



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

After selling-off on Friday afternoon, the Jan'25 Brent futures contract saw strength this morning, trading at \$71.30/bbl at 07:00 GMT and rising to \$71.55/bbl around 10:40 GMT (time of writing). Geopolitical risk has been elevated with US President Biden now allowing Ukraine to use US-made weapons to strike deep into Russia, and Ukraine expected to launch its first long-range attack in the coming days, as per Reuters. In the news today, China's crude oil surplus shrank from 930kb/d in September to 500kb/d in October, according to data compiled by Reuters. Meanwhile, China's gasoline exports were at 180kb/d in October, their lowest level since April and down 13% y/y, as per Bloomberg. In other news, Donald Trump has nominated Chris Wright, chief executive of Liberty Energy, to lead the US Department of Energy during his administration. Wright previously stated in a 2022 Bloomberg interview that "three decades from now the vast majority of energy will come from hydrocarbons". Finally, a Bloomberg poll showed that economists expect Germany's GDP to contract by 0.1% in 2024, after a 0.3% fall in 2023. At the time of writing, the Jan/Feb'25 and Jan/Jul'25 Brent futures spreads stand at \$0.27/bbl and \$0.93/bbl, respectively.

## CRUDE

This morning in Dated, we saw a spread sell-off coming in and the Dec DFL was offered down to \$0.31/bbl and Dec/Jan Dated from \$0.57/bbl to \$0.50/bbl. Dec DFL traded back up to \$0.35/bbl and the Jan DFL traded at \$0.01/bbl. In structures, we saw money manager interest in 6-12 Dec Cal Dec which traded at \$0.15/bbl. We also saw refiner buy-side interest in 18-22 Cal Dec bid at \$1.00/bbl and trade house buy-side interest in the 25-29 Nov 1 week roll. There was also a US major bidding Balmo week into next and the 18-22 Cal Dec was offered at \$1.20/bbl.

This morning in Dubai, we saw Brent/Dubai trade higher after early selling. Early morning, we observed selling interest in outright Brent/Dubai, mostly first half Brent/Dubai. Prompt Brent/Dubai was weak pre-window, but rallied thereafter with Dec Brent/Dubai and Jan Brent/Dubai trading in ranges of \$0.78/bbl to \$0.87/bbl and \$0.83/bbl to \$0.87/bbl, respectively, currently trading near the highs at \$0.87/bbl and \$0.87/bbl. The Dec/Jan Brent/Dubai box continues to show strength, last trading at flat. We saw early on selling interest in the Feb/Mar Brent/Dubai box as well. Interest in Dubai spreads was sparse, with pre-window buying interest in Dec/Jan and selling interest in Jan/Feb Dubai near the end of the morning.

## FUEL

In VLSFO, Sing spreads were bid to start the week, however, it was at levels well below the close on Friday. The Sing crack turned better offered heading into the window, which saw the Dec Sing crack selling down to \$11.95/bbl from \$12.30/bbl. The crack weakness put pressure on spreads down the curve and structure began to sell off down the curve. As a result, Dec/Jan Sing sold down to \$7.00/mt from \$7.75/mt. Euro 0.5 came under pressure as a result of the Sing weakness combined with some selling towards the front of the curve. Dec/Jan Euro sold down to \$4.00/mt with the front Euro crack trading at \$4.70/bbl.

In HSFO, 380 spreads were better bid to start the day, the front 380 spread was a touch stronger, trading up to \$9.00/mt from \$8.50/mt, however, liquidity was low. The Dec 380 crack traded around -\$5.90/bbl for the majority of morning. Back end barge cracks were bid this morning, however, we saw little activity closer to the front with the Dec barge crack trading between -\$8.50/bbl and \$8.45/bbl and the front spread at \$4.25/mt. 380 E/W was a touch stronger due to 380 structure rallying, with Dec trading up to \$17.00/mt from \$16.00/mt.



## DISTILLATES

This morning in distillates, the Dec/Jan Sing gasoil spread was initially lifted to \$0.35/mt on screen before trading back down to \$0.33/mt post-window. The Dec E/W rallied to -\$18.75/mt as the deferred were rangebound, the Q4'24 trading at -\$17.25/mt. The prompt regrade came off to \$0.70/bbl as the Dec/Jan kero spread came off to \$0.58/mt.

The ICE gasoil spreads rallied, the Dec/Jun to \$12.75/mt as did the cracks, the Q1'25 to \$17.95/bbl. Heating oil spreads rallied at the front of the curve as did the HOGOs, the Q1'25 to 8.6c/gal.

