



FLUX INSIGHTS COT - DEEP DIVE

DEC'25 NAPHTHA E/W

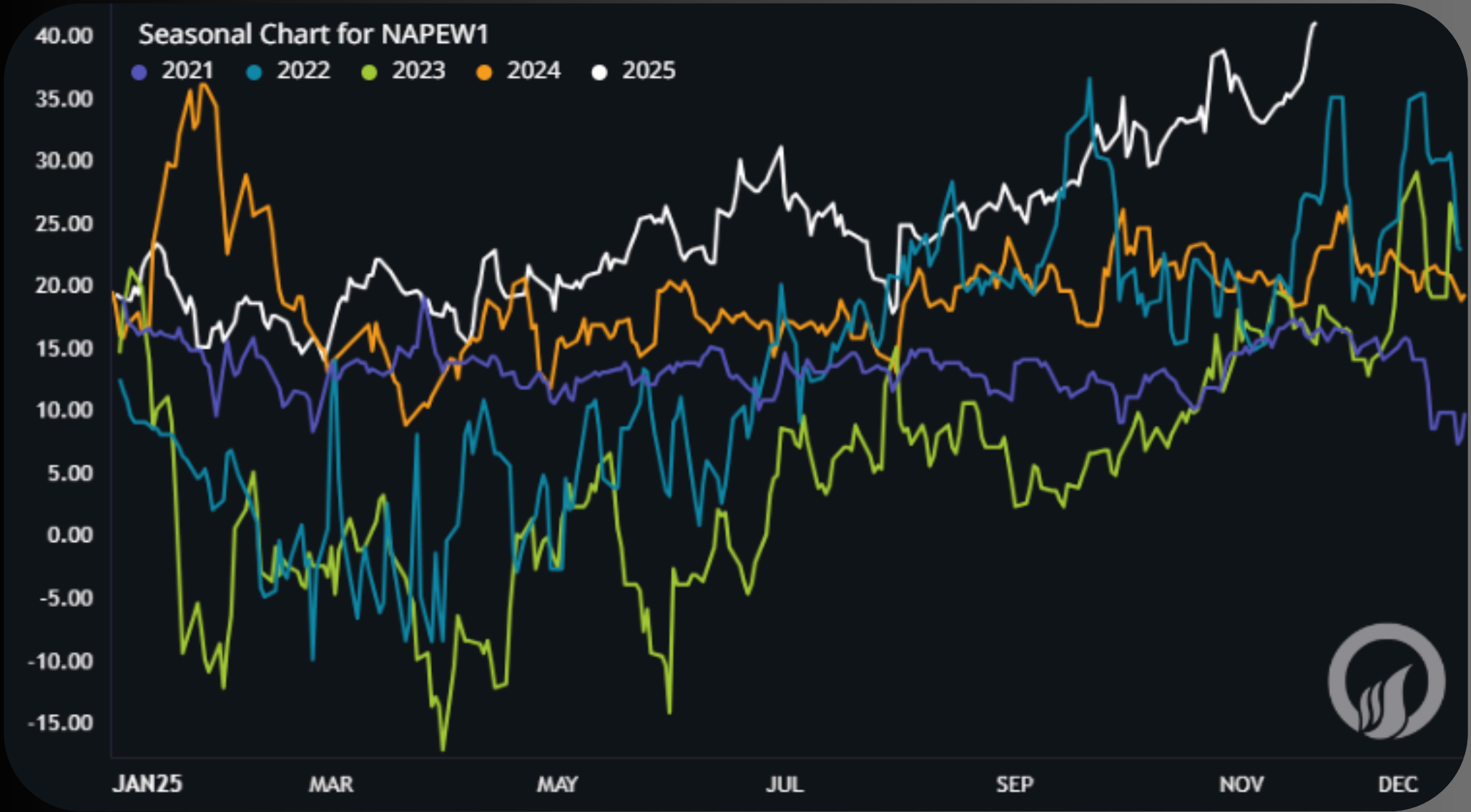
Support for Eastern naphtha strengthened the E/W amid growing market saturation.

