



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

After selling off overnight to around \$72.25/bbl following Israel's Friday night retaliation against Iran for their 01 Oct attack, the Jan'25 Brent futures contract has seen further weakness this morning, moving from \$72.55/bbl at 07:00 GMT down to \$71.10/bbl at 10:20 GMT (time of writing). Crude oil prices declined as Israel's attack left Iranian nuclear and oil infrastructure unscathed, easing fears of a potential supply disruption. In the news today, Iranian Foreign Ministry spokesperson Esmail Baghaei said Iran will "use all available tools" to respond to the Israeli attack on Iran's military infrastructure, as per Reuters. In other news, India's Bharat Petroleum has stated that its Russian oil intake for crude processing has fallen to 34% between July and September this year due to maintenance of units at its Bina and Kochi refineries. The state-run company has a production capacity of about 706kb/d across its three refineries in India, according to a Reuters report. Finally, according to Libya's National Oil Corporation, Eni and BP have resumed exploration in the Libyan Ghadames Basin, where onshore drilling has been halted since 2014. Meanwhile, Repsol is preparing to restart drilling in the Murzuq Basin, and OMV is to begin operations in the Sirte Basin in the coming weeks. At the time of writing, the front-month (Jan/Feb'25) and six-month (Jan/Jul'25) Brent futures spreads are at \$0.31/bbl and \$0.85/bbl, respectively.

CRUDE

This morning in Dated, we saw a spread sell-off coming in however DFLs remained stable. Nov DFL was bid up from lows of \$0.15/bbl to \$0.21/bbl and Nov/Dec DFL traded from \$0.09/bbl to \$0.10/bbl. There was interest in Dated rolls with Nov/Dec Dated trading at \$0.42/bbl and Nov/Jan'25 dated at \$0.75/bbl. In terms of structures, we saw the 28-1 Oct 1 week roll offered by a Geneva trade house and sell-side interest in 4-8 Nov Cal Nov. We also saw refiner interest in the 5-11 Nov Cal Nov which traded at \$0.10/bbl.

This morning in Dubai, we saw Brent/Dubai gap down in line with flat price. Although Brent/Dubai showed relative strength compared to flat price throughout the morning, we are currently trading lower than the opening. Nov BD and Dec BD traded in ranges of \$1.15/bbl to \$1.22/bbl and \$1.00/bbl to \$1.09/bbl, respectively, currently trading at \$1.16/bbl and \$1.02/bbl. Dubai spreads came slightly off, with the Nov/Dec'24 spread trading between \$0.18/bbl to \$0.27/bbl, currently trading at \$0.19/bbl. BD boxes traded rangebound with the Nov/Dec'24 BD box currently trading between \$0.13/bbl to \$0.16/bbl, currently trading at \$0.14/bbl. Finally, we observed buying interest in EFS, with the Jan EFS trading at \$1.76/bbl.

FUEL

In VLSFO, we saw a weak start to the week on Sing 0.5. Both cracks and structure were well offered earlier this morning. However, Sing 0.5 did strengthen intraday. The Sing crack traded up to \$13.60/bbl from \$12.80/bbl, supported by Q4 Sing crack buying. Structure was also a touch stronger intraday, however it still remains lower than Fridays close. The front Sing spread traded up to \$11.75/mt from \$11.25/mt. It was a quiet start to the week on Euro 0.5, with both cracks and structure moving in line with Sing 0.5. The Nov Euro crack traded on very thin liquidity between \$5.00/bbl from \$5.20/bbl. There was very little to report on Euro spreads this morning, with Nov/Dec Euro trading at \$8.25/mt.

In HSFO, Chinese arbiters were buyers of flat price this morning on lower crude. This supported the front 380 crack, with Nov 380 crack trading up to -\$3.40/bbl. There was also some strength on 380 structure, with Nov/Dec 380 trading up to \$17.00/mt from \$16.00/mt in decent size. Barges traded in line with 380, with the crack trading up to -\$3.00/bbl from -\$3.85/bbl, before coming off a touch later on in the morning, trading down to -\$3.30/bbl. A fairly illiquid morning on the 380 E/W, trading a touch stronger off the barge weakness later on, with Nov 380 E/W buying up to -\$0.50/mt from -\$1.50/mt.

DISTILLATES

This morning in distillates, the Sing gasoil spreads rallied with the Nov/Dec'24 and Dec/Jan'25 to \$0.53/mt and \$0.19/mt, respectively, while the E/W gapping higher and continuing to rally, the Nov to -\$13.00/mt and the Q2'25 to -\$17.50/mt. Regrade continued to be bid, with Nov getting lifted to highs of \$2.40/bbl in the window before coming back off to \$2.00/bbl. The kero spreads similarly rallied, the Nov/Dec'24 to highs of \$1.28/mt and the Dec/Mar'25 to \$1.25/mt.

