



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Mar'25 Brent futures contract was supported this morning, rising from around \$74.80/bbl at 0630 GMT up to \$75.60/bbl at 1050 GMT (time of writing). Market sentiment saw an optimistic start to the new year, potentially bolstered by expectations that China may introduce additional measures in 2025 to stimulate economic growth. In the news today, the International Longshoremen's Association (ILA), a union representing cargo handlers at every major Eastern US and Gulf Coast port, is threatening to strike on 15 January, according to Bloomberg. Following a three-day strike in early October, the ILA agreed to delay further action until mid-January, now pushing for stronger protections against labour automation at ports. In other news, after the suspension of the Ukrainian natural gas transit deal, Moldova's breakaway region of Transdniestria has cut off supply of heating and hot water to households, with Russia previously pumping about 2 billion cubic metres of gas per year to Transdniestria, as per Reuters. European front-month gas prices rose 4.3% on the first trading day of the year, the highest since October 2023, Bloomberg revealed. Finally, India's gasoline and diesel demand saw respective increases of 9.8% and 4.9% in December y/y, according to the Economic Times. The report attributed the increase in demand to holiday travel, citing petrol sales of three state-owned fuel retailers. At the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$0.48/bbl and \$2.23/bbl, respectively.

CRUDE

This morning in Dated, we saw spreads strengthen and Jan DFL traded up to highs of \$0.60/bbl. Feb DFL traded up to \$0.35/bbl and Jan/Feb DFL rallied to \$0.26/bbl. In structures, we saw the 20-24 Jan cal Jan roll bid up to -\$0.06/bbl from -\$0.11/bbl, implying the 13-17 1w higher and the 6-10 Jan roll was offered by a major down to \$0.03/bbl. In Feb rolls, there was continued sell-side interest in the 3-7 Feb Cal Feb roll offered at \$0.32/bbl and also in the 17-21 Feb Cal Feb roll.

FUEL

In HSFO, it was a weaker start to the year on 380. The front 380 crack was offered to start, however, not in large volume. The Feb crack sold down to -\$5.30/bbl from -\$5.05/bbl. There was also selling on 380 structure, with Feb/Mar 380 trading down to \$4.75/mt from \$5.25/mt. The 380 weakness put pressure on the the 380 E/W, which sold down to \$10.25/mt from \$11.00/mt in February. A rangebound start for the barge crack, most trading occurred on screen with Feb trading between -\$6.95/bbl and -\$6.90/bbl. It was quiet on barge spreads, with not much being mentioned OTC. Feb/Mar barges was implied at \$3.25/mt.

It was a fairly quiet start to the year in VLSFO. The Feb Sing crack began trading around \$10.40/bbl, where it remained for the early part of the morning. We did see the front crack soften somewhat towards the end of the window due to MOC hedging, selling down to \$10.25/bbl where it traded out for the remainder of the morning. Interest was fairly mixed on Sing structure, with the front spread as a result having a fairly stable morning trading at \$3.75/mt. The 0.5 E/W came off a touch in line with Sing crack weakness, with Euro 0.5 remaining fairly unchanged throughout the morning. The Feb Euro crack traded between \$4.10/bbl and \$4.15/bbl without a clear axe in the market. It was a similar story on Euro structure, with Feb/Mar Euro trading at \$3.50/mt throughout the morning.

DISTILLATES

This morning in distillates, the front Sing gasoil spreads were bid, with the Jan/Feb and Feb/Mar trading up to \$0.80/bbl and \$0.61/bbl, respectively, after the window as Jan E/W initially rallied to -\$11.00/mt before getting hit back down to -\$12.00/mt on ICE gasoil rallying. Regrade was offered down the curve with the Jan trading down to -\$2.16/bbl as the Q1'26 traded at -\$0.15/bbl.

ICE gasoil spreads rallied post-window, the Jan/Jun to \$22.25/mt, as did the cracks, the Q1'25 to \$18.60/bbl. Heating oil spreads similarly rallied, as the HOGOs came off, the Q1'25 to 8.3c/gal.

