



FLUX INSIGHTS COT - DEEP DIVE

JAN'26 0.5% SING CRACK

Buying interest has been picking up as prices crashed.

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ASIAN VLSFO HAS BEEN UNDER HUGE PRESSURE

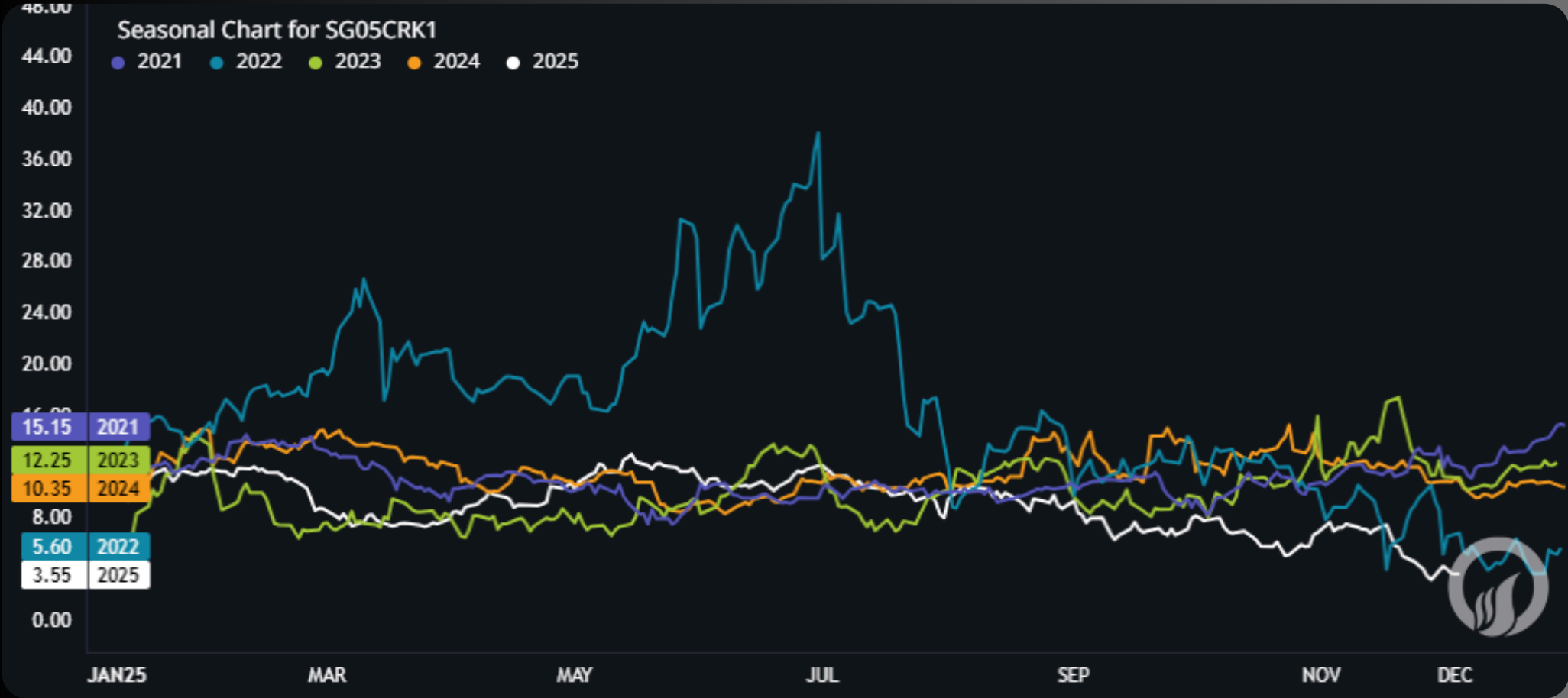
- The M1 Sing 0.5% is at seasonal lows.
- Weakness began in mid-November with Asian VLSFO seeing MOC selling and a trade house stopping out of Sing spreads last week.
- This week, a trade house stopped out of the front crack, which further pressure the crack.

