



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The Mar'25 Brent futures flat price had a volatile morning on Wednesday. It rose to highs of \$80.46/bbl at 07:46 GMT before falling to lows of \$79.63/bbl at 09:30 GMT and climbing again to \$80.33/bbl by 10:18 GMT. Brent has been testing the \$80/bbl level since Tuesday, and the intra-day low marks the lowest level reached this week. In the news, the U.S. sanctions on over 150 "shadow fleet" oil tankers have disrupted the seaborne oil trade, halting deliveries of 16 million barrels of crude and refined products from Russia, Iran, and Venezuela, while driving up tanker freight rates and creating uncertainty in global oil logistics. With China and India likely to pivot to alternative suppliers in response, the sanctions have tightened the tanker market, pushing VLCC rates up by 63% since early January. Trump's proposed 25% tariffs on Canadian oil are pressuring Canadian crude prices and energy stocks, with analysts warning of further downside risks for producers reliant on US exports. Shell and CNOOC's joint venture plans to invest \$8.35 billion to expand its Guangdong petrochemical complex by 2028, adding a third ethylene cracker and facilities for specialty chemicals to serve China's domestic market. California withdrew its EPA waiver request to mandate zero-emission trucks, anticipating rejection from the incoming Trump administration, a move that impacts other states adopting similar standards and reflects ongoing tensions over emissions regulations. Tengizchevroil has completed maintenance at Kazakhstan's Tengiz field, with full production resuming by January 18. Finally, the front (Mar/Apr) and 6-month (Mar/Sep) Brent futures spreads are at \$1.05/bbl and \$4.46/bbl respectively.

## CRUDE

This morning in Brent/Dubai, after opening slightly lower we steadily moved back up, with Feb B/D trading from the lows of -\$0.89/bbl to finish the morning at -\$0.77/bbl. The main flow we saw was Dubai spreads coming off with decreased tradehouse buy-side interest and decent outright selling, with the most active tenors being Feb/Mar, Feb/Apr and Jun/Dec, which traded down from \$1.51/bbl to \$1.40/bbl, \$2.68/bbl to \$2.56/bbl and \$2.93/bbl to \$2.91/bbl. Bal Jan/Feb Dubai spreads also traded between \$2.03/bbl to \$2.05/bbl with a Major on the bid. There was little activity in the boxes with Feb/Mar, Mar/Apr and Jun/Jul trading between -\$0.49/bbl to -\$0.50/bbl, -\$0.36/bbl and -\$0.37/bbl and -\$0.10/bbl respectively.

## FUEL

In HSFO, 380 structure opened weaker this morning relative to overnight levels, with Feb/Mar 380 trading down to \$3.75/mt. Heading into the window structure turned better bid down the curve with the front spread trading up to \$4.50/bbl, we also saw buying on the Q3 380 crack. Combined with what has been mentioned, 380 cracks were also supported by barge crack buying although liquidity remained low, with the front 380 crack trading at -\$5.50/bbl. A similarly strong morning on barges, the barge crack enjoyed outright buying this morning, with Feb trading up to -\$8.30/bbl from -\$8.70/bbl. This supported barge spreads, with Feb/Mar barges trading up to -\$0.50/mt from -\$1.00/mt. 380 E/W was initially a bit weaker due to outright strength on barge cracks, with the front trading down to \$19.00/mt from \$19.50/mt, however outright buying came into the market combined with buying on the 380 crack resulting in the front 380 E/W closing the morning off where it started it, as \$20.00/mt.

In VLSFO, front Sing 0.5 crack opened a touch weaker, selling down to \$10.30/bbl from \$10.40/bbl. As a result, front structure was better offered as Mar/Apr saw selling down to \$5.50/mt from \$5.75/mt (yesterday's close). Heading into the window, front spreads turned better bid, with Feb/Mar buying up to \$6.50/mt from \$5.50/mt, as a result, the front Sing crack strengthened from \$10.35/bbl to \$10.50/bbl. This supported the front Sing crack, and together with the outright buying in front spreads post window, Feb Sing crack traded up to \$10.70/bbl. Front Euro crack also rallied to \$3.80/bbl following the strength in the Sing crack, and prompt structure Feb/Mar was trading at \$6.25/mt with little liquidity.



## DISTILLATES

This morning in distillates, the deferred Sing gasoil spreads were better bid in May/June and Aug/Sept, trading at \$0.73 and highs of \$0.38 before coming back off to \$0.34/bbl as ICE gasoil came off into the window. The Feb EW was initially sold down to -\$25.00 before rallying back to -\$23.75 as there was physical selling of the deferred EW, the 3Q at -\$19.50/mt. The prompt regrade was hit down on screen to -\$1.85/bbl as there the kero spreads were better offered, the Feb25/Mar25 and Sep25/Mar26 down to \$0.66 and \$1.50/bbl respectively.

