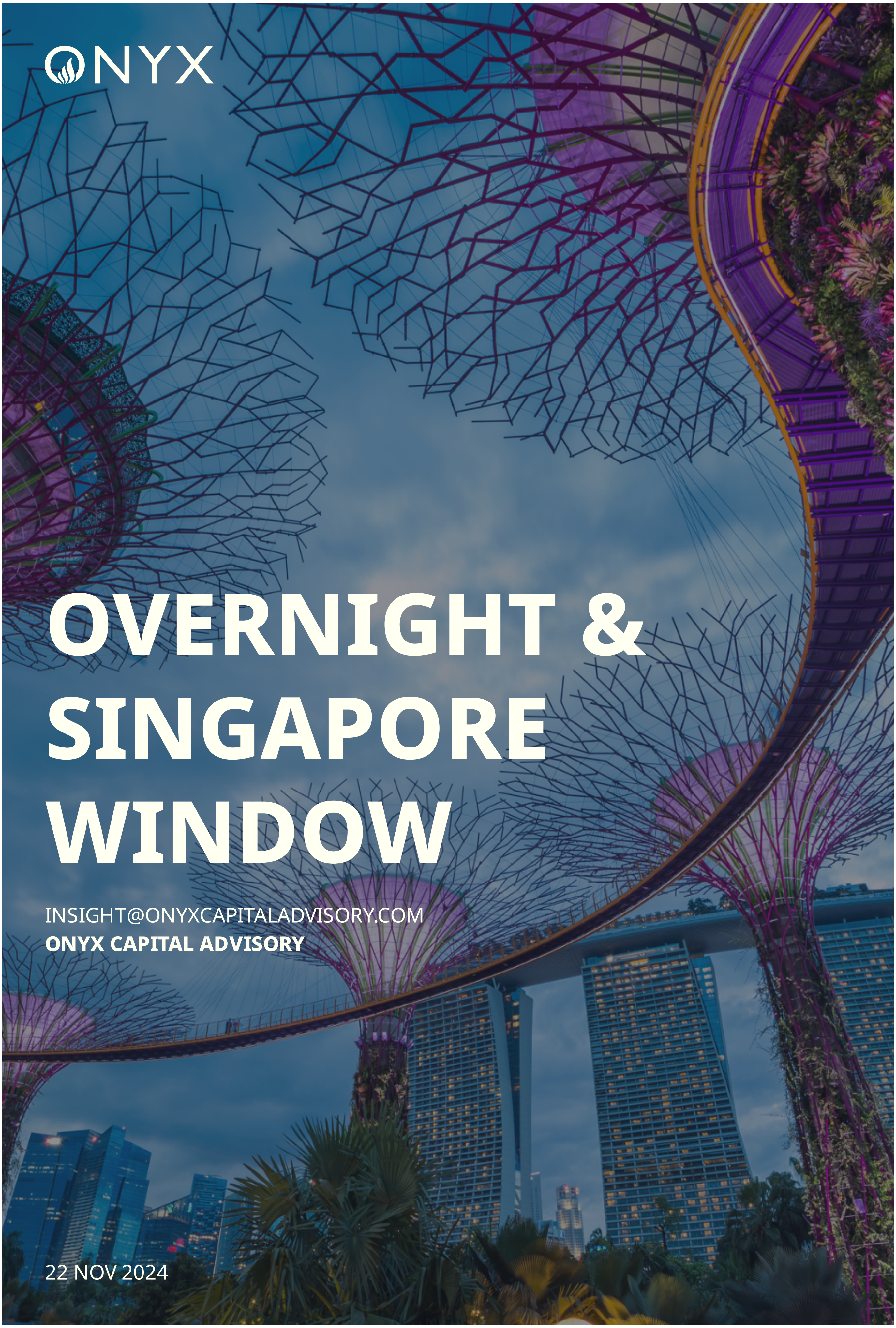

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FLAT PRICE

The Jan’25 Brent futures contract strengthened this morning from $74.20/bbl at 07:00 GMT up to just over $74.80/bbl at 08:15 GMT. We saw a decline to $74.18/bbl by 09:15 GMT, however, recovered to around $74.40/bbl at 10:45 GMT (time of writing). Crude oil prices were elevated today as markets continue to focus on rising geopolitical tensions between Russia and Ukraine. In the news today, Russian Deputy Prime Minister Alexander Novak said at a meeting with OPEC that Russia’s energy market is under significant pressure and they will continue to develop cooperation with OPEC countries, according to a Reuters report. Meanwhile, Russia is estimated to have supplied North Korea with more than 1mb of oil since March this year, according to satellite imagery analysis from the Open Source Centre. In other news, Hungarian Prime Minister Viktor Orban stated he would invite Israeli Prime Minister Netanyahu to visit Hungary, guaranteeing that the International Criminal Court arrest warrant against Netanyahu would “not be observed”. Finally, Iran’s nuclear chief Mohammad Eslami has issued an order to launch a series of new and advanced centrifuges, in response to an IAEA resolution on 21 Nov condemning Tehran’s nuclear cooperation and transparency. At the time of writing, the Jan/Feb’25 and Jan/Jul’25 Brent futures spreads stand at $0.52/bbl and $1.70/bbl, respectively.

CRUDE

This morning in Dated, we saw spreads continue to trade higher with Dec DFL trading up to highs of $0.60bbl and Jan DFL trading up to $0.20/bbl. The Dec/Jan DFL also traded higher up to $0.39/bbl. We also saw an money-manager lifting the 25-29 Nov 1 week roll at $0.67, a few cents higher to where the physical was implied. We also saw more buy-side interest in back-end Dec roll and in 9-13 Cal Feb. Jan rolls were also bid with the 6-10 Jan Cal Jan and 6-10 2 week roll.

This morning in Dubai, we saw early selling in Brent/Dubai, currently retracing from the lows. Dec Brent/Dubai and Jan Brent/Dubai traded between $0.53/bbl and $0.62/bbl and $0.55/bbl and $0.70/bbl respectively. There was strong interest in Q1, Q2, and Q3 Brent/Dubai and selling interest in Mar for Jan EFS. Boxes traded lower except from the Dec/Jan Brent/Dubai box, which showed strength