## GASOLINE

This morning in gasoline, we saw flat price trade at the end of the window equivalent to \$7.00/bbl on a crack basis in Dec 92 as MOC was bid up to 1c/bbl in Dec. Dec 92 cracks saw little price action trading at \$7/bbl throughout the morning as Q1'25 cracks saw selling from \$7.15/bbl to \$6.95/bbl. Dec/Jan 92 saw buying at \$0.15/bbl with Jan/Feb bid at \$0.14/bbl. Dec E/W strengthened to -\$0.60/bbl to -\$0.45/bbl where selling came in with Q1'25 E/W trading from -\$0.85/bbl to -\$0.80/bbl as Dec EBOB cracks came off from \$7.55/bbl to \$7.50/bbl and EBOB spreads saw little trading activity with Dec/Jan valued at \$3.25/mt. Dec arbs traded at 6.45c/gal with Jan RBBRs weakening in the window from \$9.97/bbl to \$9.85/bbl.

## NAPHTHA

It was a quieter morning in naphtha. We saw MOPJ MOC valued at \$617.50/mt with MOC mixed but better offered. We saw some MOPJ flat price buying this morning on weaker crude with the prompt crack implied around -\$1.65/bbl. Spreads were weaker this morning with Dec/Jan trading at \$2.50/mt during the window as well as Jan/Feb at \$4/mt. E/W was better offered initially with the prompt weakening to \$17.75/mt during the window before recovering to \$18.25/mt later. The prompt NWE crack strengthened this morning from -\$3.70/bbl up to -\$3.50/bbl while spreads remained firm with Dec/Jan and Jan/Feb trading at \$3.50/mt and \$4.25/mt.

## NGLS

This morning in NGLs, FEI spreads weakened in both deferred and prompt, with FEI slightly softer on a crude percentage basis. In prompt, Dec/Jan and Feb/Mar traded down to \$3/mt and \$15.50/mt, respectively, whilst deferred also weakened from Friday with Q1/Q2'25 trading at \$41/mt levels. Physical window was quiet with just one bid being made for 2H Dec at Dec FEI minus \$1/mt. Arbs strengthened from Friday with Dec trading up to -\$192.50/mt and Q1/Q2'25 roll trading to -\$17/mt, owing to crude and FEI slight weakness. FEI/CP was weaker during the window with Dec trading down to -\$12/mt owing to crude, before slightly recovering post-window with it implied at -\$11/mt. E/W was also weaker due to the same ration with Q1/Q2'25 box trading down to -\$1/mt and Dec implied lower at \$58.50/mt.



## GLOBAL MACRO

- Equities had a big sell-off as higher yields and cooling rate cut bets finally took their toll. The OIS market prices just 42% chance of a Fed rate cut on 18th December, The VIX jumped sharply as the Nasdaq fell -2.25%, sending all Yen crosses lower as well.
- Nasdaq Biotech plunged 11.2% in its worst week since May 2020 due to the RFK nomination. But, despite Fridays sell off large cap equities saw their largest Weekly Inflow in History - \$44 Billion.
- The 30-year Treasury yield has surpassed the Fed Funds rate for the first time since Q4 2022. The last 2 times this happened were 2001 (Nasdaq bubble burst) and 2008 (GFC).
- S&P 500 trading at 22 times 2025 earnings estimates. Median 1-yr forward is 15.4 and the average is 15.9 since 1990 That would value the SPX today at around 4,200.
- US data last week came out stronger than expected, but below the headlines there are more concerning data with respect to the health of the consumer.
- NY Fed November Empire State Manufacturing Index jumps to +31.2, the highest level since December 2021 (est. -0.3; prev. -11.9). Empire Manufacturing New Orders surge to highest reading in 3 years!
- Retail sales beat on headline +0.4% m/m (est +0.3%) but...US retail sales are down 5% from their peak when adjusted for inflation. They have been in a downtrend for 3 years now. The trend is even worse than during the 2001 recession.
- The share of US credit card debt that is delinquent 90+ days jumped to 11.1% in Q3 2024, the highest level since 2011. This is the 5th consecutive quarter of increases, the longest streak since the 2008 Financial Crisis.
- Gold bouncing today but 7.5% off the highs, and last week gold funds saw their biggest weekly outflow since July 2022.
- Fed's Goolsbee: Neutral is significantly lower than where the Fed policy is now.
- Fed's Barkin: The US is the only advanced economy where GDP is now beyond pre-pandemic trend.
- Bitcoin rises above \$91,000 as cryptocurrencies rally in weekend trade.
- Leveraged Trades in China hit highest level in 9 years.

### Economic data this week:

- Tuesday – US building permits & housing starts
- Wednesday - UK inflation data
- Thursday – Jobless claims, existing home sales, Philly Fed manufacturing index
- Friday – US manufacturing & services PMI, consumer sentiment, Eurozone services PMI, UK retail sales

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