



# OVERNIGHT & SINGAPORE WINDOW

[INSIGHT@ONYXCAPITALADVISORY.COM](mailto:INSIGHT@ONYXCAPITALADVISORY.COM)  
**ONYX CAPITAL ADVISORY**

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## FLAT PRICE

The Jan'25 Brent futures contract strengthened marginally this morning, moving from \$71.70/bbl at 07:00 GMT to touch \$71.80/bbl at 10:30 GMT (time of writing). Price action was volatile this morning alongside fluctuating geopolitical risk premia, spiking to almost \$72.10/bbl around 08:30 GMT before descending below \$71.50/bbl at 10:00 GMT. We also saw downward pressure amid resuming Israel-Lebanon peace talks, with an Axios report stating that US President Biden's senior advisors are travelling to Israel tomorrow in an attempt to close the ceasefire deal. In the news today, crude oil production at Mexican state-owned giant Pemex was at nearly 1.75mb/d in September, down 1.2% y/y, according to a note by Giovanni Staunovo. In other news, PetroVietnam said today that Saudi Aramco is looking to invest in oil refining, petrochemicals, and oil product distribution in Vietnam, as per S&P Global. Aramco CEO Amin Nasser stated the oil giant will send a working group to Vietnam soon to advance discussions on multiple projects, however, specific details are yet to be disclosed. Finally, CNOOC has signed an oil contract with Iraq's state-run Midland Oil Company to develop the Block 7 field, located in the Diwaniyah province. While CNOOC anticipates a large discovery of crude oil, appraisals are needed to accurately understand Block 7's reserve potential, as per Reuters. At the time of writing, the Jan/Feb'25 and Jan/Jul'25 Brent futures spreads stand at \$0.35/bbl and \$0.86/bbl, respectively.

## CRUDE

A quiet morning in Dated, with Nov DFL reaching highs of \$0.54/bbl after a size bid from a Geneva trade house last night before being offered down to \$0.45/bbl. Dec DFL traded up to \$0.18/bbl before being offered to \$0.13/bbl and Nov/Dec DFL traded up to \$0.36/bbl. We saw refiner buying of 27-03 Dec vs Dec Brent swap at \$0.47/bbl and sell-side interest in 6-12 Dec/Feb ICE at \$0.19/bbl.

This morning in Dubai, we saw Brent/Dubai gap down lower but regain strength subsequently. We observed early weakness, with offering in next year boxes as well as selling interest in Nov BD. We furthermore observed buying interest in Dubai spreads. The weakness in the Brent/Dubai complex shifted during the window, initiating a rally in Brent/Dubai. Nov BD and Dec BD traded in ranges of \$0.99/bbl to \$1.10/bbl and \$0.77/bbl to \$0.90/bbl, respectively, currently trading at \$1.09/bbl and \$0.87/bbl. Dubai spreads traded lower with the Nov/Dec spread trading between \$0.10/bbl and \$0.19/bbl, currently trading at \$0.12/bbl. The Dec/Jan spread currently trades lower at \$0.42/bbl. Although selling occurred in deferred boxes, front boxes remained roughly unchanged with the Nov/Dec BD box trading between \$0.17/bbl to \$0.22/bbl, currently trading at \$0.21/bbl.

## FUEL

In VLSFO, Sing 0.5 opened higher this morning relative to where it closed yesterday. The Sing crack began the day at \$14.70/bbl, and well bid. The crack continued to trade upwards as the morning went on, buying up to \$14.90/bbl at the end of the window. However, the crack did give some back post-window, trading back down to \$14.75/bbl. Spreads also enjoyed a rally this morning, with spreads into 2025 being bid, this supported the front spread, buying up to \$14.50/mt from \$14.25/mt. The strength on Sing 0.5 did not spill over onto the Euro, in what was a stereotypical quiet start to the day. Nov/Dec Euro traded at \$7.00/mt, on sell side interest and the front Euro crack traded between \$5.50/bbl and \$5.55/bbl. There was very little spoken OTC regarding barge structure, with Nov/Dec barges trading at \$25.00/mt on thin liquidity.

In HSFO, we saw a weaker morning on 380, with both crack and spreads coming under pressure early on. There was selling on 380 spreads, which saw Nov/Dec 380 sell down to \$17.00/mt from \$18.00/mt heading into the window. We did see a recovery post-window, with the front spread trading back up to \$17.75/mt. The 380 crack followed a similar trend to that of the spread, with the Nov 380 crack trading down to -\$3.30/bbl from -\$3.15/bbl, before trading back up to the level it started the morning at. The barge crack traded higher off the back of screen buying, with the front crack buying up to -\$3.00/bbl from -\$3.30/bbl. There was very little activity on the 380 E/W this morning, with Nov a touch weaker due to barge strength, selling down to \$0.25/mt from \$0.75/mt.

