov/Dec Euro trading up to \$10.75/mt from \$10.25/mt. The spread rally supported the Euro crack, which traded mostly on screen. The Nov Euro crack bought up to \$5.95/bbl.

The strength that has characterised HSFO over the past couple days continued today. 380 structure was well bid to start the day into 2025, which supported the front spread. Nov/Dec 380 traded up to \$12.75/mt from \$12.25/mt. The crack was fairly stable this morning, with Nov 380 crack trading around -\$4.25/bbl. The barge crack continued to rally, opening stronger this morning at -\$2.50/bbl, before giving some back, trading back down to -\$2.60/bbl. Barge structure was also off a touch, with Nov/Dec barges selling down to \$27.50/mt from \$28.00/mt. The 380 E/W was a touch stronger off the back of the slight barge weakness, trading up to -\$10.25/mt from -\$11.25/mt.

## DISTILLATES

This morning in distillates, the Sing gasoil spreads rallied pre- window, the Nov/Dec getting lifted to \$0.44/mt before coming off in the window to lows of \$0.40/mt as the Dec/Jan rallied to \$0.10/mt. The Nov E/W opened higher and continued to rally to highs of -\$19.25/mt as the deferred tenors saw similar buying interest. The Nov regrade rallied back to \$0.60/bbl post-window as did the kero spreads, the Nov/Dec to \$0.50/mt.

The ICE gasoil spreads came off slightly, the Nov/Dec and Dec/Jun to \$0.50/mt and -\$1.00/mt, respectively, as the crack was rangebound, the Q4 at \$15.00/bbl. The European jet diffs rallied across the curve, the Nov to \$49.00/mt and the Q2'25 to \$52.25/mt. Heating oil spreads rallied at the front as the Q4'24 HOGO came off to 9.2 c/gal.

## GASOLINE

This morning in gasoline, we saw flat price trade at the end of the window equivalent to \$3.80/bbl on a crack basis in Nov 92 as MOC was offered. Nov 92 cracks were offered down from \$4.20/bbl to \$3.85/bbl as Nov/Dec 92 weakened from \$0.17/bbl to -\$0.15/bbl. Dec/Jan 92 came off to -\$0.15/bbl before trading back to -\$0.10/bbl with Jan/Mar offered down from -\$0.40/bbl to -\$0.50/bbl. Nov E/W softened on weaker Eastern cracks from -\$3.45/bbl to -\$4.00/bbl and Q1'25 E/W was valued at -\$0.95/bbl. Nov EBOB cracks traded between \$7.65/bbl and \$7.75/bbl as Nov/Dec traded at \$19.75/mt and Dec/Jan at \$2.75/mt. Dec RBBRs were offered as they weakened from \$9.64/bbl to \$9.32/bbl as Nov arbs traded at 5.10 c/gal.

## NAPHTHA

This morning in naphtha, we saw MOPJ MOC valued at \$668.25/mt, with MOC well bid trading up to +20c end of window. Flat price was well bid throughout the window, with the implied value of the prompt MOPJ crack strengthening +25c/bbl. Nov/Dec found value at \$5.25/mt during the window firming from an implied value of \$4.75/mt going into the window on well bid MOC and spreads down the curve were also implied higher. E/W was bid up in Nov to trade at \$23.00/mt during the window as well as Dec trading at \$21.75/mt. The Nov NWE crack traded at -\$2.65/bbl post-window with banks on the buy-side and followed the East by strengthening during the window. Spreads saw little action during the window but Nov/Dec and Dec/Jan were each implied 25c higher.

## NGLS

This morning in NGLs, FEI continued to weaken while structure also slid. In the prompt, Nov/Dec traded down to \$3.50/mt in the window, Dec/Jan down to \$8.00/mt and Dec/Dec'25 down to \$78.00/mt though remained bid on. At the end of the window, bids were hit with Nov trading at \$649.00/mt while Dec bids were hit at \$645.00/mt. In the physical window, 2H Nov was offered at Nov FEI + \$3.00/mt basis Yantai. E/W slid lower owing to FEI weakness, with summer E/W trading down at \$73.00/mt post-window, implying Nov at \$64.00/mt. FEI/CP also lower owing to FEI weakness, lower crude, and weaker Baltic freight, with Nov trading down to \$24.00/mt post-window but bid on. Arbs were well bid by importers this morning and rose due to FEI weakness, with Nov LST/FEI trading at -\$259.00/mt at the end of the window and bid to -\$256.00/mt post-window. Q1'25 LST/FEI also buy-side interest, bid at -\$222.00/mt post-window. In FEI/MOPJs we saw Dec'24 and Q3'25 trade at -\$17.50/mt and -\$63.00/mt, respectively.



## GLOBAL MACRO

- While the polls have Harris ahead the markets are clearly favouring Trump.
- USD rises 15 out of the last 16 days.
- 10-year yield continues higher to 4.22%, as expected bond volatility jumps to the highest level of the year (ICE BofA MOVE Index). The trade here is curve steepening, 2's/10's now +17bp. No one wants long end bonds, but the front of the curve is tied to Fed policy and the overnight rate.
- Gold makes a new all-time high on 4 consecutive days. Precious metals silver and platinum also surging higher. But industrial commodities such as copper & iron ore struggling. So the trade again is based on inflation and US debt concerns, not strong growth.
- China wealth fund sells record \$29 billion of bonds this year.
- S&P price to sales now the highest since the peak of the 2000 Nasdaq bubble.
- Unemployment rose to a three-year high in Nevada, a potential warning sign for Vice President Kamala Harris' campaign in the key battleground state.
- EBC starting to debate if rates have to go below neutral, sources say – Reuters
- Christine Lagarde, "The direction of travel is clear; the pace of rate cuts is to be determined". Not closing the door to a 50bp cut.... EUR/USD lower!
- ECB Centeno with very dovish comments: "data will tell us if we have to do 25bps or 50bps" and "I see more risks in undershooting target inflation than the other way around". "The data will tell", starting with PMIs on Thursday.
- US Treasury Secretary Yellen: the US must keep the real net interest to GDP ratio under 2%... an interesting comment seeing as it's currently 3.7%!
- US Treasury Secretary Yellen: High and broad tariffs would likely strengthen the dollar.
- US Treasury Secretary Yellen: Fiscal deficit reduction is required over the coming years.
- IMF assumes the BOJ will keep raising rates gradually over the medium term to around 1.5%.

No key data today.

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