

05/11/2024

Prices movement (front month)	04 Nov	11 Nov	% Change (Settlement Prices)
Brent Crude	75.08	71.83	-4.33%
VLSFO (Singapore)	566.25	557.37	-1.57%

Crude Oil Market :

Front month Brent crude futures are dropping back towards recent lows as tensions in the Middle East look to loosen, Chinese stimulation packages miss the mark within the market, and uncertainty arises over Trump's plan in office. The Jan25 Brent future has fallen \$5/bbl from a high of \$76.65/bbl last week.

The headline yesterday "ISRAELI FOREIGN MINISTER SAYS 'WE ARE READY TO END WAR IN GAZA WHEN OUR OBJECTIVES ARE ACHIEVED'" acted as a catalyst for a pretty aggressive sell off, despite its vague nature. Saudi state-run Al Arabiya are reporting that according to Lebanese Hezbollah, negotiations have begun to end the war with Israel.

The latest China stimulus decision also disappointed markets as concern for the strength of China's energy demand weighs on prices. Talks so far have not been as clear and decisive as market participants would have liked, resulting in weaker demand outlook. This is not helped by lacklustre data, as the Chinese October CPI rose only 0.3% y/y down from 0.4% the previous month, while the PPI deteriorated to -2.9% y/y from -2.8%.

There is also uncertainty over the impact of the Trump administration on global supply and OPEC+ output plans for 2025 after the delayed production hike originally planned for Q4. Doubts remain whether if Trump will enforce tariffs, which are generally bad for global demand.

Jan25 Brent Crude Futures From 05 Nov24 to Date



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