



# OVERNIGHT & SINGAPORE WINDOW

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## FLAT PRICE

The May'25 Brent futures contract moved around \$69.75/bbl overnight and softened slightly to \$69.45/bbl at 10:47 GMT (time of writing). Asian stocks and currencies rose Thursday as China boosted fiscal stimulus and hopes grew for tariff rollbacks after the US granted a one-month exemption to some automakers. The MSCI EM currency index gained 0.5%, while Asian equities climbed 2.2%. Mysteel reported that Shandong-based refiners face declining operating rates (70% in 2021 to 43% in early 2025) due to rising feedstock costs, higher tariffs, and regulatory restrictions. As independent refiners weaken, state-owned refiners maintain stability with utilization rates above 75% in 2025. Harbour Energy reported a \$93m loss, compared to a \$45m profit last year, causing the North Sea-focused producer's shares to drop over 11% in early trading. Oil demand in JODI-reporting countries fell in December by 706 kb/d m/m and 258 kb/d y/y. The monthly decline was mainly driven by lower demand in the US, Saudi Arabia, Germany, and India. At the time of writing, the May/June'25 and May/Nov'25 Brent futures spreads stand at \$0.44/bbl and \$1.99/bbl, respectively.

## CRUDE

This morning in Dated, we saw spreads strengthen with DFLs staying rangebound and the Apr/May DFL trading around \$0.09/bbl. In structures, saw major sell-side interest in 10-14 March cal April at \$1.13/bbl down to \$1.10/bbl and trade buying of the 31-4 March cal April roll to \$0.28/bbl. More sell-side interest out of 17-21 March, with the 3w trading down to \$0.60/bbl and the 1w offered down to \$0.24/bbl. We also saw the 10-14 March 1w roll offered down to \$0.38/bbl.

This morning, we moved lower in Brent/Dubai, with Apr Brent/Dubai opening at -\$0.52/bbl and selling down to -\$0.67/bbl before stabilising and trading rangebound. Trade houses were selling Brent/Dubai focused in Apr, May and June. We also saw trade house buying of the Dubai spreads, with Apr/May and May/Jun trading up from \$0.60/bbl and \$0.53/bbl to highs of \$0.65/bbl to \$0.60/bbl and finishing the morning close to the highs. It was less active in the boxes today, with the Apr/Jun, May/Jun and Jun/Jul trading -\$0.52/bbl, -\$0.24/bbl and -\$0.16/bbl, respectively. Some May EFS buy-side interest also traded at \$0.41/bbl.

## FUEL

In HSFO, Front 380 crack saw buying from -\$2.85/bbl to -\$2.55/bbl in the window, and we also saw outright buying in 380 structure both prompt and deferred with Apr/May trading from \$6.25/mt to \$7/mt. As a result, the front 380 E/W was stronger, trading up to \$12/mt. As the morning progressed, we saw offers in the backend 380 crack in Q3. Therefore, this put pressure on the front crack, trading down to -\$3.10/bbl. 380 E/W also turned offered as a result, trading at \$10.75/mt. In barges, the front crack also followed the move in 380 cracks and was initially stronger, then softened to -\$4.75/bbl. Front barge structure was trading from \$5/mt to \$4.75/mt.

In VLSFO, the front Sing crack initially saw better buying, but was sold off into the window shortly after from \$8.25/bbl to \$7.70/bbl. As a result, front Sing structure was better offered, with Apr/May trading from \$1.75/mt to \$1.25/mt. As the morning progressed, there is some buy-side interests in backend cracks in Q3, which therefore supported the front crack at \$7.80/bbl. In Europe, the front crack was implied lower following the weakness in Sing crack at \$3.30/bbl. However, we also saw some buying in Q2 Q3 Euro cracks by banks, which slightly supported the front crack. Euro structure saw little interests, with some sell-side interests in Apr/May implied at \$4.75/mt.



## DISTILLATES

This morning in distillates, the front Sing gasoil spreads were better bid, particularly the Balmo/Apr which was lifted in the window to \$0.75/bbl as the prompt E/W remained rangebound trading between -\$16.50/mt and -\$16.25/mt. Combo buying interest continued in Q1'26, the E/W lifted to -\$12.00/mt and the regrade at -\$0.13/bbl.