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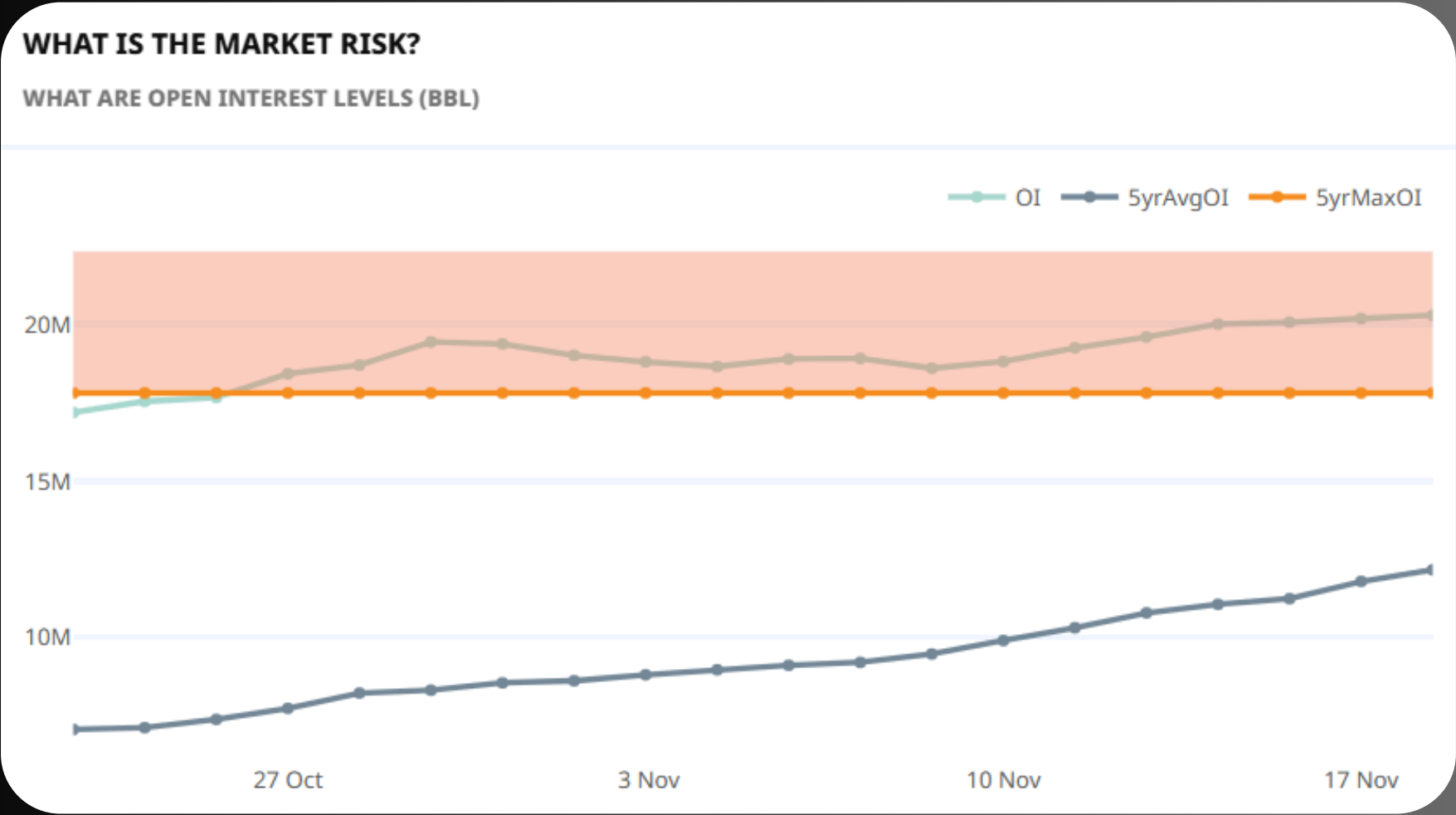
SUPPORT EMERGES FOR EASTERN NAPHTHA

