



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Dec'24 Brent futures contract regained strength after initial weakness this morning, falling from \$74.60/bbl at 07:00 BST down to \$74.20/bbl at 09:10 BST and strengthening to \$74.75/bbl at 11:15 BST (time of writing). Prices were sustained at high \$74.00/bbl levels amid escalating geopolitical risk in the Middle East, with three journalists killed in an Israeli airstrike as they slept in a residential compound housing media workers in southern Lebanon in the early hours of Friday, an attack condemned as a war crime by the Lebanese government. In the news today, according to S&P Global Commodity Insights, India's crude oil demand is expected to increase by 50-55kbp/d during festival season, a 4% rise for Q4'24 coinciding with greater agricultural activity post-monsoon. In other news, Brazil has displaced Malaysia as the top supplier of Venezuelan heavy crudes to China in the month of September. Bitumen blend imports from Brazil to China reached nearly 769,900 metric tons in September, accounting for 72.7% of China's total bitumen blend imports, according to data by S&P Global. Finally, Italian energy group Eni will increase its share buyback programme by 25% to \$2.2 billion after beating Q3 profit expectations, as per Reuters. At the time of writing, the front-month (Dec/Jan'25) and six-month (Dec/Jun'25) Brent futures spreads are at \$0.35/bbl and \$1.53/bbl, respectively.

CRUDE

This morning in Dated, we saw things go bid with the Nov DFL trading up to highs of \$0.30/bbl and Nov/Dec trading at \$0.11/bbl. Dec DFL stayed rangebound between \$0.16/bbl and \$0.19/bbl. We saw trade house buying of Cal Nov 18-22 Nov which was lifted up to \$0.11/bbl and 4-8 Nov Cal Nov, which traded at \$0.08/bbl and bid over. We also saw 28-1 Cal Dec trade up to \$0.71/bbl

This morning in Dubai, we saw early buying interest in the Brent/Dubai complex. Nov BD and Dec BD traded slightly higher, trading in ranges of \$1.28/bbl to \$1.35/bbl, and \$1.13/bbl and \$1.19/bbl, respectively, currently trading at \$1.32/bbl and \$1.17/bbl. There was selling pressure in Dubai spreads with the Nov/Dec Dubai spread trading in a range of \$0.22/bbl to \$0.26/bbl and the Dec/Jan Dubai spread trading in a range of \$0.42/bbl to \$0.45/bbl. BD boxes traded slightly higher, with the Nov/Dec BD box trading between \$0.14/bbl and \$0.16/bbl and the Dec/Jan BD box trading between -\$0.19/bbl and -\$0.17/bbl.

FUEL

In VLSFO, it was a weak start to the last day of the week on Sing 0.5. Both cracks and spreads were well offered, with the spreads offered down the curve into 2025. The Nov Sing crack sold down in fairly decent size to \$13.30/bbl, with pressure also coming from MOC being well offered. As mentioned, spreads were well offered and there was price action to follow, with Nov/Dec Sing selling down to \$11.75/mt from \$15.25/mt. Euro 0.5 had a fairly quiet start to the day in terms of liquidity, however, the region came under pressure from the weakness in Singapore. The Euro crack traded at \$5.00/bbl, and Nov/Dec Euro trading down to \$8.50/mt.

In HSFO, 380 was supported this morning at the front, with spreads further down the curve slightly better offered. The 380 crack was a touch weaker, with Nov 380 crack selling down to -\$3.80/bbl from -\$3.55/bbl. The front spread was well supported this morning, trading up to \$16.25/mt from \$15.25/mt. It was slightly more calm then on the barge crack this morning, with the Nov crack a touch weaker, selling down to -\$3.90/bbl from -\$3.75/bbl. Interest has cooled on barge structure, with very little activity in the OTC market this morning, with the Nov/Dec barges having an implied price of \$23.25/mt. The 380 E/W was a touch stronger off the back of barge weakness, with Nov 380 E/W trading up to \$0.50/mt from \$0.00/mt.

DISTILLATES

This morning in distillates, the Nov/Dec Sing gasoil spread initially was hit down to \$0.36/mt before rallying post-window to \$0.40/mt as the Dec/Jan came off to \$0.12/mt. The Nov E/W gapped higher to -\$17.75/mt before coming off a tick to -\$18.00/mt as the Q2'25 strengthened a tick to -\$20.00/mt. The Nov regrade similarly gapped higher at \$1.20/bbl before rallying to highs of \$1.65/bbl on trade house buying as the Q1'25 rallied to \$0.34/bbl. Kero spreads similarly roofed, the Nov/Dec and Dec/Mar to \$0.83/mt and \$0.97/mt, respectively.

The ICE gasoil spreads came off, the Nov/Dec and Dec/Jun to -\$0.25/mt and -\$1.25/mt as the cracks came off, the Q4'24 to \$14.90/bbl. The European jet fuels diffs similarly rallied, the Nov to \$55.50/mt as the Cal'25 traded at \$18.73/mt. Heating oil spreads came off across the curve, as did the HOGOs, the Q4'24 to 9.6 c/gal.

