OVERNIGHT & SINGAPORE WINDOW

Market Highlights from the Singapore Window

06 JAN 2026

FLAT PRICE

Mar'26 Brent futures slumped to around $61.30/bbl at 08.28 GMT after moving around $61.60/bbl overnight. The contract then reached $62.15/bbl at 09.02 GMT and softened to $61.93/bbl at 10.10 GMT (time of writing). The Trump administration is expected to hold talks later this week with US oil executives on increasing Venezuelan oil output following the ouster of President Nicolas Maduro by US forces, according to a source familiar with the plans. Non-oil business activity across the UAE, Kuwait and Egypt expanded further in December, supported by rising new orders and steady demand, according to S&P Global. The UAE's PMI eased slightly to 54.2 but remained firmly in expansion territory, while Saudi Arabia led the region with a reading of 57.4, reflecting strong growth in orders, activity and employment. Reliance Industries said it has not received any Russian crude cargoes in nearly three weeks and does not expect any deliveries in January, dismissing media reports claiming shipments were headed to its Jamnagar refinery. The company reiterated that it stopped processing Russian crude at its export-oriented SEZ refinery in November 2025 to comply with EU sanctions, while noting that other oil firms also use Sikka port. India's Russian oil imports are set to drop sharply in January after Reliance Industries said it expects no Russian crude deliveries during the month. The move follows US pressure and could push imports below 1 mb/d, with supplies largely limited to state-run refiners and Nayara Energy. China's Hengyi Petrochemical will proceed with a long-planned expansion of its Brunei oil refinery, more than doubling capacity and increasing competition in global fuel and plastics markets. The company announced that it will launch the second phase of its Pulau Muara Besar refining and petrochemical complex, which has been operational since 2019, with construction targeted for completion by the end of 2028. Finally, the front-month (Mar/Apr'26) and 6-month (Mar/Sep'26) spreads are at $0.43/bbl and $1.06/bbl, respectively.

CRUDE

This morning in Dated, balmo Jan DFL traded up to $1.02/bbl and Feb DFL traded up to $0.51/bbl with Feb/Mar DFL trading up to $0.21/bbl. In the prompt, 7-13 Jan DFL was lifted up to $1.36/bbl with the same seller also looking for bids out of 7-13 Jan bal Jan. Bal Jan 19-23 Jan was offered at $0.15/bbl by a paper seller whilst 19-23 Jan 1w was bid at $0.30/bbl.

FUEL OIL

In VLSFO, the front Sing crack sold off during the window from $3.50/bbl to $3.35/bbl. Post window, cracks continued to be offered and sold off to the lows of $3.20.bbl. Front Sing structure was pressured as a result, with Feb/Mar trading from -$1.75/mt to -$2/mt. 0.5 E/W down the curve also saw better sellside interests with the front offered at $32.25/mt. However, front Euro crack also came off due to the weaker Sing crack traded from -$1.65/bbl to -$1.90/bbl. Front Euro structure was quiet with Feb/Mar implied at -$3.25/mt.

In HSFO, 380 cracks saw aggressive buying at open at -$6.90/bbl to -$6.80/bbl. Front E/W was therefore supported up to $16/mt. Post window, front structure saw bids with Feb/Mar trading at -$1/mt and -$0.50/mt and remained supported there for the rest of the morning. Front 380 crack however softened down to -$6.90/bbl as the morning progressed. In barges, front crack traded rangebound between -$9.40/bbl and -$9.30/bbl. Front structure saw mixed interests, but a touch better offered with Feb/Mar trading at -$3/mt.

DISTILLATES

This morning in distillates, Sing gasoil spreads rallied post-window, with Feb/Mar trading from $0.30/bbl up to being lifted at $0.35/bbl on screen last. The Feb E/W weakened early, falling from -$24.75/mt to be hit as low as -$25.50/mt, before turning better bid post-window and trading at -$25.25/mt. Regrade continued to rally, with Feb moving from $0.40/bbl up to $0.65/bbl post-window, while Feb/Mar kero also firmed from $1.02/bbl to $1.10/bbl.

Prompt ICE gasoil spreads were rangebound, trading between $5.50/mt and $6.00/mt, last at $5.50/mt, while the Mar crack also traded sideways between $21.00/bbl and $21.20/bbl. European jet diffs firmed in Feb, moving from $51.50/mt up to $52.00/mt. Heating oil spreads strengthened slightly, while HOGOs remained rangebound, with the Feb HOGO last at 14.8c/gal.

