



FLUX INSIGHTS COT - DEEP DIVE

JAN'26 C3 LST

The front contract has seen good support recently, due to colder weather in the US and the start of stock draw season.

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COLD WEATHER, STATS, AND FREIGHT SUPPORTS LST

- A disruption to the polar vortex has led to colder weather in the US.
- EIA data for the week ending 28 Nov shows a 687kb larger-than-expected draw in US propane stocks, concentrated in PADD-3 (US Gulf Coast).
- A sell-off in BLPG1 freight this week has supported exporting grades, such as LST.
- Weaker crude has also supported LST this week.

PRICES ARE ATTEMPTING TO RECOVER OCT LOSSES

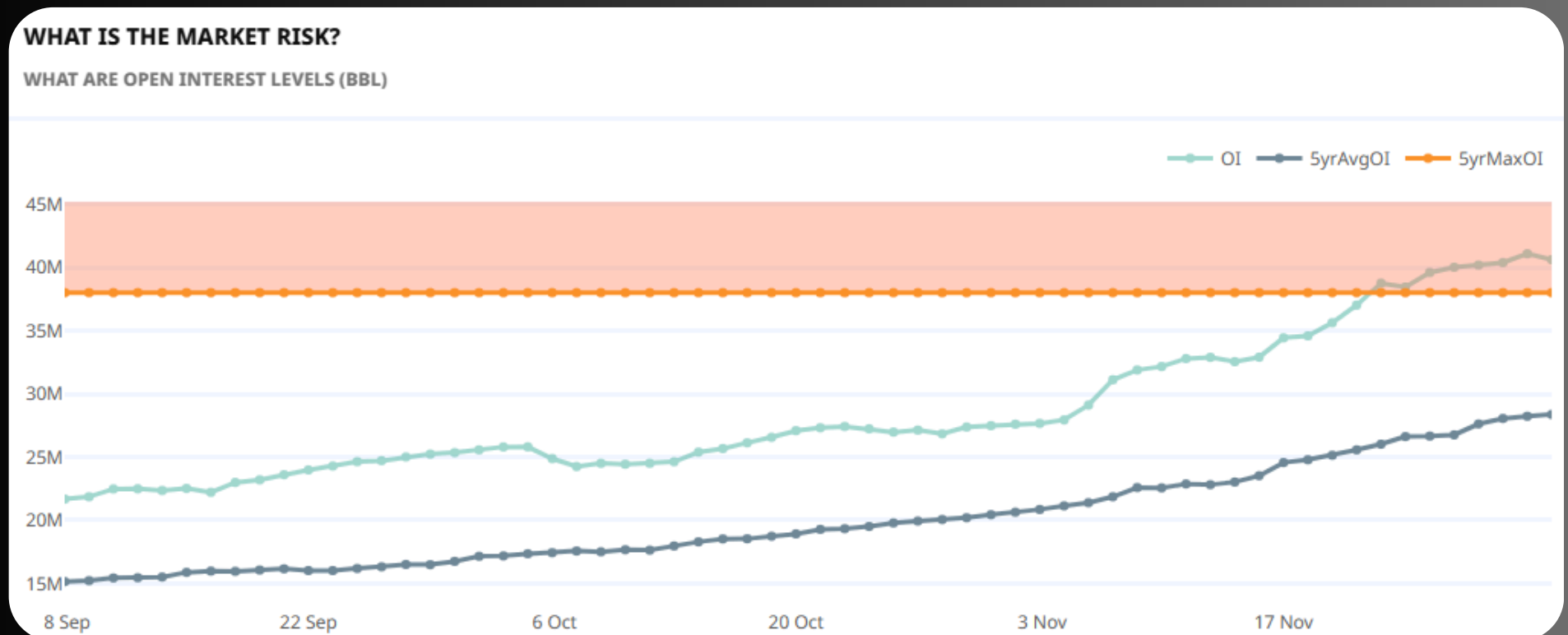


HOWEVER, LEVELS SIT NEAR SEASONAL LOWS



Prices for this time of the year are above only 2024 levels.

