



OVERNIGHT & SINGAPORE WINDOW

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29 NOV 2024

FLAT PRICE

The Feb'25 Brent futures contract saw weakness this morning, falling from \$72.77/bbl at 07:00 GMT down to \$72.08/bbl at 10:55 GMT (time of writing). Crude oil prices saw bearish sentiment as markets weighed up the prospect of ample supply heading into 2025 and continuing uncertainties surrounding demand outlook, as per Reuters. In the news today, Israeli forces have killed at least 42 people in the Gaza strip accused of ceasefire violations, as bombing intensifies according to Al Jazeera. In other news, Canada's Natural Resources Minister Jonathan Wilkinson told Reuters that Ottawa must make sure the Trump administration understands how their plan to impose 25% tariffs on imports would be counterproductive, not only for oil but also as America benefits from Canadian uranium and hydro exports to the US. Finally, India's GDP was at 5.4% for the period July to September from a year earlier, according to Bloomberg. This marks the lowest rate of growth in almost two years and much lower than the central bank's projection of 7% for the period. At the time of writing, the Feb/Mar'25 and Feb/Aug'25 Brent futures spreads stand at \$0.37/bbl and \$1.29/bbl, respectively.

CRUDE

This morning in Dated, we saw things go offered with the Dec DFL trading down from \$0.75/bbl to \$0.65/bbl and the Jan DFL stayed more rangebound trading around \$0.27/bbl. The Dec/Jan DFL traded down to \$0.38/bbl. In structures, we saw the 2-6 Dec 1 week roll trade down to \$0.36/bbl offered in size by a West African refiner. The 9-13 Dec 1 week roll was offered down to \$0.24/bbl and the 9-13 Dec Cal Dec traded down to \$0.08/bbl.

FUEL

In VLSFO, it was a fairly rangebound start to the last day of the month on Sing 0.5. Interest did turn to the Jan contract as the market looks to roll positions. The Jan Sing crack was bid around \$10.30/bbl with the Dec trading up to \$10.70/bbl. Sing structure was better bid earlier on, with the front trading up a tick to \$4.00/mt from \$3.75/mt. It was a similar story on Euro 0.5 with the curve in the front going into contango as positions rolled into Jan. The Jan/Feb spread traded up to \$3.25/mt from \$3.00/mt. We saw less interest on the crack, with the front implied stronger off the back of the Sing crack trading up slightly.

In HSFO, 380 spreads were better bid this morning combined with Chinese arbers buying deferred 380 flat price. As a result the front 380 crack was supported, trading up to -\$2.95/bbl from -\$3.30/bbl. Although spreads were better bid, we saw little price action as a result with Dec/Jan 380 trading at \$9.50/mt. The barge crack was very strong this morning, carrying momentum from the previous couple of days. The Dec barge crack traded up to -\$2.55/bbl from -\$3.20/bbl. The relative strength of the barge crack put pressure on the 380 E/W, with Dec trading down from \$0.50/mt to -\$2.50/mt.

DISTILLATES

This morning in distillates, the front Sing gasoil spreads rallied with the Dec/Jan getting lifted to \$0.40/bbl post-window while the Jan/Jul came off to \$1.00/bbl. The front E/W was rangebound, initially lifted to -\$16.75/mt before getting hit down to -\$17.75/mt and then retracing to -\$17.00/mt in the window. Regrade saw strength down the curve as the Dec traded up to \$0.65/bbl and the Q3'25 ticked up to -\$0.18/bbl. Kero spreads also rallied, with the Dec/Jan getting lifted to \$0.60/bbl while the Jan/Jun traded at \$1.75/bbl.

The ICE gasoil spreads rallied at the front of the curve, the Dec/Jan to \$5.50/mt as the Dec cracks came off before rallying into the window, the Q1'25 to \$17.33/bbl. The European jet diffs were rangebound as the Dec/Jan roll came off a tick to -\$6.50/mt. The front heating oil spreads rallied as did the HOGOs, the Q1'25 to 7.8c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$79.53/bbl with the Dec/Jan MOC roll bid again. 92 structure was bid once again this morning, the prompt crack traded at \$7.10/bbl initially and weakened to \$7.00/bbl in the window as structure was bid but cracks weren't supported on slightly weaker RBBRs. Spreads were well bid, with Dec/Jan trading up to \$0.45/bbl from \$0.37/bbl where it found some selling to trade around \$0.42/bbl. Jan/Mar was also well bid initially in the morning valued at \$0.65/bbl before softening to \$0.57/bbl post-window. We saw Dec E/W trade up to +\$0.30/bbl initially pre-window before getting sold to +\$0.10/bbl as well as Q1'25 valued at -\$0.70/bbl. EBOB cracks saw limited prompt action but Q2'25 and Q3'25 were both firm bid respectively trading at \$12.70/bbl and \$11.10/bbl this morning. Spreads in EBOB softened a touch; with Dec/Jan weakening from \$3/mt during the window \$2.75/mt post while we saw deferred spreads well bid with Oct/Dec lifted at \$20.50/mt. Arbs found value at 4.6c/gal in the front this morning but saw limited other action while RBBRs came off a touch from \$9.10/bbl to \$9.00/bbl in the window.

NAPHTHA

This morning in naphtha, we saw Dec MOPJ flat price valued at \$634.50/mt at the end of the window on a -\$1.45/bbl crack equivalent as MOC was bid at +5c/mt in Dec and Jan. Dec MOPJ cracks saw little price action valued at -\$1.45/bbl as Q1'25 cracks were offered at -\$1.65/bbl and Q2'25 at -\$2.80/bbl. Dec/Jan MOPJ saw buying interest trading from \$2.50/mt to \$2.75/mt as Jan/Feb was bid at \$4.25/mt. Dec E/W remained supported as it strengthened from \$25/mt to \$25.25/mt and Jan E/W valued at \$21.75/mt as the West saw little activity; NWE cracks traded at -\$3.80/bbl with Dec/Jan trading from -\$1.25/mt to -\$1.00/mt and Jan/Feb seeing buying at \$3.25/mt.

NGLS

This morning in NGLs, FEI was slightly better bid whilst spreads weakened in the prompt and deferred. In prompt, we saw Dec/Jan trade down from \$3.75/mt pre-window down to \$2/mt post-window and Jan/Feb trading down to \$8/mt post-window as well; whilst in deferred we saw Q1/Q2'25 implied lower at \$41/mt. Physical window was fairly quiet with just one offer being made for 1H Jan at Jan'25 FEI plus \$4.5/mt. Arbs were stronger with Jan trading at -\$185.50/mt and Dec implied higher at -\$188/mt. FEI/CP strengthened this morning with Jan trading at -\$11/mt while E/W was slightly weaker with Jan trading at \$67/mt and Dec implied lower at \$59.50/mt. CP spreads were weaker in prompt and deferred with Jan/Feb and Mar/Apr trading down to \$13/mt and \$25/mt, respectively.



GLOBAL MACRO

- US yields continue lower, 10-yr -25bp off last week's swing high. This leads the Dollar Index down 2% from its high.
- Brazil's Real drops to a new all-time low against the US Dollar.
- Germany October retail sales -1.5% vs -0.3% m/m expected.
- Bank of Korea cuts key interest rate by 25bps for second straight meeting in a surprise move.
- US annual existing home sales are on for the worst year since 1995.
- For the first time in history, French Bond Yields equal those of Greece, if you remember the Greek crisis in 2011. This is both astonishing and more than a little worrying for France. In fact, without the Olympics, France would be in far worse trouble.

Key data:

Saturday - Chinese manufacturing & services PMI data.

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