



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Mar'25 Brent futures contract has seen gradual weakness this morning, declining from just under \$81.90/bbl at 0520 GMT down to \$81.65/bbl at 1055 GMT (time of writing). In the news today, Yemen-based Houthis have signalled a pause in their months-long attacks on commercial ships following the Gaza ceasefire deal, as per Bloomberg. Houthi leader Abdulmalik Al-Houthi stated that the group would follow the stages of implementing agreement, but also that they are ready to provide military support to Palestinians in the event of "any Israeli breach, massacre, or siege". In other news, Indian Oil Corp has bought 7 mb of spot Middle Eastern and African crude to replace sanctioned Russian crude, including a rare 2mb purchase of Abu Dhabi's Murban crude sold by Totsa, according to Reuters. Other purchases included Nigeria's Agbami and Akpo crude and Gabon's Rabi Light. Meanwhile, OPEC's share in India's crude oil imports in 2024 increased to nearly 51.5% from 49.6% in 2023, rising for the first time in nine years, as per Reuters. Finally, China's GDP expanded by 5.4% y/y in Q4'24, surpassing market forecasts of a 5.0% rise and accelerating from 4.6% growth in Q3'24. At the time of writing, the Mar/Apr'25 and Mar/Sep'25 Brent futures spreads stand at \$1.37/bbl and \$5.69/bbl, respectively.

CRUDE

It was a quiet morning in Dated, with spreads initially rallying and the Feb DFL lifted up to \$1.56/bbl. Bids came in for the 3-7 Feb 3w roll up to \$1.25/bbl by a trade house and the 20-24 Jan outright CFD traded at \$1.30/bbl. Spreads then came off with Feb DFL trading down to \$1.50/bbl and the 27-31 Jan 1w fly traded down to -\$0.05/bbl. We also saw the 27-31 Jan 1w roll trade at \$0.41/bbl, down from \$0.58/bbl yesterday. There was sell-side interest in the 20-24 3w roll and in 17-21 Feb Cal March.

FUEL

In HSFO, front 380 structure was well bid at open, as we saw Feb/Mar trading from \$7/mt to \$7.75/mt. Mar/Apr to May/Jun also saw buy-side interest this morning, and this supported the front 380 crack at -\$3.95/bbl. Heading into the window, we saw some outright buying interest in Feb 380 E/W from \$23.50/mt to \$24/mt, as a result, Feb/Mar barges weakened to \$0.75/mt. As the morning progressed, we continued to see bids in deferred E/W in Q2'25 up to \$11.75/mt, this together with the outright buying in front E/W further supported it as it traded up to \$25.25/mt post-window. Front 380 crack was also supported at -\$3.80/bbl as 380 continued to gain strength relative to barges, and front barge cracks was slightly stronger following the 380 crack, trading from -\$7.90/bbl to -\$7.75/bbl.

In VLSFO, the front Sing 0.5 crack opened stronger at \$11.15/bbl from \$10.90/bbl (yesterday's close), and traded up to \$11.35/bbl pre-window, which supported the front Sing spreads. Heading into the window, front Sing crack softened to \$11.15/bbl back to where it opened. Front Sing structure saw buy-side interest, with Feb/Mar bid from \$8/mt to \$8.25/mt, however, we saw mixed interest at \$8.25/mt shortly after, while Mar/Apr was bid at \$7.50/mt the whole morning. As the morning progressed, we saw some deferred 0.5 E/W selling interests in Q2'25 and Q3'25, and front euro structure was better bid with Feb/Mar at \$9.75/mt and Mar/Apr at \$7.75/mt. As a result, front Euro crack was stronger, as we saw outright buying up to \$4.70/bbl post-window. Sing crack was slightly better bid trading up to \$11.35/bbl following the strength in front Euro cracks.



DISTILLATES

This morning in distillates, the front Sing gasoil spreads continued to be bid up, the Feb/Mar and Mar/Apr to \$1.37/bbl and \$1.20/bbl while the May/Jun was hit down on screen to \$0.83/bbl. The prompt E/W rallied on weaker IPE, getting lifted to -\$21.00/mt post window as the Q3'25 saw buying up to -\$16.50/mt. The Feb regrade was sold down to lows of -\$2.20/bbl as the Feb/Mar kero rallied into \$0.99/bbl.

ICE gasoil spreads for the morning before coming off into the window, the Feb/Jun to \$39.00/mt as the cracks were rangebound, the Q1'25 trading at \$21.00/mt. NWE jet diffs continued to see strength down the curve, the Feb rallying to \$41.50/mt as the Q3'25 ticked up to \$43.25/mt. Heating oil spreads were rangebound, as were the HOGOs, the Q1'25 trading at 16c/gal.

