



OVERNIGHT & SINGAPORE WINDOW

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15 NOV 2024

FLAT PRICE

After coming off overnight from \$72.60/bbl to lows of \$71.40/bbl, the Jan'25 Brent futures contract recovered slightly this morning, trading at \$71.63/bbl at 07:00 GMT and moving up to \$71.80/bbl around 10:45 GMT (time of writing). Crude oil prices were volatile as poor Chinese demand continued to weigh on market sentiment, with prices falling to a low of \$71.37/bbl at 08:00 GMT. In the news today, refinery run rates in China fell for the seventh month in a row from 14.3mb/d in September to 14.02mb/d in October, decreasing 4.6% y/y, according to data from the National Bureau of Statistics quoted by Reuters. In other news, the US State Department announced today that the US would impose sanctions on 26 companies, individuals, and vessels associated with Al-Qatirji Co., a Syrian business alleged to be facilitating the sale of Iranian oil to Syria, as per S&P Global Commodity Insights. Finally, ExxonMobil has announced that it has reached 500mb of oil produced from Guyana's offshore Stabroek Block, just five years after starting production. At the time of writing, the Jan/Feb'25 and Jan/Jul'25 Brent futures spreads stand at \$0.28/bbl and \$1.08/bbl, respectively.

CRUDE

A very quiet morning in Dated, with the Dec DFL offered down from \$0.41/bbl to \$0.36/bbl and the Jan DFL staying rangebound between flat and \$0.04/bbl. We also saw 2-6 Cal Dec sell-side interest from a trade house, which was offered down from \$0.39/bbl to \$0.37/bbl. The 18-22 Nov 2 week roll traded down to \$0.65/bbl with money manager selling.

This morning in Dubai, we saw Brent/Dubai trade rangebound after initially gapping down. Flow in outright Brent/Dubai was quite thin with Dec Brent/Dubai and Jan Brent/Dubai trading in ranges of \$0.73/bbl to \$0.79/bbl and \$0.82/bbl to \$0.87/bbl, respectively, with Dec Brent/Dubai currently trading near the highs at \$0.78/bbl. Interest in Brent/Dubai boxes mostly came from the offer side, with the Dec/Jan Brent/Dubai box trading in a thin range of -\$0.07/bbl to -\$0.06/bbl. Pre-window we observed a lot of selling interest in Dubai spreads, with selling in Dec/Jan, Dec/Feb, and Cal Nov/Dec. After the window, this transitioned into buying of Dubai spreads, notably the Jan/Feb spread and Feb/March spread. Dec/Jan Dubai traded lower to \$0.26/bbl and bounced subsequently as it currently is trading at \$0.28/bbl. Jan/Feb Dubai traded between \$0.24/bbl and \$0.26/bbl, and currently trades at \$0.26/bbl.

FUEL

In VLSFO, a stronger morning on Sing 0.5. We saw both buying on structure into 2025 as well as deferred cracks. This supported the front Sing crack, trading up to \$12.15/bbl from \$11.85/bbl. Although we saw buying on Sing structure, there was little price action as a result, with Dec/Jan Sing trading at \$7.50/mt. A quiet day on Euro 0.5, with the Euro crack trading in line with the Sing crack, strengthening from levels it closed at yesterday buying up to \$4.85/bbl this morning. There was little to report on structure, with Dec/Jan Sing having an implied price of \$4.25/mt.

In HSFO, 380 spreads were bid to start the morning off, however they turned offered going into the window. Dec/Jan 380 traded down to \$9.75/mt from \$10.00/mt. Chinese arbers were buying deferred 380 flat price this morning, which supported the front crack, trading up to -\$5.40/bbl from -\$5.70/bbl. A fairly stable morning for barges, with the barges crack trading around -\$7.60/bbl and Dec/Jan at \$6.00/mt. The 380 E/W was a touch stronger this morning off the back of 380 strength, buying up to \$14.00/mt from \$13.00/mt.



DISTILLATES

This morning in distillates, the Sing gasoil spreads came off as the Dec/Jan was hit down on screen to \$0.26/mt post-window as the Jan/Jun came off to \$0.24/mt. The Dec E/W came off to -\$20.50/mt just after the window before getting lifted back to -\$20.00/mt as the Q2'25 traded at -\$17.75/mt. Dec regrade opened higher and was hit down to \$0.76/bbl as the Dec/Jan kero came off to \$0.60/mt.

