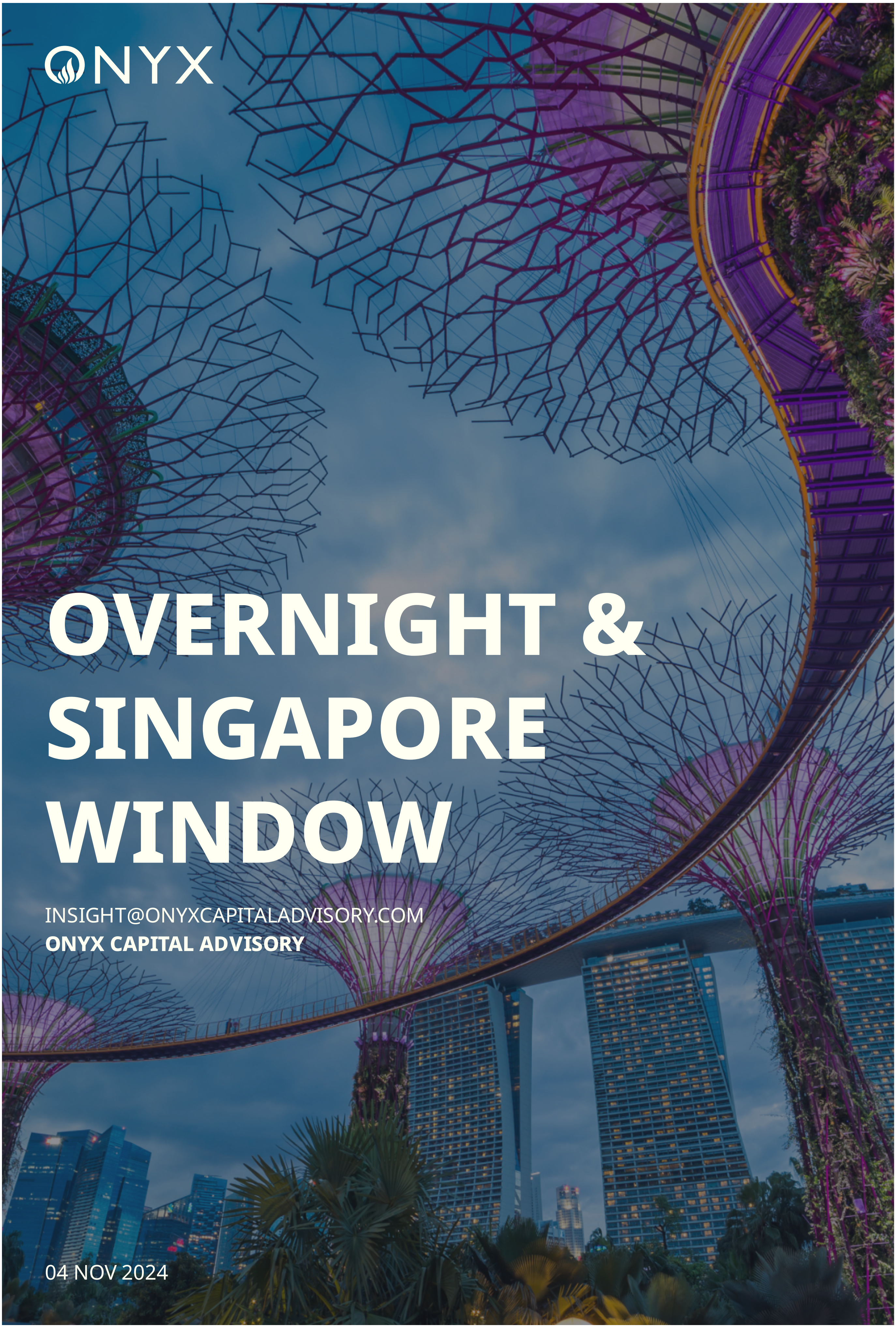

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FLAT PRICE

After rallying at market open this week from $72.90/bbl on 01 Nov to $74.35/bbl last night, the Jan'25 Brent futures contract showed steady support this morning, climbing from $74.40/bbl at 07:00 GMT up to $74.70/bbl just after 10:40 GMT (time of writing). Crude oil prices were elevated amid an OPEC+ decision on Sunday to extend its output cut of 2.2mb/d by another month, initially planning to increase production in December. In the news today, according to a Reuters report, Israel has officially notified the UN that it is cancelling the agreement that regulated relations with the UN relief organization for Palestinian refugees (UNRWA) since 1967, fuelling concerns of a worsening humanitarian situation in Gaza. This came as Palestinian medics claimed Israeli airstrikes killed at least 31 people in the Gaza strip on Sunday. In other news, China's refining output is set to fall to 14.7mb/d this quarter on thin margins and weak demand, in addition to maintaining lower run rates in Q1'25, as per Reuters. Finally, Eni has sold $1 billion worth of upstream offshore assets in Alaska to US private company Hilcorp, planning to raise €8 billion in net proceeds between 2024-2027 to fund the growth of its low-carbon units. At the time of writing, the Jan/Feb'25 and Jan/Jul'25 Brent futures spreads stand at $0.41/bbl and $1.42/bbl, respectively.

CRUDE

This morning in Dated, we saw Chinese and fund buying in the balmo DFL up to highs of $0.55/bbl and Dec DFL traded up from $0.20/bbl to $0.27/bbl. In structures, we saw trade houses offering Nov rolls. The 11-15 Nov Cal Dec traded at $0.82/bbl and the 4-8 Nov Cal Nov traded at $0.34/bbl. We then started to see things sell-off with the balmo DFL offered down to $0.50/bbl. We also saw the 11-15 Nov 2 week roll trade down to $0.40/bbl.

This morning in Dubai, we saw the overall Brent/Dubai complex trade lower. Dec BD and Jan BD gapped down and subsequently traded between $0.73/bbl and $0.86/bbl and $0.99/bbl and $1.10/bbl, and are currently trading at $0.73/bbl and $0.99/bbl, respectively. We observed buying interest pre-window in Jan EFS, trading at $1.71/bbl and $1.72/bbl, and buying interest in Bal-Nov BD, which traded at $1.02/bbl. Dubai spreads traded higher, with the Dec/Jan spread trading between $0.47/bbl to $0.54/bbl, currently trading at $0.53/bbl, and the Jan/Feb spread trading between $0.23/bbl to $0.27/bbl, currently trading at $0.26/bbl. Although BD boxes gapped initially down in line with BD outright prices, we observed buying interest this morning with the Dec/Jan BD box trading between -$0.26/bbl and -$0.21/bbl and the Jan/Feb BD box trading between -$0.07/bbl and -$0.06/bbl.

