

15/10/2024

Prices movement (front month)	07 Oct	14 Oct	% Change (Settlement Prices)
Brent Crude	80.93	77.46	-4.29%
VLSFO (Singapore)	583.99	587.12	+0.54%

Crude Oil Market :

Crude has lost nearly all of last week's gains as Middle East tensions begin to soothe, and Chinese economic stimulation packages are assessed to be pretty lacklustre by market participants. Front month Brent crude futures are down by over 4.5% in today's session alone, after another drop late last night.

Crude is in the red because of the reduced war risk premium after news that Israel told the US that it would not target Iran's oil and nuclear infrastructure but would focus on military sites, according to the Washington Post. Prices had previously surged when there were statements and speculation alluding to an Israeli strike on Iranian oil infrastructure. Despite remaining Middle East tensions, the physical crude market is "showing little to no signs of turning around and remains in reasonably poor shape," according to Sparta Commodities cited by Bloomberg. The North Sea light sweet arbitrage to the Med looks increasingly closed and remains unworkable to the Far East.

As well as this, a weaker demand outlook has weighed on prices after disappointing fiscal announcements and trade data from China. The MOF announcements have been sparse on details, including the size of the stimulus, adding to the uncertainty of the impact of actual oil demand.

Dec24 Brent Crude Futures From 08/10/24 to Date