M1 CRACK IS THE WEAKEST ITS BEEN SINCE JAN'23



Over the past two weeks, the Jan'26 Sing 0.5% Crack dropped from \$5.95/bbl on 21 Nov to \$3.55/bbl on 05 Dec at the time of writing.

SEASONALLY, THE CRACK IS VERY LOW

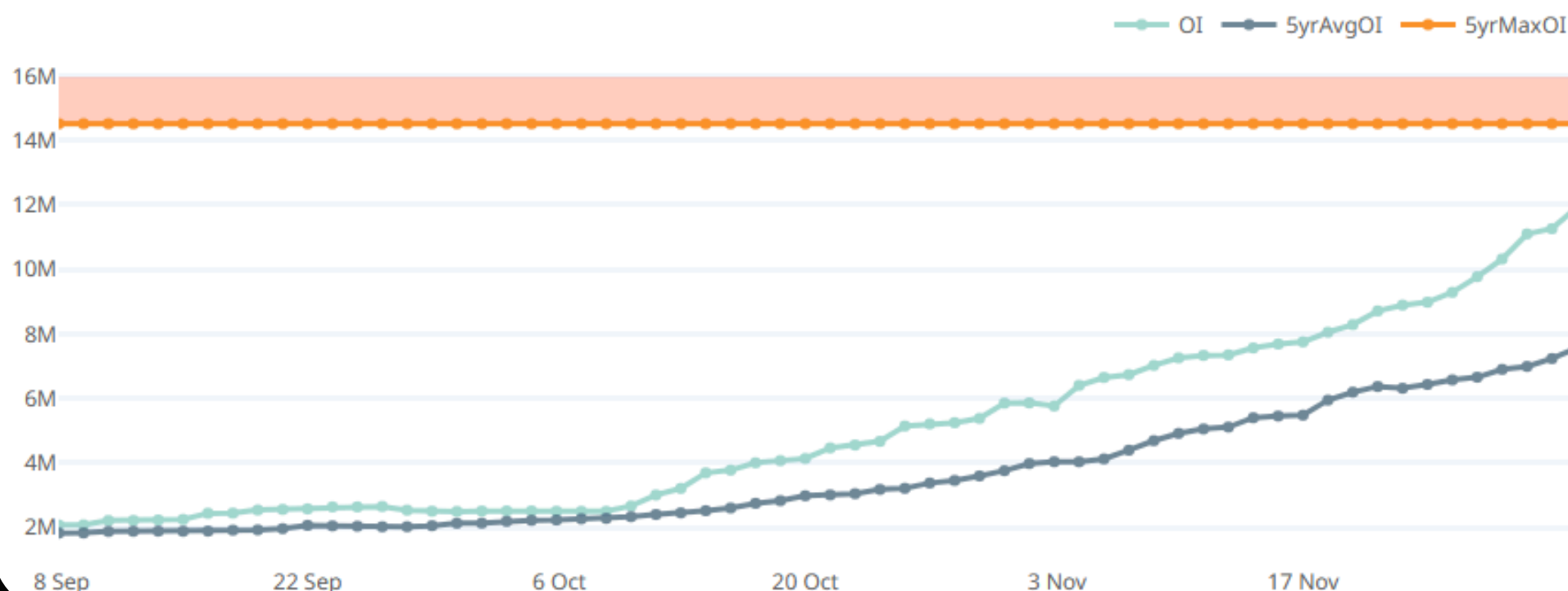


The crack is \$3.00/bbl below this time last year.

