



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Jan'25 Brent futures contract saw sustained strength this morning, increasing from \$73.25/bbl at 07:00 GMT up to \$73.95/bbl at 10:55 GMT (time of writing). Geopolitical risk was elevated as Russia fired an intercontinental ballistic missile at the southern city of Dnipro, Ukraine for the first time since the start of the conflict in 2022, according to Financial Times. In the news today, US President-elect Donald Trump intends to revive the construction of the Keystone XL pipeline on his first day in office. The 1,200-mile-long pipeline was supposed to carry some 800kb/d of Canadian heavy crude to US refineries. In other news, Exxon has decided to pull out of an exploration block offshore Suriname and transfer its 50% stake to Petronas, as stated by Suriname state-owned company Staatsolie. Finally, Exxon, Hess, and CNOOC plan to add a fourth production vessel in the Stabroek Block offshore Guyana, according to Hess Corp.'s CEO quoted by Reuters. The new facility is expected to add 250kb/d to the group's output capacity by 2026. At the time of writing, the Jan/Feb'25 and Jan/Jul'25 Brent futures spreads stand at \$0.35/bbl and \$1.29/bbl, respectively.

CRUDE

This morning in Dated, we saw things go bid with Dec DFL trading up to \$0.42/bbl and the Jan DFL up to \$0.12/bbl. We again saw buy-side interest in Dec/Jan DFL after it was bought in size last night and Dec/Jan Dated traded up to \$0.58/bbl. There was sell-side interest in Dec rolls with the 9-13 Dec Cal Jan trading at \$0.60/bbl and trade house buy-side interest in Jan rolls with 6-10 Jan Cal Jan and the 6-10 3 week roll.

This morning in Dubai, we saw Brent/Dubai trade lower. Early morning we already observed weakness in the Brent/Dubai complex with selling interest in Jan Brent/Dubai, Mar Brent/Dubai, and Q1 Brent/Dubai. Dec Brent/Dubai and Jan Brent/Dubai traded in ranges of \$0.67/bbl to \$0.82/bbl and \$0.77/bbl to \$0.87/bbl respectively, and are currently trading at the lows. With the prompt selling off the most, Brent/Dubai boxes trended lower with the Dec/Jan Brent/Dubai box currently trading at \$-0.10/bbl, lower from yesterday's close at \$-0.05/bbl. There was also selling interest in the Mar/Apr box, which traded at \$-0.03/bbl. In line with this week, we also observed selling interest in the Mar for Jan EFS. Dubai spreads were strong this morning, with the Dec/Jan and Jan/Feb spreads trading between \$0.27/bbl and \$0.36/bbl and \$0.24/bbl and \$0.32/bbl, and both are currently trading at the highs. In terms of flow there was mostly buying in Dec/Jan and Dec/Feb as well as the Jan/Jun spread.

FUEL

In VLSFO, a fairly mixed morning on Sing 0.5. The sing crack traded between \$12.10/bbl and \$12.20/bbl with interest ebbing and flowing between buying and selling. However, the crack was a touch better bid to end off the morning. Sing structure saw very little price action, although it was a touch better bid with Dec/Jan Sing trading at \$6.75/mt. Euro structure continued to be bid this morning by tradehouses and physical players, however the price action did not follow with Dec/Jan Euro trading at \$4.50/mt. There was very little activity to report on the Euro crack, with Dec having an implied price of \$4.85/bbl.

In HSFO, 380 cracks were a touch weaker to start the morning, with Dec 380 crack selling down to -\$6.45/bbl from -\$6.25/bbl. However, post-window the crack found some support from Q3 crack buying, trading back up to -\$5.90/bbl. 380 structure was fairly well bid throughout the morning, with Dec/Jan 380 trading up to \$8.50/mt from \$8.00/mt. The barge crack also saw some early weakness as structure was better offered. The Dec barge crack traded down to -\$8.50/bbl from -\$8.15/bbl just after the window, before recovering back to where it opened the morning. As mentioned structure was offered this morning, with Dec/Jan barges trading down to \$3.75/mt. The weakness of the barge crack drove the 380 E/W strength early on, combined with later strength in 380, the Dec 380 E/W traded up to \$14.50/mt \$13.00/mt.



DISTILLATES

This morning in distillates, the Dec/Jan Sing gasoil spread was initially lifted to \$0.40/mt where it saw selling interest while the Dec E/W rallied to -\$18.00/mt before getting hit down to -\$19.50/mt post-window. The prompt regrade was rangebound while the Q2'25 came off to -\$0.40/bbl. In kero spreads, the Dec/Jan rallied to \$0.60/mt as the Jan/Feb traded at \$0.50/mt.

