



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The Mar'25 Brent futures contract continued to strengthen in the early hours of this morning, reaching a peak of over \$74.70/bbl at 0600 GMT before softening to around \$74.48/bbl at 0800 GMT (time of writing) as it failed to sustain momentum to break out above the upper Bollinger band (daily), although it remains close. China's factory activity grew more slowly in December despite recent stimulus efforts and rising trade risks. According to official data, the PMI edged down to 50.1 from 50.3 in November, staying above the 50 mark for the third consecutive month, signalling continued manufacturing expansion. Heating degree days, an indicator of energy demand for space heating, are projected to increase to 499 in the US over the next two weeks, up from the 399 forecast on Friday, according to LSEG. The firm's meteorologists also predict colder temperatures in Europe in January. The US Treasury was hacked by a Chinese state-sponsored actor through a third-party software provider, BeyondTrust Inc., which reported the breach on Dec. 8. Described as a "major cybersecurity incident," the attack exploited a key securing a cloud service used by Treasury staff. While China denies the claims, US agencies and forensic experts are investigating, accusing the US of spreading unfounded disinformation. The Nigerian Federal Government, working with the Nigerian Navy, aims to boost crude oil production to 3 mb/d by 2025. Output has already risen to 1.8 mb/d from 1.4 mb/d in 2023. Minister of State for Petroleum, Heineken Lokpobiri, said the newly launched second phase of the operation will be key to achieving this goal. At the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$0.43/bbl and \$2.06/bbl, respectively.

## FUEL

This morning in HSFO, we saw initial selling in 380 cracks, as trade houses were sellers of Jan around -\$3.85/bbl. 380 cracks traded rangebound between -\$4.00/bbl and -\$3.80/bbl this morning. E/W this morning saw better selling in the front, with Feb E/W trading down to \$7/mt, and implying Jan E/W better offered between \$6.50/mt and \$7/mt. We saw buying in deferred EW, with Q2 bid between \$5.25/mt and \$5.50/mt, and Q3 bid at \$4.50/mt. Barge cracks were rangebound between -\$4.90/bbl and -\$5.10/bbl in Jan, and little interest in deferred cracks to start this morning. Jan/Feb saw some selling at \$5.25/mt this morning. 380 spreads were better supported this morning, as Jan/Feb saw buying at \$5.25/mt, and Jan/Mar at \$8.25/mt.

This morning in VLSFO, front Sing cracks saw sell-side pressure going into the window, trading down to \$10.30/bbl. There were some selling interests in Jan/Feb Sing, trading from \$2.75/mt to \$2.50/mt, and we saw front sing crack being a touch stronger as the morning progressed, trading up to \$10.45/bbl, as a result, some buying in Jan/Feb came in at \$2.75/mt. There were some deferred sing crack selling interests, Q2 at \$9.70/bbl and Q3 at \$8.90/bbl. Jan euro crack was implied a touch stronger at \$4.70/bbl following the Jan sing crack.

## DISTILLATES

This morning in distillates, the front Sing gasoil spreads were rangebound with the Jan/Feb initially being sold down to \$0.67/bbl before rallying back to \$0.69/bbl post-window as there was continued selling in Jun/Sep at \$0.40/bbl. The E/W was similarly rangebound, with the Jan and Mar strengthening a tick to -\$12.75/mt and -\$13.50/mt, respectively. The prompt regrade came off to -\$1.65/bbl as the Jan/Feb kero was offered down to lows of \$0.19/bbl.

The ICE gasoil spreads opened higher, the Jan/Jun at \$19.50/mt as the cracks were rangebound, the 1Q 25 trading at \$18.20/bbl. Heating oil spreads ticked up for the morning as the hogos came off, the 1Q to 8.8 c/gal.



## GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$81.95/bbl with MOC offered. Cracks in the front had bank and major buy-side interest in the morning, with Jan cracks trading at \$7.55/bbl through the window. Spreads were better bid this morning, with buying in JanFeb from banks up to \$0.35/bbl during the window and Feb/Mar getting lifted at \$0.35/bbl from \$0.34/bbl.

## NAPHTHA

In naphtha we saw MOPJ MOC valued at \$657/mt with MOC offered. Jan cracks traded up to -\$0.70/bbl at the beginning of the window and we saw flat price selling in Feb. Spreads were still well bid this morning, with Jan/Feb trading up to \$7.50/mt then softening to trade at \$7/mt post window as well as Apr/May buying at \$6.50/mt.

## NGLS

It was a quiet morning for NGLs, with trading limited to DCE flow in the FEI curve as CP went largely untraded ahead of the expected Jan CP settle announcement. Persistent buying in the April FEI tenor from DCE players from \$582/mt to \$588/mt on similar crude levels pressured up FEI at the front of the curve as spreads stayed thin and sticky with Jan/Feb rangebound between \$4/mt and \$4.50/mt although Feb/April softened a touch offered down to \$29/mt post-window by deriv players. FEI/MOPJ markets were wide with little real selling although a clip of May FEI/MOPJ traded at -\$56/mt.



## GLOBAL MACRO

- The Chicago PMI fell further into contractionary territory in December, printing at 36.9, a steeper decline than November's 40.2 and missing consensus estimates of 42.5. New orders were the driver, falling to their second lowest point since May 2020.
- Higher for longer rates from the Fed are hitting consumer credit. According to Bankregdata, credit card lenders wrote off \$46 billion worth of delinquent loans in the first 3 quarters of 2024, a 50% y/y increase and the highest level in 14 years.
- SP500 and Nasdaq futures fell more than 1% yesterday, extending declines from Friday. SP500 emini futures are down 2.1% since Friday.
- Concerns over Chinese demand have motivated huge intervention from the CCP and the PBoC. Perhaps their efforts are paying off; the NBS Services PMI flew off the press at 52.2 in December, a big upwards surprise to market consensus of 50.2 and the strongest expansion since March. Seemingly stimulus measures are starting to pass through. But the CCP and the PBoC will face continued economic headwinds including increased global protectionism next year.
- China's manufacturing outlook remains weak. Industrial profits fell 7.3% in November and China's NBS Manufacturing PMI was only just clinging onto expansion in December, at 50.1, below last month's print and consensus of 50.3.

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