OPEN INTEREST IN JAN'26 SAW A STRONG INCREASE

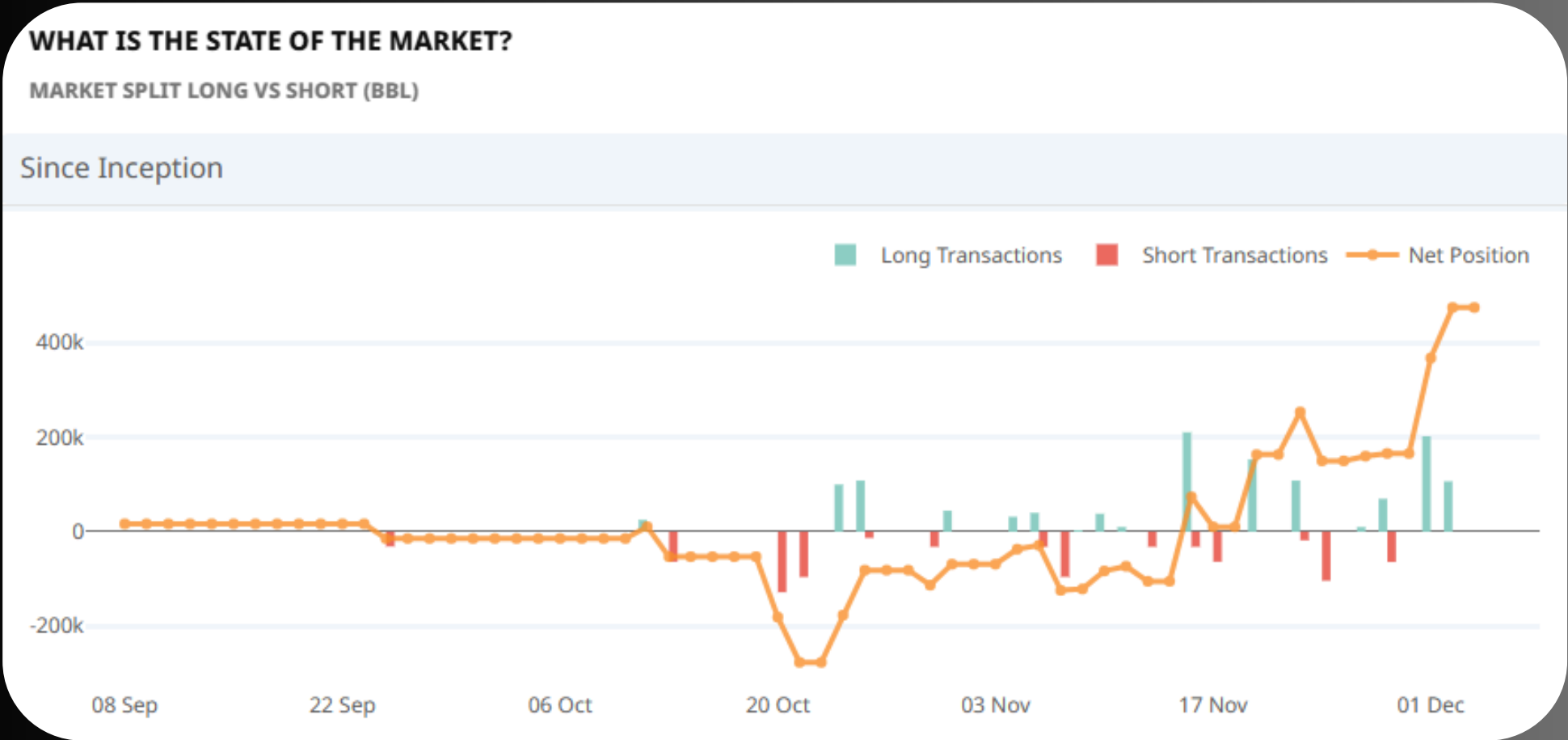
WHAT IS THE MARKET RISK?

WHAT ARE OPEN INTEREST LEVELS (BBL)