as it traded from -$0.07/bbl to currently -$0.02/bbl. Dubai spreads were still moderately bid, with the Dec/Jan spread trading between $0.34/bbl and $0.39/bbl and the Jan/Feb spread trading between $0.38/bbl and $0.47/bbl, both currently trading mid-range. There was also buying interest in Dec/Feb Dubai, which traded around $0.79/bbl, and the Jan/Feb/Mar fly, trading at $0.19/bbl.

FUEL

In VLSFO, Sing cracks opened the morning well offered with Dec Sing crack selling down to $11.80/bbl from $12.35/bbl. Similarly, Sing structure also saw weakness with selling down the curve. Dec/Jan Sing sold down to $5.50/mt from $6.50/mt. Euro structure continued to see buying towards the front of the curve, however, there was little price action as a result, with Dec/Jan Euro trading at $4.50/mt. The Euro crack came under pressure from Sing crack weakness, which saw the Dec Euro crack trade down to $4.75/bbl.

In HSFO, 380 continued to strengthen, with structure well bid this morning. Dec/Jan 380 traded up to $10.00/mt from $9.25/mt earlier on, however, it came off post-window trading down to $9.50/mt. The 380 crack also saw buying, with the Dec 380 crack trading up to -$5.05/bbl from -$5.50/bbl. Barges were also stronger in turn, with Dec barge crack trading up to -$7.55/bbl from -$8.05/bbl. Structure was stronger as a result of the crack strength, with Dec/Jan barges trading up to $5.00/mt from $4.50/mt. The 380 E/W was a touch weaker as a result of the relative barge strength, with Dec selling down to $15.25/mt from $16.50/mt.

DISTILLATES

This morning in distillates, the Dec/Jan Sing gasoil spread initially rallied to $0.42/bbl before getting hit down to $0.39/bbl post-window, while the Dec/Jul traded at $1.70/bbl. The Dec E/W came off to -$21.00/mt before recovering a tick post-window to -$20.75/mt as the Q2'25 was hit down to -$16.00/mt. Regrade continued to soften across the curve, the Dec to $0.42/bbl as the Dec/Jan kero spread rallied to $0.55/bbl.

The ICE gasoil spreads rallied, the Dec/Jun to highs of $22.75/mt before coming back off to $20.75/mt while the cracks rallied, the Q1'25 to $18.65/mt. The European jet diffs continued to weaken, the Dec trading down to $42.75/mt as the Jan traded at $48.75/mt. Heating oil spreads came off at the front of the curve as the HOGOs were rangebound, the Q1'25 trading at 8.1 c/gal.