GASOLINE

This morning in gasoline, flat price traded end window at $70.70/bbl with MOC balanced. 92 cracks were balanced, trading at $9.80/bbl in the front, with Q4 valued at $5.95/bbl. Spreads were weaker in the front, with Feb/Mar coming off from $0.26/bbl to $0.21/bbl. E/W was offered, with Feb softening slightly from -$0.80/bbl to -$0.85/bbl. EBOB cracks saw better sellside interest as Feb weakened from $10.60/bbl to $10.42/bbl and the Feb/Mar spread came off from -$4.75/mt to -$5/mt.

NAPHTHA

This morning in naphtha, MOC was balanced with flat price trading $529.75/mt end window. MOPJ cracks had no clear direction but traded at -$1.49/bbl in Feb for size. MOPJ spreads were bid, trading $5.25/mt in Q2/Q3 and $1/mt in Dec/Jan. E/W was stronger today, firming from $37.25/mt to $37.75/mt. Naphtha cracks came off in Feb, trading down 15c to -$5.75/bbl. Also saw buying back end in Q2 and Q4 for a reasonable size. Naphtha spreads were buyside in Apr/Jun at $2.75/mt, trading for size.

NGLS

This morning in NGLs, FEI strengthened, with Feb flat price trading up to $520/mt into the window. FEI/MOPJ was offered, with February trading at -$17/mt and Q3 at -$35/mt. FEI spreads firmed slightly as well, with Feb/Mar trading $18.50/mt and Mar/Apr at $13/mt. The arb came off on the back of FEI strength, with February trading -$188/mt. CP was bid, with February CP trading $526/mt and Feb/Mar at $15.50/mt. FEI/CP initially came off before finding buying support with February trading at -$9/mt and May around flat. Butane was likewise supported, with February trading $515/mt and Feb C3/C4 CP at $5/mt.

GLOBAL MACRO

- Precious metals up further, continuing rebound after sharp sell off. Silver is already up 2.5% on the day trading near $79/oz and approaching its ATH of $81.80/oz again. That's 9% higher since the US captured President Maduro on Saturday! But there are concerns among metals traders about further US actions in Latin America impacting supply chain.
- Elsewhere, the market enjoyed the news regarding Venezuela. Venezuelan bonds rallied as investors aggressively repriced the once-remote prospect of regime change and debt restructuring. Defaulted sovereign and PDVSA bonds have already more than doubled to roughly 23–33 cents on the dollar, and distressed investors now see potential recovery values rising toward 50–60 cents if a credible political transition takes hold.
- In stocks, yesterday, Venezuela's Caracas Stock Exchange ended the day nearly +17% higher!
- Markets are brushing off geopolitics and leaning risk-on. US Treasuries are weaker with yields +1–2.5bp across the curve (10Y 4.17%, near top of the 4.11–4.19% range). The USD is softer with the DXY trading at 98.26 following Monday's ISM miss, while equities and commodities stay bid.
- US Manufacturing remains under pressure – ISM has been in contraction for 10 months while markets remain focused on US labour data this week (ADP Wed, NFP Fri). Trump signalled the US may reimburse oil companies investing in Venezuela, reinforcing expectations of state-backed energy intervention.
- UK food inflation ticked up again (BRC shop prices +0.7% y/y vs 0.6% prior), adding pressure to real incomes.
- And for France things are really uncomfortable as inflation came in December at just 0.8% y/y. The second-largest economy in the eurozone is now running well below target. Not good news for the ECB – the market is currently pricing a just 3bps for the November 6 meeting, but if other countries follow, bets should ramp up.
- December's rebound in China's official PMIs may be short lived according to Bloomberg Economics. High-frequency data point to continued weakness, with the activity index falling to -7.1 in late December, the second-lowest since February.
- The drag is demand-led: new-home sales plunged 41% y/y, appliance sales fell 34%, and car sales dropped 17%. Production indicators remain soft rather than improving, reinforcing the view that the PMI bounce reflects stabilisation at low levels, not a genuine economic turnaround.
- India HSBC Services PMI for December revised down hard in final estimate, from 59.1 in preliminary estimate to 58, still showing strong growth but the lowest mark since January 2025. Rupee weakens to over 90 to USD again after Indian central bank attempted to strengthen it, highest point is just over 91…
- Data today: German inflation, US Redbook

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