- MOPJ MOC was better bid this week, with buying in Dec'25 and 1H'26 flat price on lower crude.
- Meanwhile, NWE naphtha remained weak, taking the **M1 naphtha East/West from a low of \$34.50/mt on 13 Nov to \$41/mt at the time of writing on 21 Nov.**
- This support for MOPJ may have also stemmed from **stronger Eastern LPG** this week, alongside **higher freight**, with the M1 TC5 (Middle East to Asia) sitting at \$44.10/mt on 18 Nov (mid-week high of \$44.70/mt) from below \$40/mt at the end of October.

THIS TOOK THE M1 NAPHTHA E/W TO 5-YEAR HIGHS



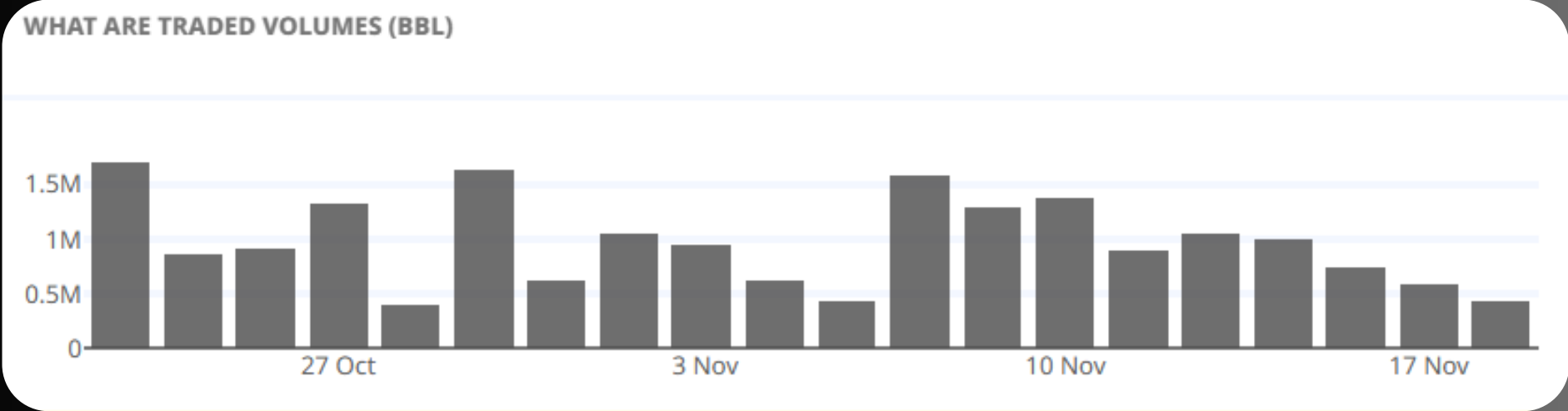
OVERSATURATION OF RISK?



OI climbed 9% above the 5-year max to 19.4mb on 30 Oct, but eased to 18.6mb on 7 Nov as prices fell, **hinting at longs exiting.**

