



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The Feb'25 Brent futures contract was supported this morning, rising from \$72.10/bbl at 07:00 GMT to \$72.50/bbl at 10:30 GMT (time of writing). Crude oil prices were elevated amid reports that OPEC+ is likely to extend oil production cuts at its 5 Dec meeting until the end of Q1'25, four OPEC+ sources told Reuters. In the news today, the Pentagon has announced a new \$725 million arms package for Ukraine which includes anti-personnel mines and air defence missiles. Meanwhile, diplomats expect Ukraine's invitation for NATO membership is unlikely to be approved at the NATO foreign ministers meeting, taking place 3-4 Dec in Brussels. In other news, Indonesia has launched auctions for six oil and gas exploration blocks, bringing the total number of blocks offered this year to 11, according to the country's Energy and Mineral Resources Ministry. Dadan Kusdiana, a senior energy ministry official, stated that the six blocks have a combined potential of 48 billion barrels of oil equivalent. Finally, a sophisticated fuel oil smuggling network is believed to generate at least \$1 billion per year for Iraq and its proxies since Prime Minister Mohammed Shia al-Sudani took office in 2022, five sources told Reuters. The operation exploits Iraqi government subsidies for fuel oil allocated to asphalt plants, diverting 3.4mb to 5mb of fuel oil each month for export, primarily to Asia. In addition, Iraq has halted operations at its Basra oil refinery on 1 Dec due to overloaded storage tanks, with the facility producing approximately 260kb/d of fuel oil prior to the shutdown, according to Zawya. At the time of writing, the Feb/Mar'25 and Feb/Aug'25 Brent futures spreads stand at \$0.30/bbl and \$1.25/bbl, respectively.

## CRUDE

This morning in Dated Brent, we saw things go more bid with trade house bidding of the 9-13Dec Cal Dec and 16-20 1 week. There was Sing buying interest in Bal-Dec'24 DFL early morning, which was bid up to highs of \$0.72/bbl. Jan'25 DFL traded up to \$0.25/bbl. We also saw trade buying of the 27-3 Dec Cal Jan at \$0.25/bbl and the 9-13 Dec Feb ICE traded up to \$0.80/bbl. The Balmo week 2-6 Dec vs 9-13 Dec roll was implied around \$0.40/bbl with the 3-5 Dec Feb ICE trading at \$1.20/bbl.

## FUEL

In VLSFO, it was a weaker start to the morning on the Sing crack, with the Jan Sing crack trading down to \$10.65/bbl in the early morning. MOC was fairly well bid this morning which helped stem the downward movement to an extent. Sing structure was a touch better offered as a result of the weaker crack, with Jan/Feb'25 trading down to \$3.75/mt from \$4.00/mt. A quiet start to the morning on Euro 0.5% with the front crack being offered at \$4.15/bbl towards the end of the morning. There was some activity on Euro structure, however, interest was largely mixed with Jan/Feb'25 Euro trading at \$3.00/mt.

In HSFO, 380 had a weaker start to the morning. There was no clear axe in the market earlier on, however some selling came in as the morning progressed, with the Jan 380 crack selling down to -\$5.30/bbl from -\$4.65/bbl post-window. There was some buying post-window which saw the crack trade back up to -\$5.05/bbl. Structure came under pressure from the crack selling, with Jan/Feb'25 380 trading down to \$4.75/mt from \$5.25/mt. The barge crack was weaker this morning as a result of the 380 sell off, with the barge crack following a similar trend to that of 380. The front crack down to -\$5.95/bbl from -\$5.45/bbl, before recovering somewhat recovering to -\$5.65/bbl. Barge structure opened a touch weaker but then enjoyed a fairly stable morning, with Jan/Feb'25 barges trading around \$6.25/mt. The 380 E/W came off this due to relative weakness of 380, with Jan trading down to \$4.00/mt from \$5.00/mt.



## DISTILLATES

This morning in distillates, the Balmo-Jan'25 Sing gasoil spread was hit down to \$0.40/bbl in the window while the deferred saw buying interest, the Jun/Sep'25 trading for size up to \$0.05/bbl. The E/W was rangebound, the Jan'25 initially coming off to -\$18.00/mt before getting lifted back to -\$17.25/mt on screen while the Q4#25 traded up a tick to -\$17.00/mt. The prompt regrade was hit down to \$0.35/bbl as the Q1'26 continued to see buying interest, trading at flat.

The ICE gasoil spreads were rangebound, the Dec/Jun'25 coming off two ticks to \$12.75/mt as the cracks rallied first thing before coming off post-window, the Q1'25 to \$17.05/bbl. Heating oil spreads rallied at the front of the curve as the HOGOs softened, the Q1'25 to 6.6c/gal.

## GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$79.35/bbl with MOC better bid. The Jan'25 crack traded rangebound in the window between \$7.25/bbl-\$7.35/bbl where we saw banks on the offer. We saw selling in Q1'25 at \$7.10/bbl while Q3'25 still found buying at \$5.40/bbl post-window. Spreads were balanced this morning; Jan/Mar'25 traded at \$0.75/bbl while we saw some profit taking in deferred spreads with trade house selling Mar/Jul'25 at \$1.90/bbl. Jan'25 E/W came off from \$0.30/bbl to trade at \$0.20/bbl post-window as we also offers step forward on the Q1'25 E/W as eastern structure was more balanced today. EBOB cracks traded at \$7.05/bbl end of window this morning while spreads saw limited action in the morning but we saw Feb/Mar'25 lifted at -\$5/mt and Jun/Sep'25 bid from \$25.25/mt to \$25.75/mt. Arbs also saw limited action this morning but we saw some buy-side interest in Apr'25 arbs at 14.15c/gal while RBBRs came off slightly into the morning down to lows of \$8.83/bbl in Feb'25 before being bid up to trade around \$8.95/bbl post-window.

## NAPHTHA

This morning in naphtha, we saw Jan'25 MOPJ flat price valued at \$623.75/mt at the end of the window on a -\$2/bbl crack equivalent. Jan'25 MOPJ cracks saw little trading activity with Dec'24 cracks trading at -\$1.55/bbl and Jan'25 cracks valued at -\$1.95/bbl as Jan/Feb'25 continued to trade at \$3/mt and Feb/Mar'25 at \$4/mt. Jan'25 E/W saw selling to \$21.75/mt from \$22/mt with Q1'25 E/W offered at \$21/mt despite NWE crack weakness with Jan'25 NWE cracks offered from -\$4.30/bbl to -\$4.45/bbl where buying came in as Q1'25 cracks saw buying at -\$4.35/bbl. Jan/Feb'25 traded from \$2.25/mt to \$2/mt on the back of front crack selling with Feb/Mar'25 also weakening to \$3.50/mt from \$3.75/mt.

## NGLS

This morning in NGLs, FEI was slightly better bid during the window with spreads weakening in prompt and deferred. In prompt, we saw Feb/Mar'25 and Mar/Apr'25 trade down to \$14.50/mt and \$15/mt, respectively, whilst in deferred Q1/Q2'25 traded down to \$36.50/mt. In the physical window, only bids were made for 1H Jan'25 at Bal-Dec'24 FEI plus flat and 1H Jan'25 at Jan'25 FEI plus \$1.68/mt. Arbs were unchanged with Jan'25 trading at -\$187/mt and Jan/Feb'25 arb roll trading at -\$4/mt. E/W was unchanged with Jan'25 implied at \$64/mt, whilst FEI/CP was slightly weaker with Jan'25 and Apr'25 trading down to -\$14/mt and -\$1.50/mt, respectively, pre/during the window; post-window Jan'25 was implied higher at -\$11.25/mt. NWE spreads was broadly unchanged with Feb/Mar'25 trading at \$17/mt; CP spreads in prompt were slightly weaker from yesterday's close with Jan/Feb'25 and Feb/Mar'25 trading down to \$9/mt and \$14.50/mt, respectively, post-window.



## GLOBAL MACRO

- US ISM beats expectations but still in contraction. Note, new orders and employment jump.
- US ISM Manufacturing Nov: 48.4 (est 47.6; prev 46.5).
- Prices Paid: 50.3 (est 56.0; prev 54.8) - New Orders: 50.4 (prev 47.1) - Employment: 48.1 (prev 44.4).
- Full meltdown in BRICS currencies continues.
- OIS prices 17bp cuts by the FED for 18th Dec meeting. While Fed's Waller is very dovish, thinks policy is "significantly" restrictive even after 75bps of cuts.
- US new home sales dropped by 128,000 in October to 610,000, the lowest in 2 years. This was significantly below expectations of 725,000. New home sales declined by a whopping 17.3% month-over-month, marking the largest decline in 13 years. Meanwhile, the average interest rate on a 30-year mortgage hit 7.03% this month, the highest since July.
- With a no-confidence motion now likely in France, French bond yields are diverging from German yields, to 88bp. The widest since the eurozone debt crisis over a decade ago. The Euro also weakened considerably on the news, including to a 2.5 year low versus the Pound. The France credit default swap is also slowly rising to pandemic levels.

Today's data:

- US JOLTS Job Openings.



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