FLUX INSIGHTS

OVERNIGHT & SINGAPORE WINDOW

Market Highlighs from the Singapore Window

05 AUG 2025

FLAT PRICE

The Oct'25 Brent Futures contract initially rallied to $68.79/bbl at 08:23 BST before falling to $68.02/bbl at 11:00 BST (time of writing). In the news, Saudi Aramco reported a 22% drop in Q2 profit to $22.7 Bn amid falling crude prices and rising debt, prompting cost cuts and potential asset sales to raise capital. Aramco's realized crude price averaged $66.7/bbl, down from $85.70/bbl a year ago, putting pressure on Saudi finances, which require oil above $90.00/bbl to balance the 2025 budget. The kingdom is now expected to run a budget deficit of around 5% of GDP, more than double prior forecasts. In other news, Russia's seaborne diesel and gasoil exports declined 5% in July to 3.26 mmt due to refinery maintenance and higher domestic demand, LSEG data shows. Shipments via Primorsk fell 11.3% from June to 1.26 mt. Turkey and Brazil remained top buyers, though exports to Turkey dropped 14% to 1.25 mt and to Brazil fell 29% to 0.37 mt. Deliveries to African nations, including Morocco, Senegal, Ghana, and Libya, decreased by about 25% to 0.69 mt. Over 400 kt of diesel are also undergoing ship-to-ship transfers near Cyprus, with final destinations yet unconfirmed. Saudi Arabian oil drilling firm ADES International Holding has agreed to acquire Oslo-listed Shelf Drilling for 3.9 Bn Norwegian crowns ($379 million) in cash. The deal values Shelf Drilling at 14 crowns per share and has been recommended by Shelf's board. The combined company will operate 83 offshore jack-up drilling rigs, strengthening ADES's position in shallow-water offshore drilling. Finally, the front-month Oct/Nov spread is at $0.66/bbl and the 6-month Oct/Apr spread is at $1.86/bbl.

FUEL OIL

This morning in VLSFO front Sing crack was initially stronger, as we saw bids up to $10.60/bbl pre window. However, we then saw selling in front structure heading into the window, with Sep/Oct trading from $4.25/mt down to $4/mt. This put some pressure on the front crack. Post window, we saw aggressive selling in front Sing crack, therefore the front traded down to the lows of $9.80/bbl. As a result, structure down the curve was weaker, with Sep/Oct offered down to $3.75/mt. In Euro, front crack was also weaker, trading from $5.60/bbl to $5.15/bbl. Front euro structure therefore weakened, with Sep/Oct implied at $5.75/mt.

In HSFO, front 380 structure saw good buying pre window, with Sep/Oct bid to $5.50/mt. Front 380 crack also saw some buying initially, which supported the front at -$2.70/bbl. However, the strength in front structure did not sustain for long as we then saw sellside interests, with Sep/Oct trading down to $4.25/mt. Front 380 crack also trailed down as a result, selling down to -$3.15/bbl. The weaker front 380 crack therefore put pressure on the front E/W, as we saw it trade from $2.50/mt to $0.5/mt. In barges, front crack traded rangebound between -$3.30/bbl to -$3.15/bbl this morning. Structure down the curve was relatively stable, with Sep/Oct trading at $8.50/mt.

DISTILLATES

A quiet morning in distillates, there was continued selling in Sep/Oct Sing gasoil which traded down to $0.90/bbl post-window as the E/W opened lower and traded down to -$29.75/mt on offered 10ppm MOC before rallying back to -$28.75/mt as IPE weakened post-window. The prompt regrade was better bid off the back of Kero MOC selling, trading up to -$1.48/bbl as Kero spreads were better bid in Oct/Nov and Nov/Dec, trading at $0.61/bbl and $0.62/bbl.

ICE gasoil spreads weakened post-window, Aug/Dec sold down to $27.75/mt as the Aug crack similarly traded down to $22.00/bbl. European jet diffs rallied in the prompt, Oct trading up to $42.00/mt as the Q1'26 traded at $49.25/mt. Heating oil spreads similarly sold off post-window as the HOGOs remained rangebound, Sep trading at 14.8 c/gal.

GASOLINE

This morning in Gasoline, 92 flatprice traded end window at $76.53/bbl with MOC bid. The East structure opened strong with spreads trading up throughout the morning with Sep/Oct at $1.20 bbl, Sep/Dec trading at $3.35/bbl and Dec/Jun at $0.78/bbl end window. Cracks rallied in the morning bid up from $8.35/bbl to $8.55/bbl in Sep while E/W stayed balanced throughout the morning trading –$5.30/bbl in Sep. Europe was similarly strong in the morning with cracks strengthening trading up from $13.65/bbl to $13.80/bbl post window with buying in deffered cracks with Q3'26 at $10.50/bbl and Q4'26 at $4.85/bbl. spreads were balanced with Oct/Nov trading $22/mt in window with Sep/Dec at $73.25/mt while Arbs stayed balanced throughout the morning trading at 0.85 c/gal in Sep with RBBRs trading up $13.45/bbl post window.

