

Unlocking Full-Barrel Transparency in Volatile Oil Markets

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Executive Summary

- In today's highly volatile energy markets, traders and analysts are navigating unprecedented challenges, from geopolitical tensions and supply chain disruptions to dramatic shifts in demand for refined products like jet fuel and diesel. The traditional view of the oil market, limited to a handful of exchange-listed futures contracts, no longer provides a complete or timely picture.
- This white paper explores how real-time, over-the-counter (OTC) data can revolutionise market intelligence by providing granular pricing across the entire crude-to-crack spectrum. By moving beyond the limitations of traditional exchange data, we demonstrate how market participants can achieve full-barrel transparency, better manage crack spreads, and identify profitable arbitrage opportunities with unparalleled speed and accuracy.
- Parameta Solutions is a trusted provider of independent, granular pricing and liquidity intelligence for global energy and commodities markets. Our comprehensive data solutions deliver transparent and actionable insights that help market participants navigate complex trading environments with confidence. By combining deep market expertise with advanced analytics, we enable traders, analysts, and risk managers to identify opportunities, manage exposure, and optimise hedging strategies effectively. With a commitment to accuracy and independence, Parameta Solutions empowers clients to make informed decisions that drive resilience and performance in today's dynamic markets.

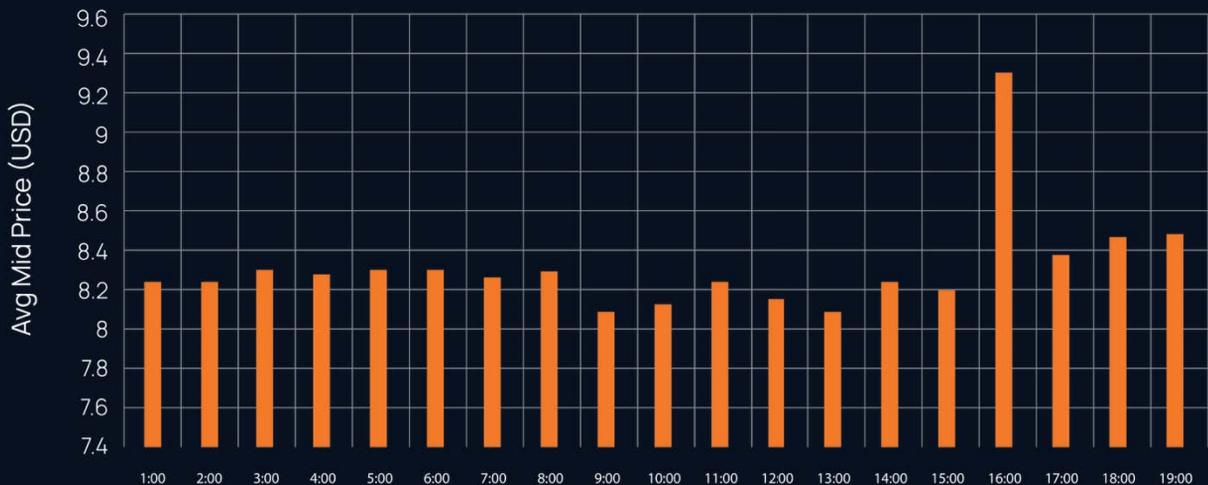
Part 1: The Economics of the Barrel and the Volatility Challenge

At its core, the economics of the oil market revolve around the transformation of crude oil into a range of valuable refined products, including gasoline, diesel, and jet fuel, each with its own bespoke market.

The profitability of a refinery is measured by its crack spread—the difference between the price of crude oil and the prices of the refined products it yields. A wide crack spread indicates strong demand for refined products.

Conversely, a narrow spread suggests weakness in the downstream market. For traders and analysts, crack spreads are a crucial, real-time indicator of refinery profitability and overall market health.

From Crude to Crack Spreads
Gasoline Crack Spread vs Brent M07 - Intraday (Real-Time)



Parameta's real-time OTC oil data enables market participants to monitor crack spreads with precision, offering actionable insights into refinery margins and downstream demand.

The intraday chart of the gasoline crack spread versus Brent (M07) on September 30, 2025, provides a real-time snapshot of refinery margins throughout the trading day.

For most of the session, the crack spread hovered around \$8.2–\$8.4 per barrel, signalling relatively stable profitability for refiners.

However, a sharp spike occurred around 16:00, with the spread briefly exceeding \$9.4 before retreating.

Part 1: The Economics of the Barrel and the Volatility Challenge

Such volatility often reflects sudden shifts in gasoline demand or short-term supply constraints, which traders monitor closely for arbitrage opportunities. As seen on the graph, there are stable periods during early hours which suggest balanced market conditions with steady demand for refined products; the spike indicates a temporary surge in gasoline margins, possibly driven by any news on the day or other logistical disruptions and post-spike normalization implies that the market recovered quickly. For analysts and other market participants, these movements are critical because they reveal not only the profitability of refining operations but also broader signals about downstream demand strength and potential price volatility in refined products.