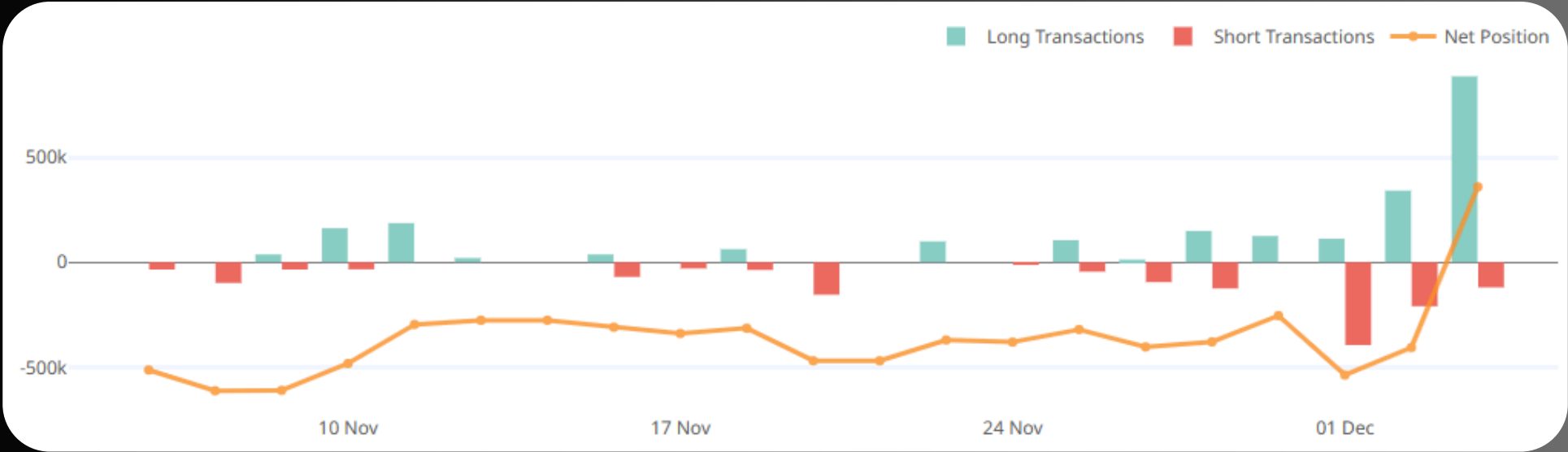
OPEN INTEREST IS ABOVE THE 5-YEAR HIGH



Open interest (OI) exceeded the 5-year high of 38mb on 21 Nov and continued upwards, reaching 41mb by 01 Dec.

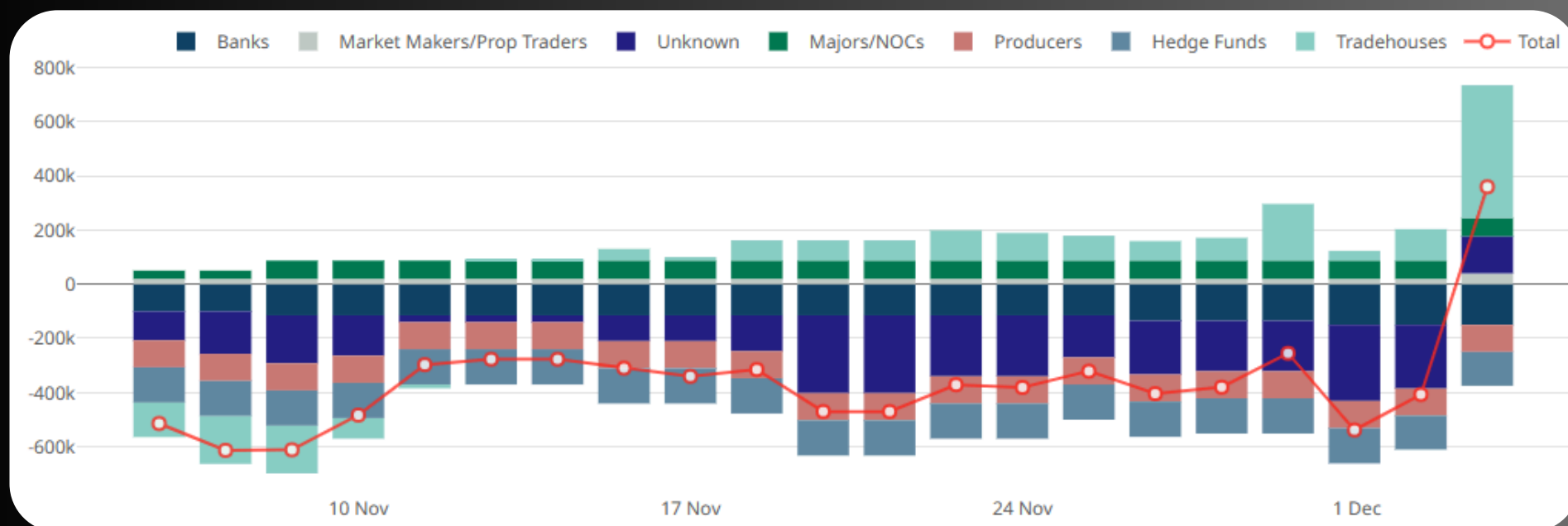
From here, OI eased off to **40.6mb on 02 Dec**, sitting just **7% above the 5-year high**.

