



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Mar'25 Brent futures contract gapped up on market open this week from \$79.70/bbl to around \$81.20/bbl where prices remained supported overnight. This morning, crude prices initially strengthened to \$81.60/bbl at 0845 GMT, but since saw some weakness, trading at \$81.00/bbl at 1050 GMT (time of writing). In the news today, following the latest round of US sanctions against Russia, Kremlin spokesman Dmitry Peskov stated that Russia will "configure the work of our companies in order to minimise" the consequences of these sanctions, with Russia's oil and gas revenues having jumped 26% y/y in 2024 to \$108 billion. In addition, Peskov acknowledged the potential for "certain destabilisation of international energy markets" as a result of these measures. In other news, an anonymous senior Indian government official said the country expects to receive Russian oil for the next two months with US-sanctioned tankers permitted to discharge crude until March, as per Reuters. Finally, crude oil imports into China saw a decline last year for the first time in nearly two decades excluding the pandemic, falling to 11.04mb/d (-1.9%) in 2024, according to data from the General Administration of Customs. Tepid economic growth and peaking fuel demand were among the factors for this decline, as per Reuters. At the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$1.20/bbl and \$5.19/bbl, respectively.

CRUDE

This morning in Dated Brent, spreads opened around 25c higher than Friday close with the Feb DFL lifted at \$1.25/bbl and the March DFL up to \$092/bbl. There was continued bidding in DFLs with the Feb DFL trading up to highs of \$1.35/bbl, the Bal-Jan DFL trading in size at \$1.60/bbl and the March DFL up to \$1.00/bbl. The Q2'25 and Q3'25 DFLs were also bid aggressively with the Q2'25 trading up to \$0.83/bbl and the Q3'25 to \$0.57/bbl. In structures, we saw trade bidding of the 3-7 Feb 1 week roll up to \$0.55/bbl and the 27-31 Jan CFD traded up to \$1.22/bbl. We also saw the 10-14 Feb Cal Feb roll lifted up to \$0.17/bbl.

This morning, we saw a large gap down in Brent/Dubai over the weekend. Feb Brent/Dubai gapped down from -\$0.18/bbl on Friday, to open at -\$0.40/bbl, and traded the session fairly rangebound between -\$0.70/bbl and -\$0.54/bbl. Flows in Brent/Dubai were mixed and we saw some backend Brent/Dubai selling, with Q2'25, Q3'25 and Q4'25 trading between \$0.07/bbl and \$0.10/bbl, \$0.30/bbl and \$0.31/bbl, and \$0.47/bbl, respectively, with a trade house and fund on the offer. Dubai spreads were actively traded, with Feb/Apr, Mar/Jun and Jun/Dec being some of the most traded contracts. After gapping up in the morning, they weakened slightly from their highs to trade between \$2.47/bbl to \$2.41/bbl, \$2.90/bbl to \$2.82/bbl, and \$3.40/bbl and \$3.36/bbl, respectively. During the morning session, boxes strengthened after opening at their lows, with the Feb/Mar, Mar/Apr and Apr/May trading between -\$0.33/bbl to -\$0.30/bbl, -\$0.23/bbl and -\$0.14/bbl to -\$0.15/bbl, respectively.

FUEL

In HSFO this morning, we continued to see buying interest in deferred 380 spreads in to Q3'25. We then saw mixed interest in front structure in the window, with Feb/Mar offered aggressively from \$5.25/mt down to \$4.50/mt, and further to the lows of \$3.75/mt as the morning progressed. As a result, the front 380 crack also experienced a slightly volatile morning, trading up to -\$4.55/bbl before closing the morning at -\$4.85/bbl. The 380 crack also came under pressure from barge crack weakness. The Feb barge crack was initially stronger this morning, however, it came off as the morning progressed selling down to -\$7.75/bbl. The crack sell-off forced barge spreads down, with the Feb barge spread trading down to \$0.75/mt from \$1.25/mt. 380 E/W was initially stronger off the back of 380 strength, trading up to \$19.50/mt before closing the morning at \$19.00/mt as 380 crack came off.

In VLSFO, it was a mixed start to the week on Sing 0.5. The front Sing crack was under a bit of pressure to start due to Q3'25 and Q4'25 Sing crack being offered and trading down, with the Feb Sing crack trading down to \$10.50/bbl from \$10.65/bbl as a result. Post-window, outright buying entered the market at the front on the crack, supported by 0.5 E/W buying, with Feb Sing crack trading up to \$11.00/bbl as the morning progressed. The Sing 0.5 crack rally supported structure, with Feb/Mar Sing trading up to \$6.75/mt from \$6.25/mt. The Sing 0.5 strength didn't spill over onto Euro 0.5, with the front Euro crack trading between \$4.15/bbl and \$4.20/bbl. It was a similar story on Euro structure, with Feb/Mar Euro trading at \$6.75/mt throughout the morning.

DISTILLATES

This morning in distillates, the Feb/Mar Sing gasoil spreads was initially lifted to \$1.25/bbl on screen before getting sold back down to lows of \$1.08/bbl and then trading back up to \$1.15/bbl at the end of the window as the Mar/Jun was bid up to \$2.85/bbl. The Feb E/W opened lower and was sold down to -\$31.00/mt before trading back up to -\$26.00/mt as ICE gasoil came off post-window. The prompt regrade similarly opened lower at -\$2.50/bbl before rallying to -\$1.95/bbl as the kero spreads were well bid, the Feb/Jun trading at \$2.78/bbl.

