



OVERNIGHT & SINGAPORE WINDOW

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FLAT PRICE

The Apr'25 Brent futures contract was supported above the \$75/bbl handle this morning, climbing to \$75.85/bbl at 09:40 GMT, where it initially met resistance, before ultimately climbing to \$75.95/bbl at 10:40 GMT (time of writing). It will be interesting to monitor whether the contract closes above the 10-day moving average of \$75.25/bbl, a significant resistance level for the contract towards the end of January and into February. A senior Russian official reported on Monday that Ukrainian drones had attacked the Kropotkinskaya station, a CPC pumping station in the southern Krasnodar region in Russia, impacting Kazakhstan's oil exports. In other news, Indonesia is studying the potential implementation of a biodiesel blend that contains 50% palm oil in 2026 and is seeking a 3% blend for jet fuel next year. In macroeconomic news, a survey by the German Association for Cities showed that 37% of major German cities could not balance their budgets and 47% relied on reserves, with only 2% of all German cities optimistic about their finances for the next half-decade. Finally, at the time of writing, the Apr/May'25 and Apr/Oct'25 Brent futures spreads stand at \$0.40/bbl and \$2.58/bbl, respectively.

CRUDE

This morning in Dated, we saw more strength in prompt march rolls with bids coming in for the 3-7 Mar vs Cal March and 3-7 Mar 2-week roll, which traded to \$0.32/bbl. There was sell-side interest in the 24-28 Feb 1 week and 24-28 Feb vs April ICE, which traded at \$0.56/bbl. Spreads started to roof and the March DFL traded up to \$0.48/bbl and March/April DFL up to \$0.09/bbl. There was also more sell-side interest in back-end March rolls with the Cal March vs 20-26 March roll bid up to \$0.16/bbl.

This morning Brent/Dubai moved lower, trading down from -\$0.30/bbl to -\$0.42/bbl. Despite this backend, Brent/Dubai was well supported, with fund and trade house buying in Q2 and Q3, trading -\$0.05/bbl and \$0.25/bbl to \$0.26/bbl, respectively. The Dubai spreads moved up, with the Mar/Apr and Apr/May trading up from \$0.54/bbl to \$0.60/bbl and \$0.55/bbl to \$0.59/bbl. In the spreads, there was also buying further down the curve, with Sep/Dec trading \$1.05/bbl to \$1.06/bbl. The boxes were quiet again, with only Mar/Jun and Apr/May trading for smalls at -\$0.5/bbl and -\$0.16/bbl. There was also Apr EFS Buying, which traded at -\$0.47/bbl.

FUEL

In VLSFO, the front Sing crack was weaker at open, trading at \$11.30/bbl compared to \$11.45/bbl (yesterday's close). We then saw some bids in front structure, with Mar/Apr trading up to \$4.50/mt and Apr/May trading at \$4.50/mt. As a result, this supported the front Sing crack up to \$11.45/bbl. Post window, interests in front spreads turned a touch better offered, therefore, Mar/Apr softened to \$4.25/mt. 0.5 E/W in the front also saw some sell-side interest. As a result, the front crack traded down to \$11.30/bbl. In Euro 0.5%, the front crack was stronger this morning, trading from \$5.40/bbl to \$5.55/bbl. We saw some interest in backend Euro cracks in Q3 and Q4 2025, which further supported the front. Euro 0.5% structure saw little interest, with Mar/Apr trading at \$6.50/mt.

In HSFO, 380 structure in the front was better offered at open, with Mar/Apr trading from \$15.25/mt to \$15.00/mt. This put pressure on the front 380 crack, trading at -\$0.80/bbl. Post window, the front 380 crack recovered and stabilised at -\$0.60/bbl handles. Front barge crack was trading rangebound with no clear interests between -\$4.30/bbl to -\$4.20/bbl. However, both front cracks became better offered as the morning progressed, and the front 3.5% barge structure saw weakness, with Mar/Apr trading from \$3.75/mt to \$3.50/mt. As a result, 380 E/W was a touch stronger, with buying at \$23.50/mt in Mar due to the relative weakness of barges against 380.

DISTILLATES

This morning in Distillates, the Sing gasoil spreads remained rangebound, with Mar/Apr and Apr/May trading at \$0.60/bbl and \$0.70/bbl, respectively as the E/W was sold down in Mar and Q2'25, on ICE gasoil rallying, to -\$26.00/mt and -\$16.25/mt, respectively. The prompt regrade continued to tick higher to -\$0.62/bbl as the Mar/Apr kero spreads came off to \$1.05/bbl. There was buy side interest in the Q1 and Q2 26 regrade at -\$0.15/bbl and -\$0.30/bbl which was sold into and offered on.

ICE gasoil spreads rallied for the morning, the Mar/Jun to \$32.00/mt as the front cracks rallied, the Mar to \$20.40/bbl. Heating oil spreads similarly rallied post-window, while the HOGOs remained rangebound, the Q3'25 trading at 11c/gal.