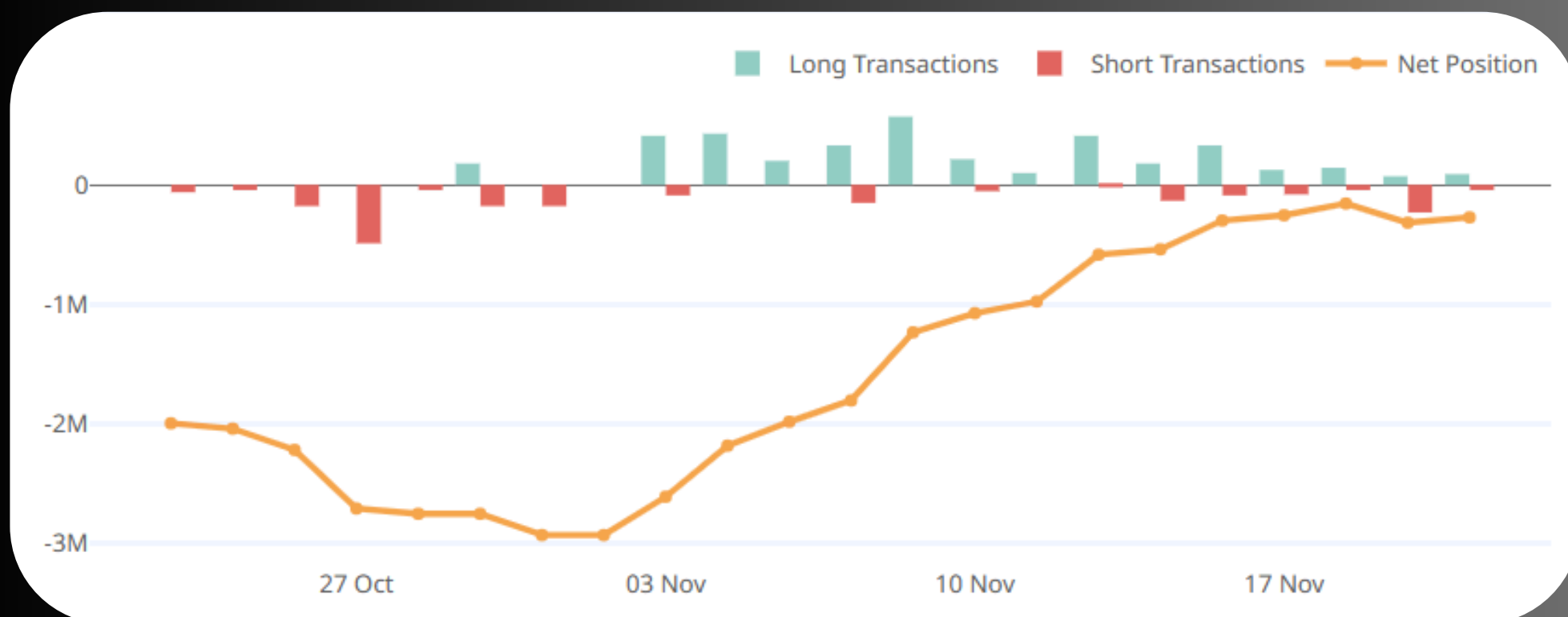
However, OI finally reverted to 20.3mb on 18 Nov, **14% above the 5-year max.**

HOWEVER, DAILY TRADED VOLUMES HAVE DECLINED



Daily traded volumes dropped to 445kb on 18 Nov versus 1.4mb on 10 Nov - **hinting at dissipating conviction at these high levels.**