GASOLINE

This morning in gasoline, we saw 92 MOC valued at \$85.75/bbl with MOC mixed. Cracks were better bid in the front with buying in Feb around \$5.6/bbl during the window. Feb/Mar traded up to \$0.1/bbl going into the window but sold down to lows of \$0.03/bbl towards the end of the window before trading around \$0.05/bbl post-window. E/W saw better buying this morning as eastern cracks were bid at lows of -\$2/bbl at the end of window with the Q2'25 E/W better bid at -\$7.2/bbl by majors. EBOB cracks were bid in the front this morning but offered in deferred by refiners and banks with the front trading at \$7.5/bbl post-window as RBBRs came off. In deferred, there was selling in Q4'25 cracks down to \$6.6/bbl and summer cracks were also well offered with Q2'25 and Q3'25 trading at lows of \$14.7/bbl and \$13.3/bb, respectively. Arbs saw little interest in the front but in Q2'25 there was buying up to 15.5c/gal as Q2'25 ebob cracks were well offered. RBBRs weakened into US close last night and opened around \$8.85/bbl, they initially came off post-window down to \$8.65/bbl before they turned better bid to trade up to \$9/bbl.

NAPHTHA

This morning in naphtha, we saw Feb MOPJ flat price valued at \$676.75/mt at the end of the window on a -\$4.15/bbl crack equivalent. Feb MOPJ cracks saw buying at -\$4.20/bbl and Q2'25 cracks were offered at -\$3.40/bbl as spreads saw little price action; Feb/Mar was bid at \$6.25/mt with Mar/May trading at \$13.75/mt. E/W was bid with Feb trading to \$21/mt from \$20.25/mt and Q2'25 seeing small selling at \$19.50/mt as NWE cracks opened offered trading down to -\$6.50/bbl from -\$6.35/bbl before buying came in at those levels with Q2'25 softening from -\$5.50/bbl to -\$5.60/bbl. Feb/Mar NWE was offered from \$5/mt to \$4.75/mt and Mar/Apr valued at \$7/mt.

NGLS

This morning in NGLs, FEI weakened on a crude percentage basis with spreads weakening significantly in prompt and also in deferred. In prompt, we saw Feb/Mar trade down from \$14.5/mt down to \$12/mt and Mar/Apr down from \$16/mt to \$14/mt, respectively; whilst in deferred, we saw Jun/Jul trade down to \$3.5/mt. In the physical window, a trade occurred for 2H Feb at Bal-Jan FEI plus flat and an offer made and improved for 2H Feb at Feb FEI plus \$5.5/mt. Arbs gained strength on FEI weakness and crude with Feb and May trading up to -\$137/mt and -\$165/mt, respectively. FEI/CP saw weakness with Feb trading down from -\$2/mt to -\$5/mt and Mar down to -\$10/mt; E/W also saw weakness with Feb trading down to \$54/mt. CP structure saw weakness in both prompt and deferred. In prompt, we saw Feb/Mar and Mar/Apr trade down to \$5/mt and \$21.5/mt, respectively; while in deferred we saw May/Jun trade down to \$23/mt.



GLOBAL MACRO

- US retail sales data comes in weak, fuelling the selloff in US yields. US December retail sales 0.4% versus 0.6% estimate. The OIS market now prices first FED cut by July, with 39bp cuts priced this year (was 23 on Tuesday!).
- New Treasury Secretary Scott Bessent : "China is the most imbalanced economy in the history of the world. They are in a severe recession/ depression. They may have -4% disinflation." and "we do not have a revenue problem in America, we have a spending problem." and "The federal government has a significant spending problem, driving deficits that have averaged a historically high 7% of GDP during the past four years. We must work to get our fiscal house in order and adjust federal domestic discretionary spending that has grown by an astonishing 40% over the past four years".
- A curve ball to this week's weak US data. Philly Fed posts one of its highest readings in history 44.3 (est 33.8, last -10.9). It's hard to ignore the correlation with PMI manufacturing (Chart 1). There's a lot of high expectation in the new Trump administration!
- China's economy grew exactly 5.4% in 2024 (est. 5%). Factory output and retail sales above expectations, fixed-asset investment below estimates, population shrank for a third year in 2024. Jobless rate climbs to 5.1% (from 5.0%).
- China new and existing home prices fall -6% and -8% y/y.
- Leading Chinese Vanke bonds to collapse, trading 52.3 (par 100), a large residential real estate developer, forcing Shenzhen government to intervene...
- Demographic concerns continue to grow for China...China's Population Shrinks for Third Year Even With More Babies Born – Bloomberg.

Data today:

- US building permits.
- Industrial production.



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