



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Mar'25 Brent futures contract initially declined this morning from around \$76.30/bbl at 0615 GMT down to almost \$75.90/bbl at 0900 GMT, before recovering to \$76.60/bbl at 1030 GMT (time of writing). In the news today, South Sudan's government has directed the Dar Petroleum Operating Co. (DPOC) to begin resuming oil output on 8 January, in a letter seen by Bloomberg. DPOC operates in Block 3 and 7, with a government target for crude production projected to reach 90kb/d in the first six months. In other news, India's refining capacity is set to expand 20% by 2028 amid growing domestic and overseas demand for oil products, the country's petroleum minister Hardeep Singh Puri stated. S&P Global Commodity Insights estimates India's refining capacity could reach 300 million metric tonnes by 2028, with 58% of this increase coming from brownfield expansions. Finally, Nigeria's Seplat intends to raise its production output from around 50,000 barrels per day to 120,000 barrels per day within six months, after recently acquiring Exxon Mobil's assets in the West African country, as per Financial Times. At the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$0.62/bbl and \$2.62/bbl, respectively.

CRUDE

This morning in Dated, we saw the Feb DFL offered down to lows of \$0.58/bbl and the Balmo Jan DFL down to \$0.99/bbl with spreads opening lower. The 7-13 Jan CFD was offered down to \$0.97/bbl and the 20-24 Jan Cal Feb roll traded down to \$1.04/bbl with refiner selling. Spreads then started to pick up and the Balmo Jan DFL traded up to \$1.03/bbl and Feb DFL back up to \$0.62/bbl. The 20-24 Jan Cal Feb roll was lifted up to \$1.07/bbl.

This morning we saw Brent/Dubai trade higher, retracing much of the downwards move since 1 Jan. Feb Brent/Dubai traded between \$0.00/bbl up to \$0.10/bbl. There was refiner, tradehouse and some bank buying of Feb Brent/Dubai and backend Brent/Dubai, with Q2'25, Q3'25 and Q4'25 Brent/Dubai trading between \$0.52/bbl to \$0.54/bbl, \$0.67/bbl to \$0.70/bbl and \$0.78/bbl to \$0.80/bbl, respectively. There was not a lot of action in the boxes but we saw Q2/Q3'25, Q3/Q4'25 roll buying, with refiner on the bid and trade house on the offer. There was some buying of Dubai spreads from April through to August, with Apr/May, May/Jul and Jun/Aug trading at \$0.46/bbl, \$0.80/bbl and \$0.76/bbl - \$0.77/bbl, with a trade house on the bid.

FUEL

In HSFO, 380 continued to be weak this morning, front structure initially saw aggressive selling especially in Feb/Mar, trading from \$3.00/mt to \$2.25/mt. The front 380 crack was weaker due to both outright selling as well as weakness on the 380 E/W, which pushed it from -\$6.35/bbl to -\$7.00/bbl. As a result, front barge crack was also weaker, trading from -\$8.30/bbl to -\$8.60/bbl. As mentioned, the 380 E/W was weaker, with Feb 380 E/W trading down to \$10.00/mt going into the window, and continued to weaken post window to the lows of \$9.50/mt. Barge structure opened weaker as a result of the barge crack weakness, trading down to \$1.25/mt from overnight levels of \$1.75/mt.

In VLSFO, Sing 0.5 was a touch weaker this morning, with Feb 0.5 crack offered from \$10/bbl to \$9.80/bbl. This led to front Sing structure being better offered, as we saw Feb/Mar Sing trading from \$3.75/mt to \$3.50/mt, and there was selling interests in deferred spreads in Sep/Dec. A fairly quiet start on Euro 0.5, with Feb Euro crack trading at \$4.05/bbl on thin liquidity. It was a similar story on Euro structure, with Feb/Mar Euro trading at \$4.50/mt.



DISTILLATES

This morning in distillates, the Feb/Mar Sing gasoil spread was initially offered down to \$0.44/bbl where buying came in and it ticked back up to \$0.46/bbl post-window as the Mar/Jun was bid, trading at \$0.98/bbl. The Feb EW remained rangebound, seeing selling at -\$16.50/mt on screen for size and trading between here and -\$16.00/mt as the Q3'25 traded at -\$15.25/mt. The prompt regrade initially came off to -\$1.30/bbl before rallying back to -\$1.17/bbl after the window as the Q1'26 was lifted at -\$0.15/bbl.