FUEL

A difficult start to the week in VLSFO. The Nov Sing crack opened weaker at $12.30/bbl, and carried on trading down into window, to $11.90/bbl. The front crack came under some pressure from Q4'24 Sing crack selling. Sing spreads were a touch strained from the crack weakness, with Dec/Jan Sing trading down to $8.25/mt from $8.75/mt. A very quiet start to the week on Euro 0.5, with liquidity very low. The front generally moved in line with Sing 0.5, consequently it was weaker. The Nov Euro crack was weaker relative to where it closed on Friday, trading around $4.10/bbl. There were not many markets shown OTC on Euro spreads, with a similar story on screen, with Dec/Jan Euro having an implied value of $4.25/mt.

A turbulent start to the week in HSFO. The Nov barge crack was offered down on screen with little action from the bid side from -$8.75/bbl to where it eventually found some buying at -$9.25/bbl. The crack continued to weaken throughout the morning, selling down to -$9.80/bbl. Barge structure also came under pressure, with the front spread trading down to $4.75/mt from $6.00/mt. 380 moved down in line with barges, with the Nov 380 crack selling down to -$8.75/bbl from -$7.70/bbl and Nov/Dec 380 selling down to $5.50/mt. There wasn't a clear axe in the market for 380 E/W this morning, with Dec trading between $6.00/mt and $6.75/mt.

DISTILLATES

This morning in distillates, the Balmo/Dec Sing gasoil spread was initially lifted to $1.35/mt at the end of the window before trading back down to $1.21/mt as the Dec/Jan was rangebound trading between $0.50/mt and $0.52/mt. The Dec E/W rallied to -$18.00/mt as the Q2'26 traded at -$17.50/mt. Regrade came off across the curve, the Dec to $0.60/bbl as the Jan/Jun kero came off $0.65/bbl.

The ICE gasoil spreads rallied, the Nov/Dec and Dec/Jun to $0.00/mt and $5.00/mt, respectively, as the Q4'24 crack strengthened to $17.15/bbl. European jet diffs were rangebound, the Dec coming off a tick to $56.25/mt as the Q1'25 was lifted on screen at $53.00/mt. Heating oil spreads rallied as did the HOGOs, the Q4'24 to 10.1 c/gal.

