

05/11/2024

Prices movement (front month)	28 Oct	04 Nov	% Change (Settlement Prices)
Brent Crude	71.42	75.08	+5.12%
VLSFO (Singapore)	551.90	566.25	+2.20%

Crude Oil Market :

Crude markets have regained strength in the back end of last week and into this week, up from recent lows of \$70.72/bbl on Oct. 29. Upward momentum comes from OPEC production delays, bad weather in the USGC and with Middle East tensions still simmering in the background, even as the market averts its gaze on the most part.

OPEC+ had planned gradually return output of 2.2mb/d for the start of Q4 this year but this plan has now been pushed back further and further to Jan25. The most recent delay of one month has been the main driver in recent price rises. That being said, OPEC output rose 190kb/d in October with much of the rise from increased Libyan output, which had previously been offline due to political unrest regarding control of the central bank.

On the short term supply front, tropical Storm Rafael is expected to intensify this week and could disrupt about 4m bbl of US Gulf of Mexico oil production. Shell and are moving non-essential staff to shore from several platforms ahead of the storm.

Limiting the upside are muted tensions in the Middle East after Israel didn't target oil or nuclear facilities in Iran with air strikes. As well as this, there is ongoing concern for global demand growth with focus still on China. In China, October trade data is coming up on Thursday and the legislature standing committee is meeting this week, which may result in further stimulus.

Jan25 Brent Crude Futures From 29 Oct24 to Date