GASOLINE

This morning in gasoline, we saw flat price trade at the end of the window equivalent to \$3.95/bbl on a crack basis in Nov 92 as MOC was bid. Nov 92 cracks were offered as they weakened from \$4.10/bbl to \$3.90/bbl and Q1'25 cracks saw buying at \$5.35/bbl. Front 92 spreads were also offered with Nov/Dec trading from -\$0.10/bbl to -\$0.20/bbl but Jan/Mar saw strong buying at -\$0.45/bbl. Nov E/W weakened in the window to -\$3.50/bbl before trading back up to -\$3.30/bbl as Nov EBOB cracks strengthened to \$7.45/bbl before coming off to \$7.10/bbl and Cal'25 EBOB cracks saw buying interest at \$8.20/bbl. Nov arbs last traded at 5.80 c/gal with Dec RBBRs initially rangebound between \$9.25/bbl and \$9.35/bbl before selling off to \$9.11/bbl.

NAPHTHA

This morning in naphtha, we saw MOPJ MOC valued at \$662.75/mt with MOC better bid again this morning, bid up to +10c. MOPJ was strong this morning with MOC bid and the implied prompt crack value was at around +\$0.50/bbl through the window. Spreads were initially strong in the morning with Nov/Dec and Dec/Jan trading at \$5.75/mt and \$6.00/mt, respectively, through the window where the prompt spreads found selling to both come off around 25c/mt. Nov E/W today traded at \$22/mt during the window but came under pressure to trade down to \$21.75/mt while the Nov/Dec E/W box dropped from an implied value of +\$0.50/mt down to trade at flat pre-window before being implied lower to -\$0.25/mt. Prompt NWE cracks were initially trading at highs of -\$1.85/bbl in the window before coming off end of window to around -\$1.95/bbl and continuing to weaken post. Nov/Dec traded at \$6.00/mt during the window, strengthening from \$5.75/mt prior to it before coming off again later after being sold at \$6.00/mt.

NGLS

A relatively quiet morning in NGLs, FEI flat price was better bid in the window while structure was slightly higher with Nov/Dec trading at \$3.50/mt and bid on post-window with Dec/Jan unchanged at \$8/mt. Deferred spreads were broadly unchanged with Dec/Dec'25 bid at \$80/mt. At the end of the window, FEI went better bid with Nov trading up to \$652/mt while in the phys window 2H Nov was offered at Nov -\$3/mt but Dec saw a mix of bids and offers with 2H Dec left at Dec +4/+6. E/W weakened with Nov trading down to \$63/mt with Dec at \$70/mt at the end of the window. NWE prompt spreads were slightly higher with Nov/Dec trading at \$10/mt and bid on. FEI/CP strengthened, trading up at \$24.50/mt in Nov post-window amid higher crude and FEI strength. C4 CP strengthened with Nov C3/C4 CP trading down at \$5/mt. Deferred CP spreads were better offered by an NOC, with Jan/Jul trading down to \$94.50/mt. Arbs were relatively quiet, with Nov LST/FEI implied at -\$248/mt but euro arbs were implied around -\$185/mt in Nov on NWE strength. In arbs rolls Q1/Q2'25 traded at -\$29.5/mt.



GLOBAL MACRO

- US treasury volatility hits highest level of the year.
- US manufacturing PMI improves but still in contraction. US manufacturing PMI up to 47.8 vs. 47.3 prior; services up to 55.3 vs. 55.2 prior; composite up to 54.3 vs. 54 prior.
- While existing home sales made a 14-year low on Wednesday, new homes sales yesterday rose 4.1% m/m. Treat this with a pinch of salt: existing home sales outnumber new home sales over 7:1.
- Germany's economy risks period of stagnation, Bundesbank warns – Bloomberg.
- No respite from PMIs as France remains “trapped in economic decline” in Q4. Activity shrank at the fastest rate since January on the back of a “sharp and accelerated decrease” in new orders, headcount reductions, and a further cooling of cost pressure.
- The US labour market continues to weaken: job postings have declined 27.4% y/y to their lowest since January 2021, according to Indeed data. Job postings have declined for 2.5 years straight and are now down 45% since the February 2022 peak. Also while jobless claims fall due to Hurricane Milton, continuing claims rise again 1897K (est 1875K; prev 1867K).
- As per Bloomberg, “The US asked Group of Seven allies to consider sanctions on Russian palladium and titanium, a person familiar with the matter said.” while the Biden administration mulls fresh ways to squeeze President Vladimir Putin's war machine.
- Tesla closes +21.9%, its biggest gain in history.
- NVIDIA now has a greater market value than the entire German stock market and the entire Italian stock market combined.

Key data today:

- US consumer confidence.

DISCLAIMER

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