The ICE gasoil spreads opened lower and were rangebound here, the Jan/Jun at \$16.00/mt as the cracks came off, the Q1'25 to \$17.60/bbl. Heating oil spreads ticked lower at the front of the curve, as the HOGOs rallied, the Q1'25 to 10.4 c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$82.70/bbl with MOC better bid. The front crack traded at \$7.20/bbl this morning up to \$7.35/bbl post-window as the east turned bid before softening back to trade at \$7.20/bbl. Spreads were initially weak in the morning with Feb/Mar trading at lows of \$0.17/bbl into the window where buying came in for the spread to trade up to \$0.24/bbl just after the window. E/W was balanced and traded at -\$1.8/bbl in the front throughout the morning but saw better sell-side interest whereas Q3'25 found buying at -\$6/bbl. Feb EBOB cracks traded at \$9.10/bbl through the window but came off post-window to trade down to \$8.85/bbl, there was also refiner selling in Q2'25 cracks from \$14.60/bbl to \$14.50/bbl. Spreads were still weak this morning with Feb/Mar trading at -\$6.50/mt and summer spreads softening with Apr/Sep getting sold to \$44.25/mt from \$44.75/mt. The front arb had real buy-side interest this morning trading from 3.7c/gal to 3.95c/gal post-window while RBBRs traded rangebound around \$10.07/bbl during the window before coming off post-window to trade around \$9.85/bbl.

NAPHTHA

This morning in naphtha, we saw Feb MOPJ flat price valued at \$653.50/mt at the end of the window on a -\$2.00/bbl crack equivalent as moc was well offered. Feb MOPJ cracks initially saw buying at -\$1.90/bbl before going offered in the window trading down to -\$2.05/bbl with Q2'25 cracks bid at -\$2.65/bbl. Feb/Mar weakened from \$5.50/mt to \$5.25/mt on weaker front cracks as Mar/Apr traded at \$5.75/mt. Feb EW saw buying at \$18.25/mt as NWE traded up to -\$3.95/bbl on weaker crude before softening to -\$4.20/bbl as crude rallied with Q2'25 cracks seeing trade selling from -\$4.65/bbl to -\$4.80/bbl. Feb/Mar NWE came off from \$5.25/mt to \$5/mt where more selling was seen as Mar/Apr was offered at \$5.75/mt.

NGLS

This morning in NGLs, FEI was weaker with spreads slightly strengthening in the front of the curve and slightly weaker in the back. In prompt, Feb/Mar traded up to \$13.50/mt whilst in deferred May/Jun traded down to \$8/mt. In the physical window, a mixture of bids and offers were made with a bid improved for 1H Feb at Feb'25 FEI plus \$5/mt and an offer improved for 2H Feb at Feb'25 FEI plus \$9/mt. Arbs were quiet and implied higher owing to FEI weakness with Feb implied at -\$166/mt. E/W gained strength owing to Europe weakness with Feb trading up to \$56/mt; we also saw pronaps weakening significantly with Feb trading at -\$74/mt. FEI/CP was weaker in prompt and deferred owing to FEI weakness with Feb and Mar both trading down to -\$12/mt; in deferred, we saw Q2'25 trade down to \$12/mt.



GLOBAL MACRO

Strains emerging in financial markets, watch these 2 stories develop:

- Long end yields heading higher, financial tightening: US Treasury 30-year yields climb to highest level since November 2023. Japan sees highest 30-year JGB yield since early 2010s.
- Another currency crisis brewing with Asian Currency Index falling to lowest level in 2 decades.

In other macro news:

- China adds to state gold reserves for second straight month (Bloomberg); the PBoC bought around 10 metric tonnes of gold in December.
- USDCNY 7.33 and trending higher...
- More problems for Germany (and the ECB). German headline inflation for December was 2.9%, up from 2.4% in November and above the consensus forecast of 2.6%. Such uncooperative inflation readings are a bigger problem for Europe than the US, given the weaker growth dynamics.
- US - "In FY 2024 total government spending was \$6.75 trillion and total revenue was \$4.92 trillion, resulting in a deficit of \$1.83 trillion".
- US - more than 1.6 million unemployed workers have been job hunting for at least six months a number that has ballooned by more than 50% in the past two years (WSJ)
- On a positive note. US ISM New Orders (Leading Indicator) continues to expand. Conflicting narratives!
- South Korea population collapse. There are now more 84 years old in South Korea than 1 year olds. This will be a growing story for the next 5-10 years.

Data today:

- US ISM services PMI, JOLTS job openings.

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