GASOLINE

This morning in Gasoline, we saw Mar Sing 92 flat price valued at \$85.70/bbl at the end of the window, equivalent to \$10.60/bbl on a crack basis, as MOC was better bid. Mar 92 cracks traded up to \$10.60/bbl before coming off post-window to \$10.40/bbl as Q2 and Q3 cracks saw selling at \$9.70/bbl and \$7.95/bbl respectively. Mar/Apr 92 was bid from \$0.65/bbl to \$0.69/bbl as Apr/May saw selling from \$0.90/bbl to \$0.85/bbl and Jun/Sep saw buyers step up to \$3.06/bbl. Mar EW softened from -\$1.20/bbl to -\$1.30/bbl on strong refiner selling, and Q2 was offered from -\$5.70/bbl to -\$5.80/bbl. Mar EBOB cracks were initially supported at \$11.80/bbl levels before weakening to \$11.65/bbl, with Q2 and Q3 cracks seeing buying at \$15.50/bbl and \$13.60/bbl, respectively. Mar/Apr weakened to -\$29/mt from -\$28.75/mt as front cracks came off as Apr/Sep saw buying at \$43.50/mt. TA arbs saw little trading activity, with Q3 seeing selling at 10.20c/gal, with Apr RBBRs weakening post-window from \$22.50/bbl to \$22.35/bbl.

NAPHTHA

This morning in Naphtha, we saw MOPJ MOC valued at \$664/mt, with MOC a slightly better bid but mostly choice. MOPJ structure was better offered this morning; we saw bank selling on the front crack, with it trading down from -\$0.20/bbl to -\$0.60/bbl end window, as well as strong physical flat price selling at the end of the window. Spreads came off their recent highs with Mar/Apr trading down to \$9.25/mt end window from \$10/mt in the morning with real selling from majors in the morning as well as Apr/May trading at lows of \$7.75/mt post window. Naphtha E/W was better offered in the front on MOPJ FP selling trading at \$16.25/mt end window and also sell side interest in the summer E/W but no trades while Cal'26 traded at \$14.50/mt post window with the real interest on the buy side. In NWE, cracks were more supported in the morning, trading at -\$2.45/bbl and were rangebound post window, while in Q4, there was selling at -\$4.80/bbl. Spreads were better supported in Naphtha, with Mar/Apr valued at \$11/mt through the morning.

NGLS

This morning in NGLs, C3 FEI was better bid with spreads balanced in both prompt and deferred. In prompt, we saw Mar/Apr and Apr/May trade rangebound between \$12.50-\$13/mt and \$11/mt-\$12/mt, respectively, whilst in deferred, we saw May/Jun and Jun/July trade at \$7.50/mt and \$3/mt, respectively. In the physical window, we saw a market being made for 1H Apr FEI at Apr FEI plus \$12/mt at \$20/mt and a bid for 2H Mar at Mar FEI plus \$11.5/mt. For CP, we saw AG cargoes offered again, with C3 and C4 offered at \$585/mt and \$570/mt, respectively. Arbs were slightly weaker, with Mar Eastern arb trading down to -\$150/mt and Euro arb trading down to -\$90/mt, respectively. FEI/CP was initially strong, with Mar trading up to \$4/mt, then came off towards the end of the window, with Mar and May trading down to \$2/mt and \$4/mt, respectively; in deferred, we saw Q3 trade unchanged at \$27/mt. Prompt CP structure saw weakness with Mar/Apr trading down to \$7/mt, whilst other spreads were balanced with Apr/May and May/June trading at \$16.5/mt and \$17/mt, respectively. C3 E/W was rangebound, with Mar trading between \$62/mt and \$63/mt.



GLOBAL MACRO

- US & Russia begin talks in Saudi Arabia aimed at ending Ukraine war.
- Trump on Twitter after the NY close - *On Trade, I have decided, for purposes of Fairness, that I will charge a RECIPROCAL Tariff, meaning whatever Countries charge the United States of America, we will charge them - No more, no less!*
- Chinese bond yields are finally rising. The 10-year is 10bp off the lows. The market is starting to price a pickup in the economy, which is significant.
- Japanese yields continue tearing higher, 20yr +6bp. Yen strength, the chart attached shows USDJPY should be trading much lower on interest rate differentials.
- Fed's Waller Favors Pausing Rate Cuts Until Inflation Bump Fades – Bloomberg
- Fed's Harker Favors Holding Rates, Says Policy Still Restrictive – Bloomberg
- RBA Australian central bank cut 25bp, it's first cut since 2020. The OIS market expects another cut at the next meeting.
- U.S. equity fund Manager cash allocations at a 15-year low! This market positioning is very extreme (yet, in fairness, it's still trending higher!).
- U.S. 2-tier economy. While equities sit right-on all-time highs, the US car market BUBBLE is popping: US auto loans serious (90+ days) delinquency rates hit 3.0% in Q4 2024, the highest in 14 years - the Financial Crisis recovery period.
* * Serious delinquencies now surpassed the 2001 recession and the 2020 Crisis levels.
- UK unemployment unchanged at 4.4% (est 4.5%)
- **Data today** – only German ZEW economic sentiment
- German bankruptcies are surging. The number of corporate bankruptcies in the third-largest economy jumped to ~2,000, the highest in 10 YEARS. Bankruptcies doubled in less than three years.
- All while the unemployment rate rose to the highest since the 2020 Crisis Peak.



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