GASOLINE

This morning in gasoline, we saw flat price trade at the end of the window equivalent to $5.40/bbl on a crack basis in Dec 92 as MOC was bid at +0.25c/bbl. Dec 92 cracks were rangebound between $5.40/bbl and $5.45/bbl as spreads were bid with Dec/Jan trading from $0.05/bbl to $0.15/bbl and Jan/Mar seeing buying at -$0.30/bbl levels. Dec E/W strengthened from -$1.00/bbl to -$0.80/bbl with Q1'25 bid at -$0.75/bbl as Dec EBOB cracks traded at $6.30/bbl and Dec/Jan EBOB valued at $3.75/mt. Dec arbs traded at 7.55c/gal as Jan RBBRs saw selling from $9.25/bbl in the window to $8.98/bbl before strengthening back to $9.10/bbl levels. 92vMOPJ was offered seeing selling at $6.00/bbl in Dec and $7.55/bbl in Q1'25 with gasnaps offered at $28/mt in Dec.

NAPHTHA

This morning in naphtha, we saw MOPJ MOC valued at $663/mt end of window with MOC better bid. Flat price saw selling at end of window and the prompt crack was implied at $0.40/bbl through the window. Post-window we saw Q1’25 MOPJ cracks offered down from -$0.70/bbl to -$0.80/bbl. Dec/Jan found selling from $7/mt end of window down to $6.50/mt on weakness in structure as E/W was offered in both the prompt and Q1’25 with Dec sold from $20.75/mt this morning down to $20/mt as well as Q1'25 down to $19/mt from $19.50/mt earlier this morning. NWE cracks also weakened this morning from trading at -$1.90/bbl during the morning window down to -$2.10/bbl post-window. Spreads saw little price action in the morning with Dec/Jan and Jan/Feb valued at $6/mt and $6.25/mt.

NGLS

This morning in NGLs, FEI was initially better offered then better bid during the window. Prompt spreads were initially better offered then better bid post window with Dec/Jan trading up from $1.50/mt to $2/mt and Jan/Feb trading from $7.50/mt to $9.50/mt post-window. Deferred was slightly weaker with Dec/Jun trading down to $68/mt and Q1/Q2'25 trading down to $48/mt during the window. In the physical window, an offer was made and improved for 1H Dec at Dec FEI + flat. FEI/CP was initially better offered with Dec trading down from $2/mt to flat, owing to FEI weakness, then post-window was better bid and traded to $6.50/mt. Arbs were implied higher owing to FEI weakness then as FEI recovered, Dec traded at -$205/mt. E/W was implied lower for Dec at $59/mt initially then resurfaced to $61/mt owing to FEI’s changes; NWE was unchanged with Dec/Jan trading at $12/mt.

GLOBAL MACRO

- Non-farm payrolls print only 12k jobs added in October, the weakest jobs report of Biden's term and a big downside surprise to 113k consensus.
- Goldman estimate that Hurricane Helene and Boeing strikes had a 90-100k drag on October payrolls growth. Unemployment was steady at 4.1%.
- Treasury yields and dollar saw large intraday swings on Friday. 2 year note shed about 15bps before retracing, 10 year note closed at a high for this cycle, as markets might suspect the Fed to place limited weighted on the heavily skewed jobs report. OIS is currently pricing 20 bps of cuts for Thursday's meeting vs 18.9 bps prior to payrolls.
- ISM manufacturing PMI plunged further into contractionary territory at 46.5 for October, down from 47.2 last month and worse than expectations of 47.6. However, new orders improved, with contraction slowing to 47.1 from 46.1.
- China's markets rose, with the CSI 300 up 1.4%, Shanghai Comp 1.12%, and Shenzhen Comp 1.99%. Authorities lowered the foreign investment threshold over the weekend. This was well received amid hedge funds reducing their China allocations.
- Ryanair reported a 18% year-on-year decline in net profit of €1.79 billion for the six months to September 30, 2023. CEO Michael O'Leary said ticket prices fell 10% over the period but moderated in the current quarter. O'Leary has also trimmed passenger forecasts due to Boeing delivery delays, reducing growth from 215 million to 210 million people in the next financial year.
- Polymarket betting odds widen in favour of Trump (47.8 for Trump v 42.2 for Harris).

Data Today:

- US durable goods
- Eurozone PMIs

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