NAPHTHA

This morning in naphtha, MOPJ flatprice traded end window at $560.75/mt with MOC better bid. MOPJ cracks were stronger in the front, trading up from -$2.90/bbl to -$2.70/bbl, with majors bidding Q1 cracks at -$3.25/bbl. Spreads saw mixed int with the front spread softening slightly from $3.75/mt to $3.5/mt and Oct/Dec falling from $7/mt to $6.75/mt. E/W was stable at $24/mt in Sep as NEW cracks saw buyside int, strengthening from -$5.60/bbl to -$5.4/bbl, with Q4 trading at -$5.25/bbl. Spreads started the morning stronger but momentum wasn't sustained and Sep/Oct ultimately softened slightly from 2.5/mt to 2.25/mt.

NGLS

This morning in NGLs, FEI strengthened on a crude basis with FEI spreads strengthening as Sep/Oct FEI traded up from -$10/mt to -$9.5/mt, Oct/Dec traded at -$9/mt, and Sep/Decs at -$18.5/mt. The physical window remained better offered, with 1H Sep offered down to Sep FEI -$18.5/mt, but the paper window saw better FEI buying with Sep bid up to $526/mt and hit, and trading at $526/mt post-window despite weaker crude. FEI/CP weakened slightly over the morning despite FEI strength as FEI/CP saw sellside interest and Sep CP flatprice went better bid, trading up from $520 to $522/mt in the window, with Sep/Oct CP getting lifted at -$15/mt and bid on. Q4 LST/CP also saw buyside, putting pressure on Q4 CP which traded at $544/mt. Arbs weakened with FEI strength, with Sep LST/FEI trading at -$164/mt and left -$165/-$164.5/mt post-window. EW strengthened with going into the window with Sep lifted at $73.5/mt and trading up to $74/mt. FEI/MOPJs were lifted post-window as FEI remained bid on lower crude with Sep trading at -$51/mt and Q4 at -$29/mt.

GLOBAL MACRO

- rench industry roared back in June, with production up 3.8% after May's 0.7% dip, smashing expectations for a 0.8% rise. It's the strongest monthly jump since July 2020, powered by a 3.5% manufacturing surge: transport equipment soared 16.6%, while coke and refined petroleum products leapt 21.2%. Broader sectors like energy, mining, and waste management also gained, leaving output 2% y/y, though the Q2 average still printed -0.1%.
- US factory signals remain choppy. June 2025 manufactured goods orders fell 4.8%, snapping back from May's 8.3% surge – the steepest drop since April 2020. Volatile transportation equipment plunged 22.4%, led by a 51.8% drop in civilian aircraft after May's eye-popping 231.6% spike; ship and boat orders slid 20%. Stripping out transport, orders rose 0.4%, the fastest since November 2024.
- Fed speak is turning more dovish. San Francisco Fed President Mary Daly said the time is "nearing" for rate cuts as the labour market softens and tariff-driven inflation fails to materialise. She flagged the potential for more than two cuts this year: "I was willing to wait another cycle, but I can't wait forever." Markets are listening – OIS now prices 60 bps of easing by year-end.
- Treasuries extended their post-payrolls rally a touch as traders bet on a faster Fed easing cycle, though supply looms with $125bn in 3-, 10-, and 30-year issuance this week, capping downside in yields (10 year yield at 4.20%).
- In Japan, the 10-year JGB auction disappointed: pricing at 100.21, cover ratio 3.0592x (from 3.5070x), tail 0.14 (from 0.03). June BoJ minutes show some policymakers would hike again if trade tensions calm; OIS now prices 27 bps of hikes in 12 months.
- In energy, Diamondback Energy warned of a bearish crude glut, slashing $100mn in capex, tightening its output forecast, and deferring fracking. BP beat expectations with $2.4bn in Q2 adjusted profit (vs $1.82bn consensus), down 15% y/y, kept its $750mn buyback, and hiked its dividend 4% to 8.32c. Shares opened +2.3% in London. (Figure 2) Saudi Aramco reported Q2 net income of $24.5bn, down 15% but above the $23.7bn street view.
- The OECD warns that weak business investment is a drag on global growth. Median net investment has slid to 1.6% of GDP from 2.5% pre-2008, with the pandemic adding damage. Only Israel and Portugal have topped pre-financial-crisis trends, and just six economies – including Canada, Italy, and Australia – are above pre-Covid levels.

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