GASOLINE

This morning in gasoline, we saw Feb 92 flat price valued at \$82.35/bbl at the end of the window equivalent to \$8/bbl on a crack basis. Jun 92 cracks saw selling at \$7.25/bbl pre-window as Feb cracks weakened post-window from \$8/bbl to \$7.95/bbl. Feb/Mar 92 traded at \$0.40/bbl in the window before coming off to \$0.33/bbl on softer front cracks as Mar/Apr weakened slightly to \$0.48/bbl from \$0.50/bbl. E/W was initially strong valued at -\$1.20/bbl before trading down to -\$1.50/bbl where buying came in as EBOB cracks were bid at \$9.20/bbl strengthening to \$9.35/bbl. Feb/Mar EBOB bid at -\$5/mt on supported front cracks with Mar/Apr seeing refiner buying from -\$32.75/mt to -\$32.25/mt. Arbs saw no trading activity as Mar RBBRs came off in the window to \$10.60/bbl before recovering to \$10.75/bbl.

NAPHTHA

This morning in naphtha, we saw MOPJ MOC valued at \$653.25/mt with MOC better offered in Feb. Feb cracks traded at -\$0.95/bbl end of window where we saw flat price selling on higher crude, while Jan cracks were well bid by trade houses pre-window at -\$0.60/bbl. Spreads remained balanced while Jan/Feb was bid from \$7/mt to \$7.25/mt as Jan MOC was well bid. E/W was weaker trading at \$19.25/mt in Feb while Q2'25 was bid at \$18.75/mt. NWE cracks were valued at -\$3.10/bbl in Feb this morning where we saw gasnaph selling in the window supporting the front crack but came off post-window to trade down to -\$3.20/bbl on higher crude. Spreads were balanced with Jan/Feb trading at \$7.25/mt and Mar/Apr at \$7/mt.

NGLS

This morning in NGLs, FEI initially saw Chinese buying in Apr-Jun tenors. FEI broadly rallied alongside higher crude in the window, where Feb FEI traded at \$618/mt at the end. FEI Spreads were slightly weaker, with Feb/Apr FEI trading at \$28.50/mt, implying Q1/2'25 lower around \$37.30/mt. Meanwhile in the phys window, a trade house bid 1H Feb up to Feb +\$4/t. Arbs were better bid, with Feb LST/FEI implied up around -\$192/mt as LST was better bid on the afternoon. FEI/CP was slightly better bid on higher crude, with Feb FEI/CP trading at -\$5/mt and bid on, while Apr-Dec FEI/CP traded at \$27/mt. E/W was slightly better offered, with Feb trading at \$66/mt and offered on. In FEI/MOPJs, there was buying interest in Jan C4 FEI/MOPJ, trading at -\$30/mt, while in C3 FEI Q3'25 traded at -\$52/mt.



GLOBAL MACRO

- Xi Jinping said China set to hit 5% growth target for 2024, despite China having averaged below 4.7% y/y in the first three quarters. This would mean a Q4'25 GDP growth of at least 5.4%, the strongest quarter of 2024, of course, whether you believe the data is another question.
- China factory activity slowed in December according to the Caixin manufacturing PMI, which eased to 50.5, below consensus of 51.7. The official NBS manufacturing PMI printed at 50.1 last week. India's HSBC manufacturing PMI (final) stood at 56.4 in December, missing estimates of 57.8 and roughly in line with last month.
- Asian shares declined on the first trading day of 2025 led by Chinese equities. The CSI 300 closed down almost 3% on the day. 10 year CGB yields continued lower to 1.612%, another fresh record low.
- Over in Europe, Spain's HCOB Manufacturing PMI printed at 53.3 in December, below consensus estimates of 52.5 but above last month's 53.1. Spain continues to outperform its other European counterparts. Italy's HCOB manufacturing PMI printed at 46.2, remaining firmly contractionary, albeit slowing from last month's 44.5 and beating the consensus of 44.8.

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