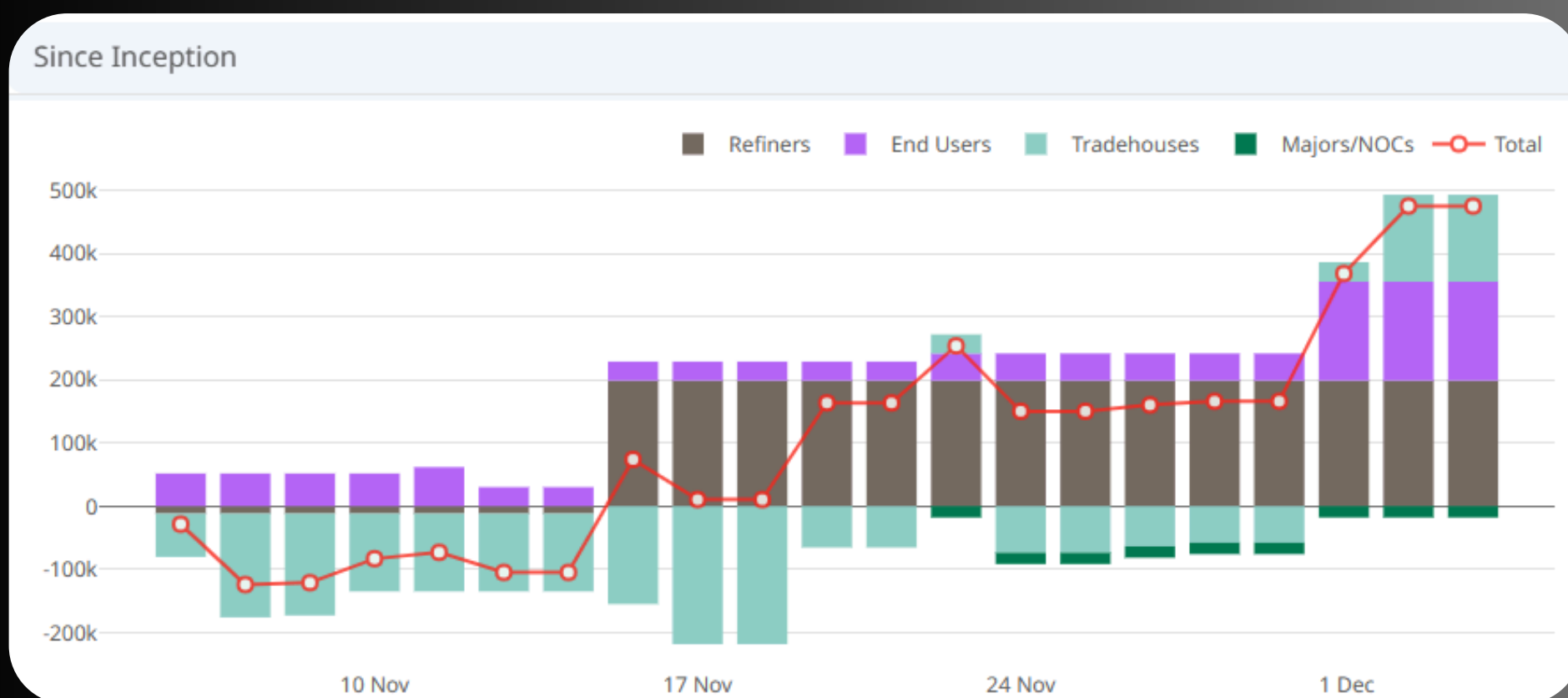
Open interest has risen strongly in the Jan'26 contract. OI rose by almost 50% in the past two weeks, to over 11.90mb on 02 Dec. This is around 57% higher than the 5-year average. Volumes have also been trending up over the past two weeks.

NET POSITIONING STRENGTHENED



Net positioning against Onyx flipped into positive territory mid-November and increased almost 310kb in the week.