NET POSITIONING FLIPS POSITIVE



Net positioning against Onyx saw a sharp increase on 03 Dec, flipping positive after being net short since late Oct.

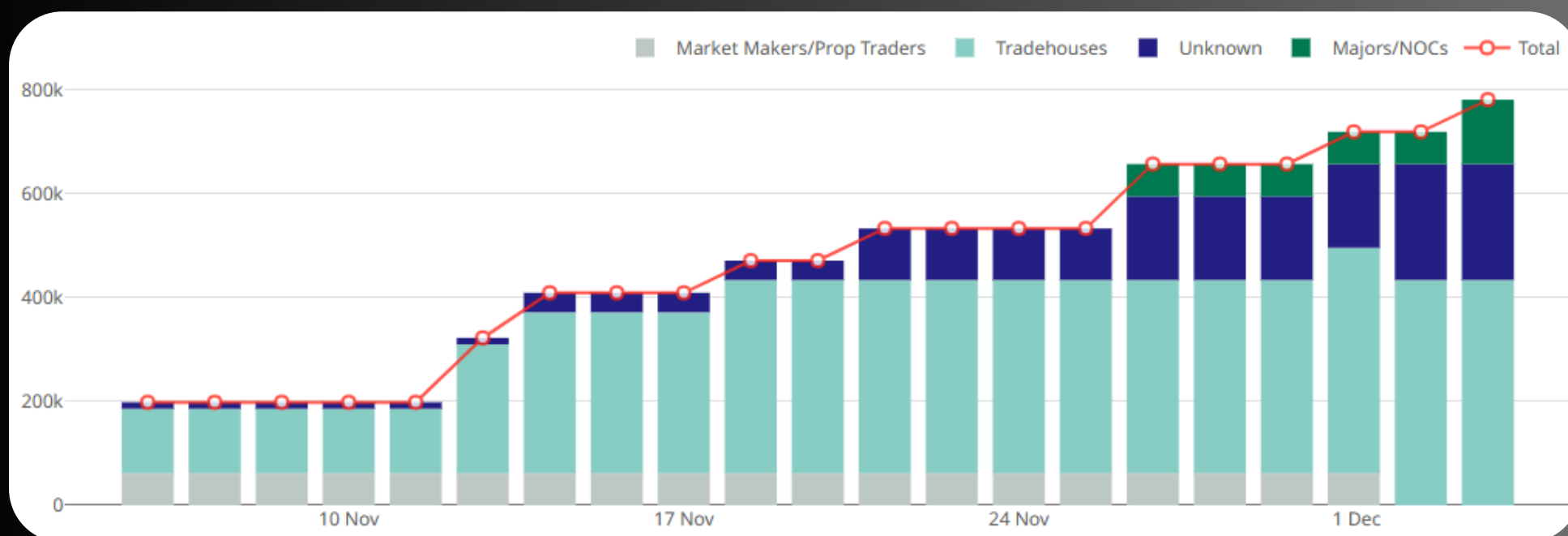
TRADE HOUSES HAVE DOMINATED FLOWS



Trade houses added **374kb to their length on 03 Dec**, while other players closed their shorts and flipped net long against Onyx in this contract. Market makers also added muted volumes to their longs on this day.

Hedge funds and producers remain net short against Onyx.

FRONT C3 LST/FEI HAS ALSO SEEN GREATER BUY-SIDE INTEREST



Majors added 62kb of fresh longs against Onyx on 26 Nov in the Jan'26 C3 LST/FEI. However, market makers closed their net long positioning against Onyx on 02 Dec.

SHORTS ARE ROUGHLY \$4 OUT OF THE MONEY



90-day shorts are roughly \$4 out of the money, indicating that we may see covering flows from these players if prices continue to rise.



Technical View: Prices appear to have bounced off an uptrend line on 25 Nov (white dashed line) and are trending towards the next resistance level at the \$74.500/mt handle.

MACD & ADX: The MACD histogram shows growing positive momentum, though stochastics are in overbought territory, which may signal a potential reversal. The slow line has yet to cross the fast line as of time of writing.

SHORT-TERM VIEW: BULLISH

- More extreme winter weather in the US, draw season, and lower freight this week are likely to keep C3 LST supported in the coming weeks.
- The Jan'26 C3 LST has seen strong buying this week, driven primarily by trade houses. The front (Jan'26) C3 LST/FEI has also seen better buying, further supporting LST prices.
- From a technical perspective, there appears to be growing positive momentum. There remains room for further upside before levels test the next resistance level at \$74.500.

**OVERALL, WE EXPECT NEAR-TERM
STRENGTH IN THE JAN'26 C3 LST**

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