The ICE gasoil spreads came off after yesterday's strength, the Dec/Jun to \$9.00/mt as did the cracks, the Q1'25 to \$17.20/bbl. Heating oil spreads came off at the front of the curve as did the HOGOs, the Q1'25 to 8.8 c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC trade at \$77.05/bbl end of window with MOC better bid. Cracks were bid in the morning with Dec trading up to \$5.90/bbl during the window before coming off down to \$5.80/bbl after the window. Eastern spreads were initially bid in the morning with Dec/Jan valued at flat during the window and Jan/Mar getting lifted up to -\$0.10/bbl during the window, +13c higher than open. E/W saw similar with the prompt trading up to -\$0.90/bbl from -\$1.15/bbl before coming off slightly post-window back to -\$1.05/bbl. EBOB was strong this morning with Dec cracks trading at \$6.80/bbl and deferred seeing strong bids with Q3'25 lifted at \$10.80/bbl supporting the prompt. Dec/Jan remained firm at \$3/mt but was bid up to get lifted at \$3.25/mt where it found selling back to \$3/mt. Dec arbs were valued at 6.6 c/gal in the morning with refiners on the buy-side this morning while RBBRs were bid, firming +15c from the window to now.

NAPHTHA

This morning in naphtha, we saw Dec MOPJ flat price valued at \$620/mt at the end of the window on a -\$1.55/bbl crack equivalent as MOC was bid at +5c/mt in Dec. Dec MOPJ cracks were offered as they traded from -\$1.30/bbl to -\$1.55/bbl with Dec/Jan seeing trade selling on weaker front cracks from \$3.50/mt to \$3/mt and Jan/Feb valued at \$4.25/mt. Dec E/W came off from \$18.75/mt to \$18.50/mt as Jan E/W saw selling down to \$19.25/mt with NWE Dec cracks initially weakening from -\$3.50/bbl to -3.70/bbl before buying came in trading back up to -\$3.55/bbl. Dec/Jan NWE traded at \$3.75/mt and Jan/Feb was bid at \$4.25/mt.

NGLS

This morning in NGLs, FEI spreads in both prompt and deferred weakened both pre-window and during the window. Dec/Jan and Jan/Feb traded down to \$4/mt and \$7.50/mt pre-window before being rangebound at \$4.50 and \$8/mt levels, respectively; whilst in deferred Q1/Q2'25 traded down to \$45/mt. Physical window was mainly bid on with a bid being made for 2H Dec at Dec FEI minus \$1/mt and Bal-Nov FEI minus \$2/mt. Arbs were stronger owing to crude and FEI weakness with Dec trading up to -\$200/mt. FEI/CP was initially supported as FEI weakened and crude came off with Dec and March trading up to -\$5/mt and -\$1.5/mt, respectively; whilst E/W was also weaker owing to the same rationale with Dec implied lower at \$65/mt. CP was broadly unchanged with Dec/Jan rangebound at \$10/mt levels.



GLOBAL MACRO

- Mixed Chinese data, industrial production comes in slightly weaker than expected, but retail sales are much stronger...
- China Industrial Production (y/y) Oct: 5.3% (est 5.6%; prev 5.4%).
- China Retail Sales (y/y) Oct: 4.8% (est 3.8%; prev 3.2%).
- Chinese house prices continued to slide in October although at a slower pace of decline.
- Powell was less dovish indicating the FED are not in a hurry to cut rates, so the odds of a 25bp rate cut continue to fall, now just 58% chance of a cut on 18th Dec. This pushed yields higher and another strong day for the dollar rising to its highest price in 13-months.
- High yields are now starting to impact U.S. stocks as the Russell 2000 makes a new post-election low. Also, European stocks (Euro Stoxx 50 Index) fall to their lowest price in 3-months.
- US economy remains resilient, weekly jobless claims are the lowest since May but the number of bankruptcies has now risen at the fastest pace since the financial crisis, jumping 40% y/y in Q2'25 with chapter 11 filings now the most in 13 years.
- The S&P 500 risk premium (forward earnings yield minus the 10-year Treasury yield) has turned negative for the first time since 2002, indicating frothy valuations in the US stock market.
- For the first time since September 2022, both CPI and PPI inflation are officially back on the rise. But forward-looking inflation expectations remain contained, for now.
- The odds of a BOJ rate hike in December are now better than 50%.

Data today:

- US retail sales

DISCLAIMER

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