The ICE Dec/Jan ICE gasoil spread rallied to \$17.75/mt while the cracks were rangebound, the Q1'25 trading at \$18.20/bbl. Heating oil spreads rallied at the front of the curve, as did the HOGOs, the Q1'25 to 8.3c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$80.01/bbl with MOC better offered. Jan 92 crack was valued at \$7.15/bbl end of window while we also saw deferred crack selling interest from banks with Jun sold at \$6.45/bbl. Spreads were weaker but supported, with Dec/Jan trading at flat while Jan/Mar came off after the window from \$0.08/bbl to \$0.05/bbl. E/W traded around -\$1.05/bbl in the prompt while Q1'25 found buying at -\$1.10/bbl to -\$1.15/bbl. EBOB cracks traded at \$8.00/bbl end of window and there was deferred sell-side interest with Q4'25 trading at \$5.20/bbl. Spreads saw little action but Dec/Jan was valued at \$3.50/mt while Mar/Apr traded at -\$34.75/mt. RBBRs were better offered in the window but came back later to around \$10.38/bbl.

NAPHTHA

This morning in naphtha, we saw Dec MOPJ flat price valued at \$642.25/mt at the end of the window on a -\$1.00/bbl crack equivalent as moc was bid at +5c/mt in Dec. Dec MOPJ cracks saw selling at -\$0.75/bbl pre-window and Q1'25 cracks traded at -\$1.45/bbl as Dec/Jan MOPJ was bid at \$4.50/mt and Jan/Feb valued at \$5/mt. Dec EW was valued at \$21/mt as Dec NWE cracks were offered from -\$3.10/bbl to -\$3.35/bbl and Q1'25 cracks saw buying at -\$3.60/bbl. Despite front crack weakness we saw spreads supported with Dec/Jan NWE buying at \$3.25/mt with Jan/Feb trading at \$4.75/mt.

NGLS

This morning in NGLs, FEI was slightly stronger on a crude percentage basis with spreads also stronger in both prompt and deferred. In prompt, Dec/Jan and Jan/Feb traded up to \$5.25/mt and \$10/mt, respectively, whilst in deferred we saw Dec/Dec25 trade up from yesterday's close to \$64/mt. Physical window saw a bid being made for 2H Dec at Dec FEI plus \$1.5/mt and an offer for 1H Jan at Jan FEI plus \$7.5/mt. Arbs were slightly weaker owing to crude and FEI slight strength, with Dec implied lower at -\$204/mt and Q1/Q2'25 arb roll trading at -\$16/mt. FEI/CP strengthened owing to crude with Dec trading up to -\$3/mt and Cal'25 trading at \$20.5/mt, whilst CP spreads were broadly unchanged with Dec/Jan rangebound at \$10/mt-\$10.50/mt levels. NWE spreads were better supported with Dec/Jan and Feb/Mar trade up to \$12/mt and \$20/mt respectively; whilst E/W was implied slightly weaker post window with Dec at \$61/mt.



GLOBAL MACRO

- US dollar and gold both resume their uptrend.
- Bitcoin touches \$97,000 (note Ethereum is still 24% off the highs with leverage funds having their second biggest short position ever). If Bitcoin was a company, it would be the 6th largest behind Amazon, just overt-taking Saudi Aramco.
- Scott Bessent is emerging as the favourite for the Treasury Secretary role. He would be a very good choice because of his markets (founder of Key Square hedge fund) and macroeconomic expertise (highly regarded in academia).
- US OIS market now has the Fed Funds bottoming at 3.8% (this was 2.7% in September, a huge move) and financial tightening.
- US mortgage demand is down 50% from the same week in 2019. The housing market is slower than an oil tanker but it's going down for sure, as mortgage rates near 8%.
- Housing completions versus housing starts. Not a good signal with construction works are about to hit the jobless numbers.
- With Brent still firmly in a range the Energy Sector ETF (SPDR) is breaking out.
- France November business confidence 96 vs 97 prior.
- More dovish ECB comments:

ECB's Villeroy: Inflation could be sustainably at 2% in early 2025. Villeroy: Risks to growth, inflation shifting to downside. Villeroy: ECB should continue to reduce restrictive policy. ECB also warns about bubble in AI stocks and low cash buffers at funds.

- South Korea Early Export Figures Show Return to Growth – Bloomberg. S.Korea is regarded a good lead indicator for Asia.

Data today:

- US jobless claims, existing home sales, Philadelphia Fed manufacturing index.



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