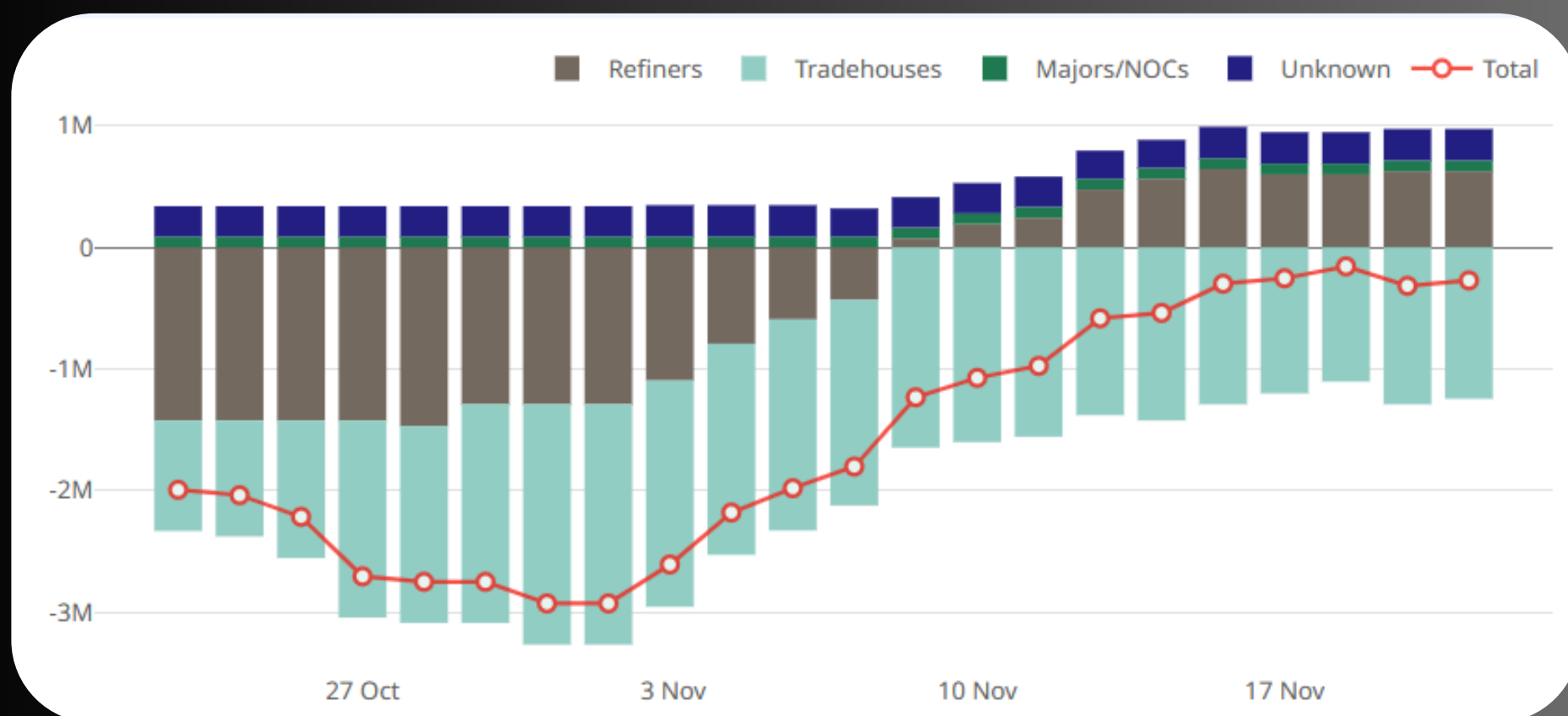
EXODUS OF SHORTS INTO NOVEMBER



The decline in open interest **matches a removal of longs** at the end of October, with net long positioning vs Onyx falling to -2.9mb on 31 Oct.