ICE gasoil spreads rallied into the window, the Mar/Jun to \$27.00/mt, as did the cracks, the Mar to \$19.10/mt. European jet diffs continued to see strength, the Q2 trading up to \$50.00/mt as there was buy-side hedging flow seen out in Q1'27 at \$53.50/mt. Heating oil spreads similarly rallied for the morning, as did the HOGOs, the Q2 to 9.4 c/gal.

## GASOLINE

This morning in gasoline, 92 flat price traded end of the window at \$76.80/bbl with MOC balanced. Cracks traded at \$7.90/bbl going into the window but softened in the front to trade at \$7.65/bbl, spreads were balanced with Apr/May trading at \$0.30/bbl and May/Jun at \$0.47/bbl. E/W was pretty balanced, trading at -\$4.55/bbl in the morning, and in Europe, there was crack selling in the front, trading down from \$12.45/bbl to \$12.15/bbl. Spreads continued to come off this morning with Apr/May trading down to -\$1.25/mt and May/Jun at \$2/mt. Arbs were bid with the front firming from 19.95c/gal in the window to 20.4c/gal pos window while there was selling in q4 at 8.9c/gal. RBBRs were rangebound through the morning, having rebounded slightly into the close last night, with May RBBRs trading around \$20.30/bbl this morning.

## NAPHTHA

In naphtha this morning we saw MOPJ flat price trade end window at \$610/mt with MOC better bid this morning but there was also better flat price selling end window. The front spread had buying up to \$8/mt going into the window but cooled off to trade at \$7.50/mt post window and E/W in the front was valued and trading at \$19/mt through the morning and post window saw selling on Q2 E/W at \$19/mt. the front NWE crack initially traded at -\$2.60/bbl this morning but saw it slowly come off post-window to trade down to -\$2.75/bbl while spreads also softened a touch with Apr/May trading at \$7.50/mt post-window off from \$8/mt.

## NGLS

This morning in NGLs, pre-window FEI was better bid by DCE and this continued during the window with prompt structure slightly weaker with deferred balanced. In prompt, we saw Apr/May and Q2/Q3 trading down to \$12/mt and \$17/mt, respectively; whilst in deferred, we saw Feb/Mar'26 trading slightly lower at \$17/mt. The physical window saw new interest in 2H Apr with a bid being made for it at Apr FEI plus \$12.50/mt and continued interest on 1H Apr at Apr FEI plus \$16/mt towards the end of the window. Arbs weakened in general with Apr trading down to -\$160/mt before trading at -\$158/mt towards the end of the window; in deferred, we saw Sep trading down to -\$148.50/mt. FEI/CP gained strength in both the front and the back owing to FEI being better bid with Apr and 2H trading up to -\$5/mt and \$14/mt respectively.



## GLOBAL MACRO

\*A great market lesson yesterday on crowded consensus trades..... For months, the market (and us!) has been banging the weak German economy drum and buying bunds trade (German govt bonds). Well, yesterday, on the back of the fiscal expansion news, German bonds had their worst day since 1990, with 10y yields up a massive 30bps.

This caused German Bunds BIGGEST VAR SHOCK EVER! Don't forget bond markets are three times larger than equity markets. We'll hear of hedge fund casualties in the weeks ahead. And suddenly economists are revising up Euro area growth forecasts for 2025 & 2026.

EURUSD rally yesterday was largest since Nov 2023 (and the 3-day rally largest since August 2015. German fiscal stimulus with weaker US data. A seismic shift in markets in a matter of weeks.

Amid yesterday's shock about fiscal expansion in Germany, the extremely weak 77k Feb rise in US ADP almost went unnoticed. Today's lead WSJ article is titled "The Recession Trade Is Back on Wall Street". As 10y spreads compress the strong dollar era is over.

Massive curve steepening across markets.

We have seen unprecedented de-risking from Hedge Funds during this S&P500 pullback. Over the last 2 weeks, Hedge Funds have sold global equities at the fastest pace ever recorded.



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