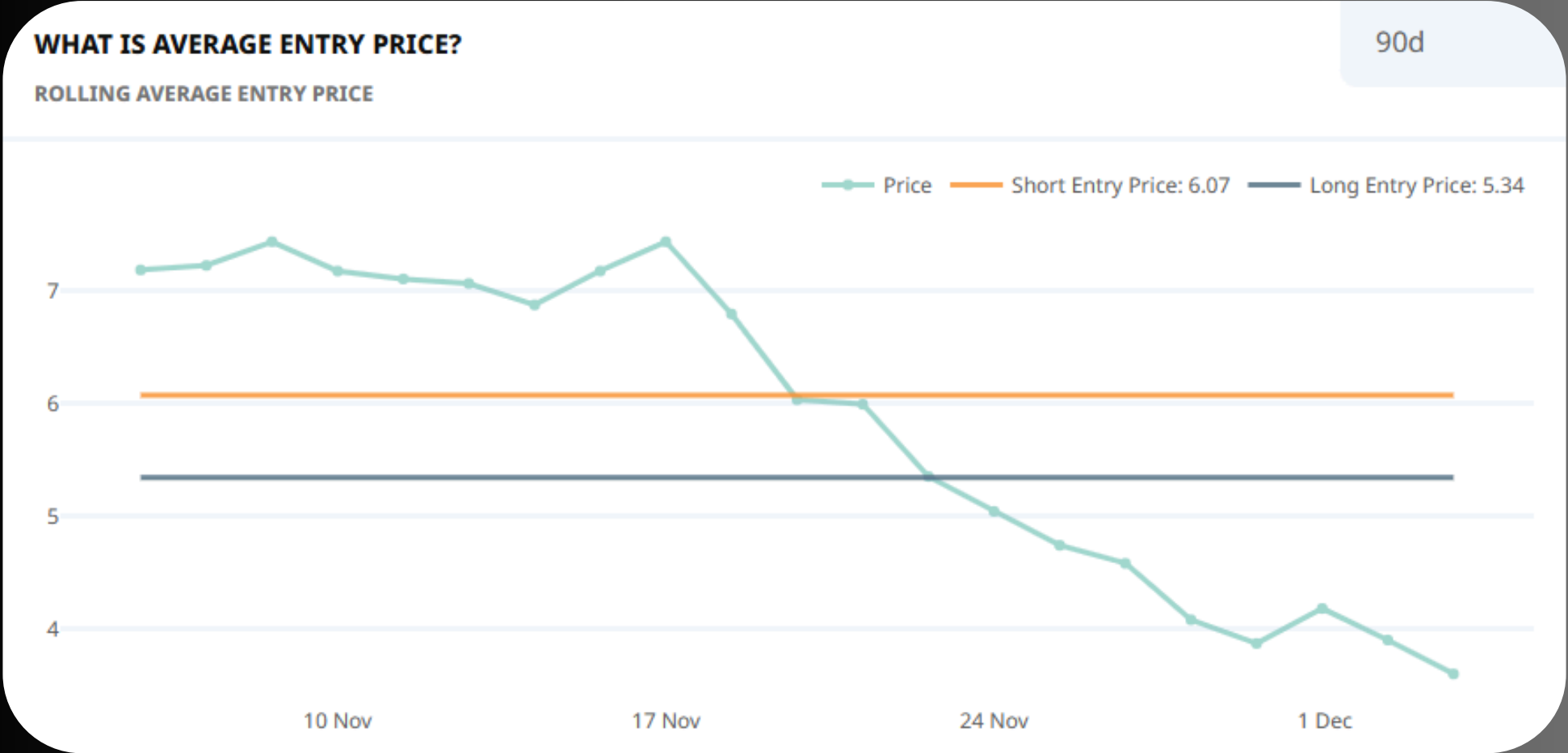
SPEC AND HEDGING PLAYERS ARE BUYING



Trade houses bought a net of 206kb in the month, which brings their total net position with Onyx to over 137kb, flipping their position.

End users have added length. This **buy-side hedging** suggests anticipation of stronger prices.

90-DAY SHORTS ARE IN THE MONEY



With an average entry price of \$5.34/bbl, 90-day longs are roughly \$1.79/bbl in the money.

Profit-taking flow may provide support.

JAN'26 0.5% SING CRACK, TECHNICAL VIEW



Technical view: The M1 crack has seen a downtrend from June with a potential channel forming.

The bearish momentum has dropped d/d all week and there has been a bullish crossover in the more short-term stochastic oscillator.

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SHORT-TERM VIEW: BULLISH

- Technical indicators suggest the bearish momentum is petering out, and there has been a bullish crossover in the stochastic oscillator.
- There has been strong buying from speculators and hedgers, which adds to the confidence in the bullish momentum.

OVERALL, WE SEE UPSIDE FROM HERE AS THE PRICE HAS SPACE TO RALLY BEFORE REACHING THE DOWNTREND LINE.

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