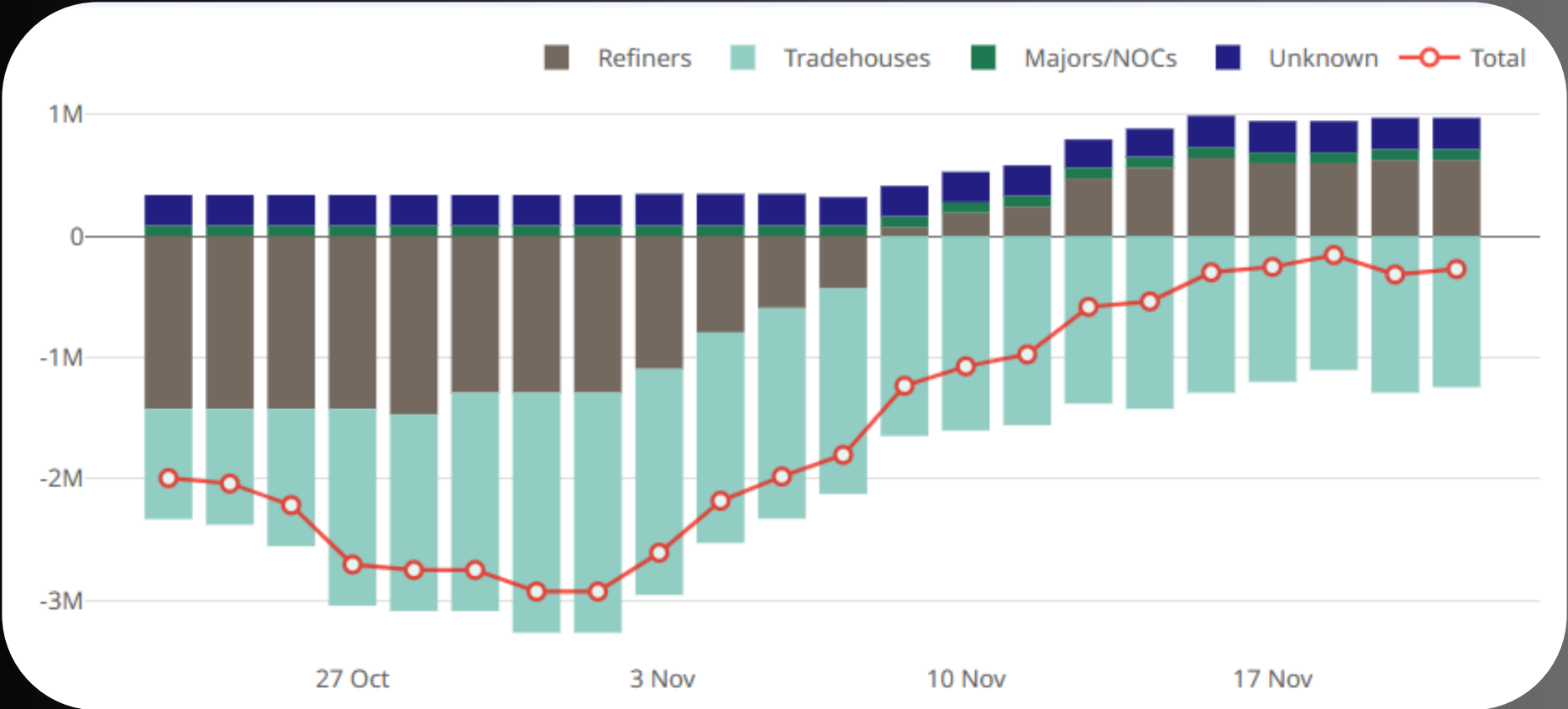
However, **net positioning rapidly rose into November**, standing at -0.16mb on 18 Nov before easing to -0.27mb on 20 Nov.