GASOLINE

This morning in gasoline, we saw flat price trade at the end of the window equivalent to $6.45/bbl on a crack basis in Dec 92 as MOC was offered. Dec 92 cracks were offered as they weakened to $6.40/bbl from $6.55/bbl with Q3'25 cracks bid at $5.60/bbl. Dec/Jan 92 saw buying come in at -$0.05/bbl as Jan/Feb strengthened from -$0.01/bbl to $0.01/bbl and Jan/Mar bid at $0.00/bbl. Dec E/W softened from -$1.10/bbl to -$1.20/bbl on weaker 92 cracks with Dec EBOB cracks rangebound between $7.60/bl and $7.70/bbl and Cal'25 EBOB cracks seeing bank buying at $9.65/bbl. Dec/Jan EBOB traded up to $3.75/mt from $3.50/mt with Jan/Feb valued at -$3.25/mt as Dec arbs saw little trading activity valued between 6.10c/gal and 6.25c/gal with Jan RBBRS coming off from $9.80/bbl to $9.60/bbl post-window.

NAPHTHA

This morning in naphtha, we saw MOPJ MOC valued at $648.75/mt with MOC better offered. We saw flat price selling this morning with the Dec crack trading at -$1.30/bbl post-window. MOPJ spreads were weaker this morning with Dec/Jan and Jan/Feb, respectively, trading at $4.00/mt and $4.50/mt during the window, down 25c from the open. E/W was stronger this morning; mainly driven by NWE weakness with Jan trading up to $20.50/mt during the window up from $19.75/mt value in the morning as well as the Dec/Jan E/W box being well bid and trading at $2.50/mt. We saw some more 92vsMOPJ selling this morning providing support to eastern structure despite naphtha weakness. NWE cracks were initially well offered in the morning, with the prompt getting sold at -$4.00/bbl before a slight recovery to trade up to -$3.75/bbl after the window, we also saw buy-side interest from banks in Cal'25 cracks with Cal'25 getting lifted up to -$4.85/bbl supporting the prompt. Naphtha structure was also well offered in the morning with Dec/Jan trading down to $1.25/mt during the window before some buying came in and the spread recovered to $1.75/mt while Jan/Feb remained firm trading at $4.25/mt this morning.

NGLS

This morning in NGLs, FEI was better bid during the window whilst spreads were weaker from yesterday’s close. In prompt Dec/Jan and Jan/Feb traded at the same levels both pre-window and during the window at $5/mt and $9.50/mt, respectively, whilst deferred was also weaker with Q1/Q2'25 implied lower at $46.75/mt. Physical window was solely bid, with bids being made for 2H Dec at Dec FEI plus $1.75/mt and 1H Jan at Jan FEI plus $6/mt. Arbs were stronger this morning with Dec trading at -$201/mt, whilst E/W weakened with Q1'25 trading down to $72/mt and Dec implied lower at $59.50/mt. FEI/CP was better offered pre-window and during the window, owing to crude, with Jan trading down from $1.50/mt to flat and Q1'25 down to flat.

GLOBAL MACRO

- Gold up another 1%, the uptrend has resumed.
- Dollar index break above 107, 1-year high. The U.S. Dollar is now used in 49.1% of global payments, the highest level in more than 12 years.
- China's CSI 300 break down -3.1%, as the stimulus excitement has worn off, Hang Seng also trending down, 2-month lows.
- Bitcoin reaches $99,000. The Ethereum spec position (2nd largest short ever) got taught a lesson, Ethereum up +9.3%!
- Very weak French data.
- US 30-year mortgage rates rise to 6.84%, highest since July.
- Strange US Philly Fed numbers, headline drops from 10.3 to -5.5, but new orders spike to highest since June 2021.
- Jobless claims strong but continuing claims rise to 3-year highs. It's getting much harder to find a job.
- While retail gorge on US equities, Buffett is loading up on cash.
- Arabica coffee, highest price in 13-years…unlucky!
- Japanese Prime Minister Shigeru Ishiba is set to unveil a $140 billion economic stimulus package, while the Bank of Japan chief said the next meeting is live.
- The European Central Bank should cut rates at each meeting down to 2%, the Bank of Greece chief said. His French colleague said - US trade levies wouldn't derail the easing.
- BOE Mann: BOE should hold rates longer to evaluate persistence.
- Today's data:
- US manufacturing & services PMI, consumer sentiment
- Eurozone services PMI
- UK retail sales

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