The Nov/Dec'24 ICE gasoil spread was rangebound at -\$0.50/mt as the Dec/Jun'25 came off to -\$2.00/mt while the cracks rallied post-window, the Q4'24 to \$15.14/mt. The European jet fuel diffs rallied at the front of the curve, the Nov to \$61.75/mt while the Q1'25 came off to \$55.00/mt. Heating oil spreads were rangebound as the HOGOs came off on gasoil strength, the Q4'24 to 9.1 c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$75.90/bbl with MOC better offered during the window. Dec cracks traded at \$4.45/bbl through the window this morning and came off slightly to trade at \$4.40/bbl end of window. Spreads were weaker as well with Nov/Dec weakening from -\$0.27/bbl to -\$0.35/bbl and continuing to be offered on post-window. 92vMOPJ was well bid this morning in both the prompt and deferred with Q1'25 trading at \$6.75/bbl, providing support to 92. E/W was offered in the window with the prompt valued at -\$3.70/bbl before finding buying a -\$3.80/bbl post-window to trade back up to -\$3.40/bbl. RBBRs traded rangebound in the window between \$9.49/bbl to \$9.56/bbl and arbs saw little price action during the window, but Dec was valued at 8.4 c/gal post-window. EBOB cracks also saw little price action in the window, but Dec cracks were valued at \$5.75/bbl during the window. Spreads didn't trade during the window but Nov/Dec'24 sold off post window from \$16/mt to trade at \$14/mt currently.

NAPHTHA

This morning in naphtha, we saw Nov MOPJ flat price valued at \$646.50/mt at the end of the window on a \$0.60/bbl crack equivalent as MOC was bid at +5c/mt in Nov and Dec. Dec MOPJ cracks traded up to \$0.50/bbl from \$0.25/bbl with Q1'25 cracks valued at -\$0.40/bbl. Nov/Dec MOPJ traded at \$5.25/mt as spreads saw little activity in the front with Nov E/W initially softening to \$19.75/mt before seeing buying up to \$20.25/mt and Dec E/W bid to \$21.25/mt from \$20.50/mt. Nov NWE cracks saw buying at -\$1.80/bbl levels this morning as they strengthened to -\$1.35/bbl where selling has come in as Dec cracks traded up from -\$2.00/bbl to -\$1.65/bbl. Nov/Dec NWE came off slightly from \$6.50/mt to \$6.25/mt and Dec/Jan'25 traded at \$5.25/mt as we saw scaleback gasnap bids.

NGLS

This morning in NGLs, FEI flat price remained well supported despite crude's sell off at the open, leading to FEI gaining on a crude basis. However, structure remained weak, apart from Nov/Dec'24 trading back at \$4/mt, as Dec/Jan'25 traded down at \$8/mt, Jan/Feb at \$13/mt and Mar/Apr at \$23.50/mt. In the window, good FEI/MOPJ selling interest amid higher levels due to the lower crude saw better selling of FEI, giving up some of its crude basis gains. The physical window was quiet, with no bids or offers appearing. FEI/CP weakened with Nov trading down to \$20.50/mt and Dec down at \$19.50/mt and offered on post-window, with CP better bid amid lower crude. Arbs were relatively quiet, with only a Dec ENT/FEI trading at -\$225/mt pre-window, implying Nov LST/FEI around -\$240/mt. E/W was also slightly lower with Nov implied at \$59.50/mt as Mar'25 traded at \$74/mt and Q1'25 at \$73.50/mt.



GLOBAL MACRO

- Bond/oil correlation completely broken as yields surge higher on the Trump inflation trade, while oil falls 4.2% after Israel's 'underwhelming' attack on Iran. Betting markets now have Trump at 62% for the White House.
- Dollar higher, gold back at all time high.
- Yen lower...Japan's dominant ruling party lose majority in parliament for the first time since 2009, an exit poll shows.
- China September industrial profit plunges -3.5%; prev. +0.5%, the biggest monthly drop since November 2023.

Key Events This Week:

- Tuesday – US consumer confidence data, JOLTs jobs data
- Wednesday - US Q3'24 GDP data, pending home sales, Aussie CPI, EZ GDP
- Thursday – US September PCE inflation data, Employment cost index, EZ CPI & unemployment, Cad GDP
- Friday – US October Jobs Report & ISM manufacturing
- 20% of S&P 500 companies report earnings this week

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4/3



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