REFINERS HAVE UNWOUND SHORT HEDGES



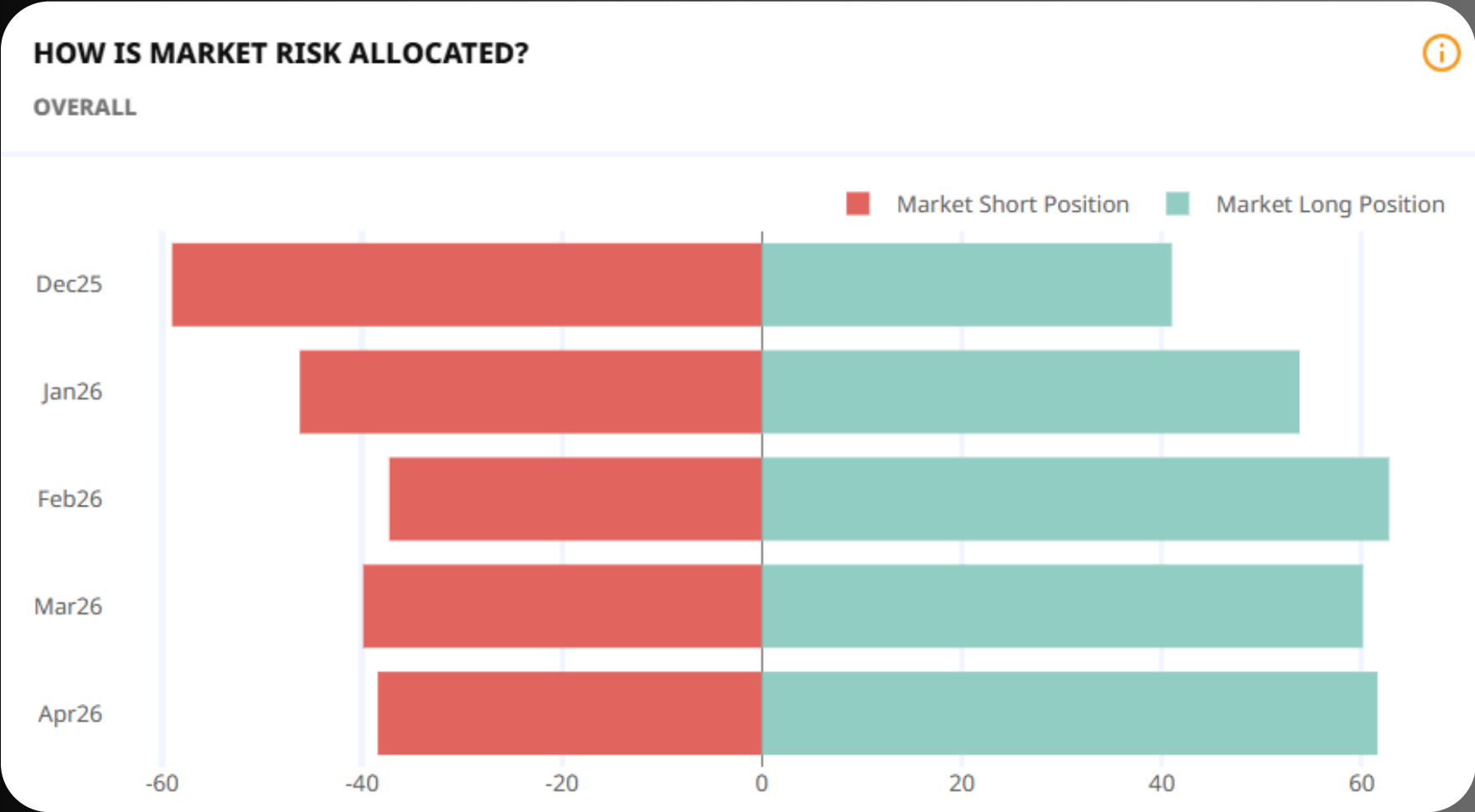
In an unusual move, **refiners rapidly unwound their short hedge positions**, taking their positions from -1.3mb on 31 Oct to +0.63mb on 20 Nov. This decline in hedging activity may have emerged due to expensive E/W freight.