ICE gasoil spreads were rangebound for the morning, the Feb/June trading up to \$32.50 before coming back off post window to \$30.25/mt as the cracks rallied the 1Q25 to \$20.75/bbl. The European jet diffs rallied down the curve, the Feb to \$37.00 and the 2Q to \$51.50/mt. Heating oil spreads rallied, as did the HOGOs, the 1Q25 to 14c/gal.

## GASOLINE

This morning in gasoline we saw 92 MOC valued at \$86.15/bbl with MOC offered. Cracks were better offered this morning with the front trading at \$7.05/bbl during the window while there was also selling in Q2'25 and Q3'25 cracks post window at \$8.1/bbl and \$7.35/bbl respectively. Spreads were offered but supported by the back end selling, with FebMar trading at \$0.25/bbl during the window and AprMay selling from \$0.64/bbl to 0.61/bbl. EW was balanced this morning trading around -\$1.35/bbl in the front and post window there was selling interest in Q3'25 at -\$6.45/bbl. In EBOB, the front crack traded at \$8.45/bbl end window and there was selling interest from banks in the Feb-Sep crack strip at \$13.3/bbl. Spreads were Brent sensitive this morning with Feb/Mar weakening to -\$7.25/mt and MarApr trading at -\$36/mt post window from -\$35.75/mt. Arbs had sellside interest in Apr this morning at 13.1c/gal and RBBRs opened higher this morning trading up to \$10.27/bbl pre-window where it came off in the window to trade at lows of \$10.05/bbl.

## NAPHTHA

This morning in naphtha we saw Feb MOPJ flat price valued at \$675.75/mt at the end of the window on a -\$3.15/bbl crack equivalent as MOC was better bid. Feb MOPJ cracks saw selling at -\$3.05/bbl post-window as Mar cracks were bid at -\$2.90/bbl early morning before selling came in at -\$2.80/bbl. Feb/Mar MOPJ traded from \$6.50/mt to \$6.25/mt as Mar/June saw major buying at \$20.50/mt. Feb EW saw selling at higher levels trading from \$24/mt to \$23/mt as Feb NWE cracks strengthened from -\$5.85/bbl to -\$5.40/bbl before seeing selling down to -\$5.60/bbl as crude rallied; spreads were bid as Feb/Mar traded up to \$4.75/mt from \$4.50/mt with Mar/Apr valued at \$6.75/mt.

## NGLS

Earlier this morning in NGLs, FEI strengthened on a crude basis alongside spreads stronger as LST rallied late in the evening yesterday on expectations of the "Siberian Express" weather this weekend in the US. Feb/Apr FEI traded up to \$32.5/mt, Apr/May at \$13/m, and Jun/Dec at -\$5.5/mt. However, into the window FEI lost some of its intraday strength with Feb flat price trading at \$633/mt end of window while spreads were slightly weaker, with Feb/Apr trading at \$31/mt and offered on. The phys window saw Asian cargoes for 2H Feb bid at Jan FEI flat and offered at Feb FEI +\$10/mt. FEI/CP traded higher earlier in the morning at -\$2/mt with FEI strength while CP was stickier around \$635/mt levels, but slightly weaker post-window trading down to -\$2.5/mt in Feb. Q2 FEI/CP traded up to \$12/mt earlier, while Apr-Dec FEI/CP was bid at \$27/mt post-window. Arbs were quiet in the morning, with only 1kt trading at 1am at -\$172.5/mt but implied higher. EW also quiet, implied around \$60/mt in Feb. In FEI/MOPJs, Q4 25s traded up from -\$36/mt to -\$34.5/mt but were offered on and later traded at -\$35/mt.



## GLOBAL MACRO

- Better than expected UK CPI data (lower).
- UK DEC. CONSUMER PRICES RISE 0.3% M/M; EST. +0.4% - BBG
- UK DEC. CONSUMER PRICES RISE 2.5% Y/Y; EST. +2.6%
- UK DEC. CORE CPI RISES 3.2% Y/Y; EST. +3.4%
- The odds of a 25 bps rate cut for the 6 February decision are now at 82% (from 62% yesterday).
- Real yields on 30-year treasury bonds are now at 2008 levels. Bond markets are worried about much more than just inflation.
- Mortgage demand is collapsing: US mortgage applications for single-family homes fell 3.7% last week, marking their 4th consecutive weekly decline. As a result, the mortgage demand index has fallen to the lowest since February 2024 and its 3rd lowest level in nearly 30 years. The index has now fallen a -63% over the last 4 years.
- The dollar fell yesterday on PPI data. We have CPI today, but soon Trump will talk down the dollar, as per 2017.
- Japanese yields surging higher with BOJ meeting next week.
- YIELD ON 2-YEAR JGB RISES TO 0.7%, HIGHEST SINCE OCT 2008. YIELD ON 5-YEAR JGB RISES 2 BPS TO 0.89%, HIGHEST SINCE APRIL 2009. YIELD ON 10-YEAR JGB RISES 1.5 BP TO 1.255%, HIGHEST SINCE APRIL 2011. U.S. CPI at 1.30pm today.

Data today:

- US CPI



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