ICE gasoil spreads rallied into the window before coming back off, the Feb/Mar to highs of \$9.00/mt, now trading at \$7.00/mt as the cracks saw similar price action, the Q2'25 rallying to highs of \$20.25/bbl before coming back off to \$19.70/bbl. The European jet diffs came off in the prompt on stronger ICE gasoil, the Feb to \$36.00/mt, as the Q4'25 ticked up to \$51.50/mt. Heating oil spreads similarly opened much stronger as the HOGOs were rangebound, the Q1'25 trading at 11.8 c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$86.72/bbl with MOC bid. The front crack traded at \$6.75/bbl towards the end of the window and the Mar crack had buy-side interest in the window up to \$7.50/bbl. Spreads were stronger this morning, due to stronger Brent spreads, with Feb/Mar trading at highs of \$0.35/bbl into the window and softening to trade at \$0.33/bbl post-window. Mar/Oct had sell-side interest this morning, sold from \$5.55/bbl to lows of \$5.40/bbl in the window. E/W firmed this morning with Feb trading at -\$1.15/bbl and up to -\$1/bbl post-window from lows of -\$1.30/bbl pre-window, deferred E/W was still offered with Q3'25 selling from -\$6.60/bbl to -\$6.40/bbl after the window. EBOB cracks traded at \$7.90/bbl end of window, off from morning highs of \$8.05/bbl as RBBRs weakened and deferred cracks had selling at these levels with Q4'25 valued at \$6.60/bbl post-window. Spreads were also implied higher on stronger Brent and we saw Mar/Apr trade up to -\$35.75/mt. Arbs were higher this morning trading up to 4.2c/gal post-window and Q2'25 arbs had sell-side interest at 12.8c/gal. Mar RBBRs opened weaker this morning at \$8.30/bbl and rallied to highs of \$8.50/bbl into the window before weakening again down to lows of \$8.10/bbl.

NAPHTHA

This morning in naphtha, we saw Feb MOPJ flat price valued at \$678/mt at the end of the window on a -\$3.75/bbl crack equivalent as moc was offered in Feb. Feb MOPJ cracks saw buying interest trading from -\$3.80/bbl to -\$3.55/bbl before coming off in the window to -\$3.75/bbl on stronger crude and then strengthening back to -\$3.45/bbl as crude sold off. Feb/Mar MOPJ saw selling at \$7/mt with Q2/Q3'25 E/W box offered at \$0.50/mt and Q3/Q4 MOPJ at \$16/mt. Feb E/W traded from \$23.75/mt to \$25.75/mt as Q2'25 E/W saw buying up to \$21.50/mt from \$20/mt with Feb NWE cracks initially softening to -\$6.65/bbl before trading to -\$6.30/bbl as crude came off. Feb/Mar NWE saw selling at \$4/mt and Mar/Apr was offered at \$6.75/mt.

NGLS

This morning in NGLs, FEI was slightly higher on a crude percentage basis then weakened post-window with structure weakening in the front and back of the curve. In prompt, we saw Feb/Mar and Mar/Apr both trade down to \$15/mt; whilst in deferred, we saw May/Jun and Aug/Dec trade at \$8.5/mt and -\$10.5/mt, respectively. FEI/MOPJs weakened with Chinese buying Feb which traded at \$53/mt. The physical window was purely well bid with bids being made for 2H Feb at Feb FEI plus \$7/mt and 2H Feb at (14-31st) Jan FEI flat. Arbs were quiet but implied higher with Feb implied at -\$166.50/mt. FEI/CP was weaker with Feb and Q2'25 trading down to -\$8/mt and \$10/mt, respectively, owing to CP being better bid. CP structure saw strength with Feb/Mar and Mar/Apr trading up to \$10/mt and \$24.50/mt, respectively, in prompt; in deferred, we saw Apr/Jul trade up to \$58/mt. E/W was quiet with Feb implied lower at \$54/mt.



GLOBAL MACRO

- An interesting week ahead for the bond market, with inflation data in US and both inflation & retail sales in UK.
- Dollar index hit a high of 109.98, susceptible to a pull back as its massively overbought on the technicals.
- Strong US payrolls - For first time since January 2024, both full- and part-time employment increased in December...
- Despite strong payrolls changes in employment growth in construction & manufacturing continues to decline. Monetary policy has cooled these sectors dramatically.
- Outside of the financial crisis, new single family homes for sale in the US hit the highest levels in 50 years. Monetary policy again is working. Housing will be a big story for 2025 as mortgage applications continue to decline.
- ECB's Lane: Need To Ensure Interest Rates Follow A Middle Path - We Don't Want Rates To Remain Too High For Too Long - Inflation Pressure To Continue To Ease This Year.

Data this week:

- Tuesday – US PPI, NFIB small business optimism
- Wednesday – US CPI, UK CPI, PPI
- Thursday – US retail sales, UK monthly GDP, Industrial production
- Friday – US industrial production, UK retail sales, China house prices, GDP



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