TRADE HOUSES REMAIN SIGNIFICANT SELLERS VS ONYX

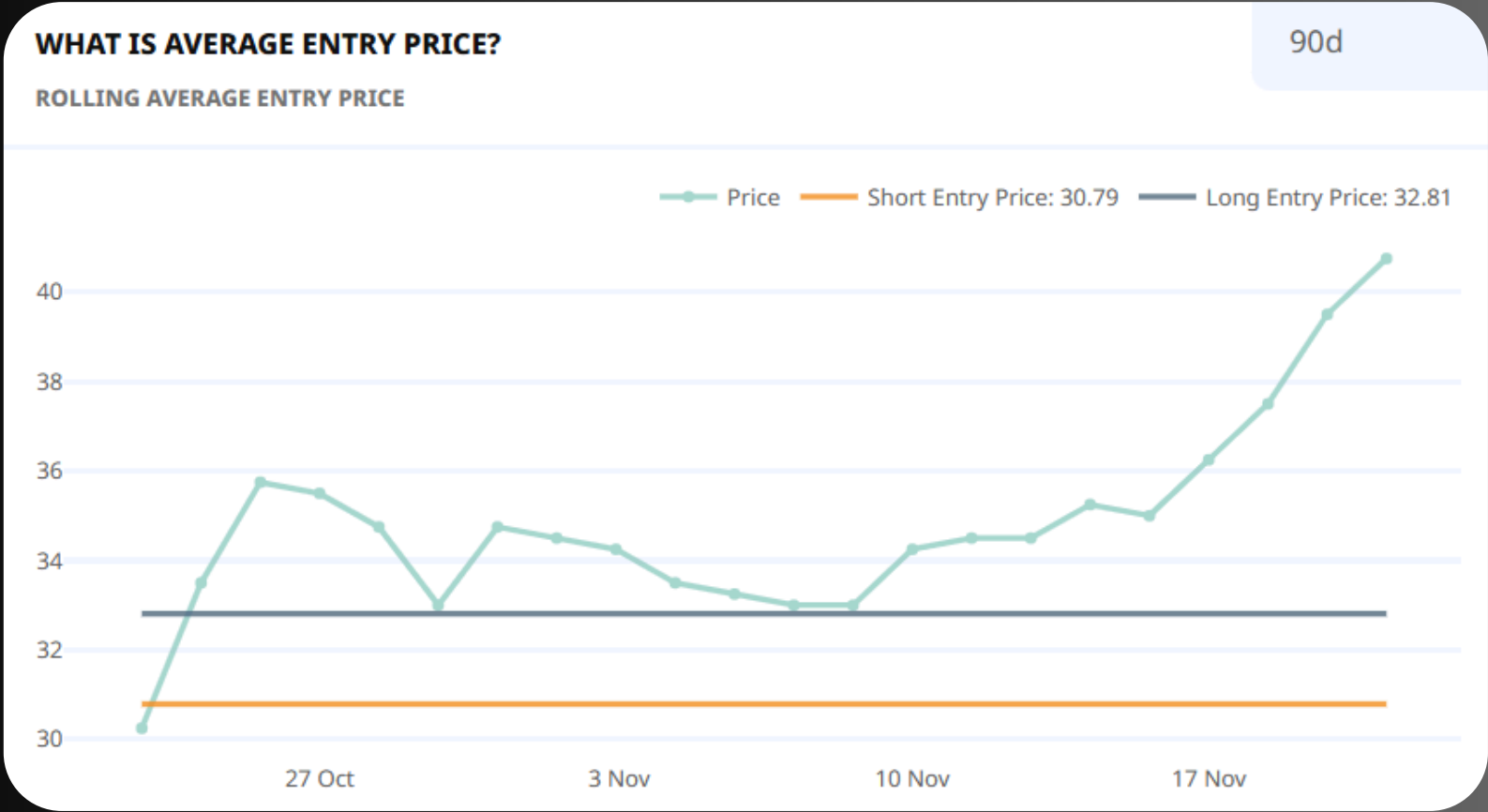


Trade houses also trimmed their shorts into November, although by a lesser degree, and still hold a net short position of 1.2mb against Onyx.

THE TRADE HOUSE SELLING HAS MAINTAINED A SHORT BIAS IN THE FRONT NAPHTHA E/W



DESPITE THE STILL-SHORT BIAS IN THE FRONT, SHORTS ARE OUT OF THE MONEY



With speculative players such as trade houses still highly net short vs Onyx, **prices remain highly vulnerable to a removal of these shorts**, especially with open interest signalling a saturation of positions in the market.

DEC'25 NAPHTHA E/W, TECHNICAL VIEW



Prices have followed an **upward trend channel** from the start of September. The upper boundary of the channel presents critical near-term resistance, with **stochastics correcting lower from the overbought territory**.

However, MACD shows bullish momentum growing, and with the uptrend and lagging line above the Ichimoku cloud, **we are in a wider bullish regime**.

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SHORT-TERM VIEW:
CAUTIOUSLY BEARISH
LONGER TERM VIEW:
BULLISH

- We **expect a near-term correction** as prices interact with resistance at the upper band of the trend channel.
- However, the lower band of the channel **should provide support**. Moreover, momentum remains positive while **fresh selling is capped by a high OI, leaving current spec shorts vulnerable to stopping out**.

**OVERALL, WE EXPECT A WIDER BULLISH
TREND IN EASTERN NAPHTHA**

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