## DISTILLATES

This morning in distillates, the Nov/Dec Sing gasoil spread was rangebound initially rallying to \$0.74/mt and trading down to \$0.70/mt post-window as the Jan/Jun traded at -\$0.55/mt. The E/W weakened with the Nov getting hit down to lows of -\$14.50/mt before retracing post window to -\$13.50/mt as the Q2'25 was hit down to -\$19.00/mt. The prompt regrade similarly came off to \$0.70/bbl as the Nov/Dec kero spread came off to \$0.60/mt.

The ICE gasoil spreads rallied, the Nov/Dec and Dec/Jun to -\$0.75/mt and -\$0.25/mt, respectively, as did the cracks, the Q4'24 at \$15.90/bbl. The European jet fuel diffs continued to come off, the Nov to \$56.50/mt as the Nov/Dec traded at \$2.25/mt. Heating oil spreads were rangebound, as were the HOGOs, the Q4'24 at 9.2 c/gal.

## GASOLINE

This morning in gasoline, we saw 92 valued at \$75.90/bbl end of window with MOC flows mixed. The prompt crack traded at \$4.35/bbl through the window but didn't see much price action while Cal'25 crack saw interest post-window getting lifted at \$5.15/bbl. Spreads came off through the window, with Nov/Dec trading down to -\$0.20/bbl from opening this morning at -\$0.13/bbl and continued weakening to -\$0.30/bbl post-window. E/W firmed after the window on better offered EBOB, with Nov trading up to -\$2.65/bbl and Q1'25 seeing buying at -\$0.90/bbl. EBOB cracks in the prompt were valued at \$7.05/bbl end of window but came off post-window down to \$6.80/bbl, as well as spreads coming off with Nov/Dec trading down to \$11/mt. Nov arbs implied value was at 6.75 c/gal end of window and was later valued at 7.1 c/gal and RBBRs were slightly better bid through the window.

## NAPHTHA

This morning in naphtha, we saw Nov MOPJ flat price valued at \$649/mt at the end of the window on a \$1.40/bbl crack equivalent as MOC was bid up to +10c/mt in Nov. Dec MOPJ cracks strengthened from \$0.76/bbl to \$1.05/bbl as Nov/Dec traded at \$6.75/mt and Dec/Jan softened from \$6.75/mt to \$6.50/mt with Nov 92vMOPJ seeing selling at \$3.65/bbl. Nov E/W was valued at \$20/mt with Dec trading at \$21.75/mt as Nov NWE cracks weakened to -\$1.00/bbl before seeing buying up to -\$0.80/bbl and Q1'25 cracks saw offers at -\$2.50/bbl levels. NWE spreads saw little price action as Nov/Dec traded at \$8.25/mt and Dec/Jan at \$6.25/mt.

## NGLS

This morning in NGLs, we saw FEI flat price was initially offered then became well bid towards the end of the window, with Nov trading up to \$633/mt, in comparison to FEI structure which weakened. Nov/Dec traded down to \$1.75/mt before trading at \$2/mt post window and Dec/Jan'25 traded down to \$6/mt from \$7m/t. In deferred, Q1/Q2'25 traded down to \$51/mt and Dec/Dec'25 traded down from \$75/mt to \$73.50/mt. In the physical window, an offer was made for 1H Dec at Dec FEI + \$4.50/mt and a bid was improved for 2H Nov at Nov FEI -\$1/mt. E/W boxes were weak, owing to FEI structure weakness, with Nov E/W trading at \$53/mt. FEI/CP was slightly weaker with Dec trading down to \$15/mt towards the end of the window. Prompt CP structure was unchanged with Dec/Jan trading at \$7/mt. Arbs were quiet and wide markets were made, with Nov implied higher trading from -\$225/mt to then implied at -\$219/mt.



## GLOBAL MACRO

- US 30-year mortgage rates now at 7.37, up 80bp since the Fed cut 50bp. This is financial tightening, and will tighten the brakes on the US economy.
- A composite of regional Fed services surveys turned positive for the first time since 2022. The Employment component drove a large part of the rise, which had been deteriorating but has turned back higher. More soft-landing data,
- US October CB consumer confidence jumps to 108.7; est. 99.5; prev. 99.2, the highest since January 2024, aided by Fed cuts & stocks at an all time high (ATH).
- Gold new ATH & Bitcoin within 2% of ATH. Both understandable as part of the 'Trump trade' but what smells of complacency with yields at these levels is Nasdaq also being at ATH, and credit spreads back at 2007 levels.
- In fact, 51.4% of consumers expected stock prices to increase over the year ahead, the highest reading since the survey was first completed in 1987.
- Early European GDP data beats expectations but remains benign.
- France GDP grew 0.4% in Q3'24 q/q; est. +0.3%.
- Spain prelim Q3'24 GDP rises 0.8% q/q; est. +0.6%.
- Switzerland October KOF leading indicator index 99.5 vs 105.0 expected.
- S. Korea cuts rates on growing economic concerns.

Data today:

- UK budget
- German inflation
- US GDP and ADP



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