A new era of volatility

Recent years have ushered in an era of unprecedented volatility. Geopolitical events, shifts in global trade flows, and evolving demand patterns have created a market landscape that changes by the minute. Recent Middle East tensions have driven a surge in refinery margins and distillate demand, creating new challenges and opportunities for market participants.

These events highlight a critical need for more immediate and comprehensive data to manage risk and capture opportunities as they emerge.

The data gap

Despite this need for speed, many market participants still rely on incomplete data from traditional exchanges. Exchanges have historically been the most accessible venue to source data. The orderbook is transparent and market positions are public via commitments of traders reports.

Exchange data, while standardized and useful for certain applications, often provides a limited view of the market but creates significant information gaps. It can lag behind physical transactions and may not capture the nuanced pricing of specific crude grades, refined products, or regional markets. In a world where minutes can mean millions of dollars, timely data in opaque markets can allow trading desks to stay ahead and find hidden opportunities.

The well-known benchmarks such as WTI and Brent can be a useful indicator of where energy markets are trending, and many contracts are traded on a spread in reference to these benchmarks. But this has mostly been due to convenience. Granular data is now available where trading desks can have real-time pricing of the contracts they are actually buying and selling.



Part 2: Beyond the Exchange - The Power of OTC Real-Time Data

Data scientists and quants also leverage this immediacy. Streaming data feeds allow them to train and refine predictive models that detect trend momentum, volatility regimes, and directional shifts. For example, a quant team might apply Parameta's mid-price data to teach algorithms to distinguish between stable, trending, and volatile market regimes, improving forecasting precision and automated trade execution speed.

To bridge this data gap, market leaders are turning to real-time, OTC data. Unlike exchange data, which is often aggregated and delayed, OTC data is captured directly from physical market transactions as they happen. This means it reflects the actual buying and selling activity of crude, middle distillates, light ends, and petrochemicals in real time. This live, actionable intelligence provides an unvarnished view price dynamics, and drives greater transparency in OTC markets.

The OTC advantage

While oil markets are global, the physical delivery of many contracts can limit where firms trade and with whom. OTC oil data therefore needs to be broken down by broker to ensure trades being used for pricing and transparency are an accurate reflection of activity for each firm's geographic remit or specific trading relationships.

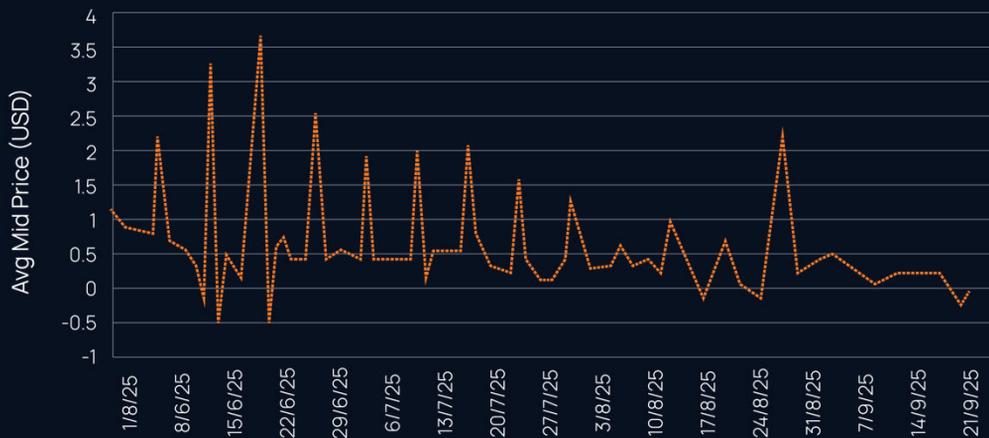
The value of OTC data lies in its specificity and its ability to capture the real-world pulse of the market. While an exchange may represent a single, liquid contract, OTC data reflects the granular, multi-faceted nature of global energy trading and the pools of liquidity each firm operates in

Part 3: Unlocking the Value - practical applications for traders

In practice, traders using Parameta's Fusion Insight platform often monitor live spreads such as Brent–Dubai or WTI–Gasoline to identify arbitrage potential within minutes. When the Brent–Dubai spread surpasses a \$3.50/bbl threshold, for instance, a trader might immediately cross-reference this signal with real-time gasoline export flow indices to confirm increased EMEA demand and execute a timely trade.

These insights, verified through broker-fed OTC data, help desks act with confidence in volatile conditions while reducing exposure to latency-driven risk.

Brent/Dubai Swap Spread Historic Mid Price Trends



With access to real-time OTC data, traders can move beyond monitoring a single crack spread. They can now track spreads for multiple crude grades and their corresponding refined products simultaneously. Previously, traders were limited to tracking only the more well-known spread such as general WTI-to-gasoline.

OTC data allows traders to keep tabs on multi-crude grades like light sweet crude from the Permian Basin to high-sulfur diesel in the U.S. Gulf Coast and compare it with several refined products such as Kerosene or Gasoline 92. This specificity provides a more nuanced understanding of refinery economics and potential profit margins, allowing for more precise trading strategies.

Identifying arbitrage opportunities

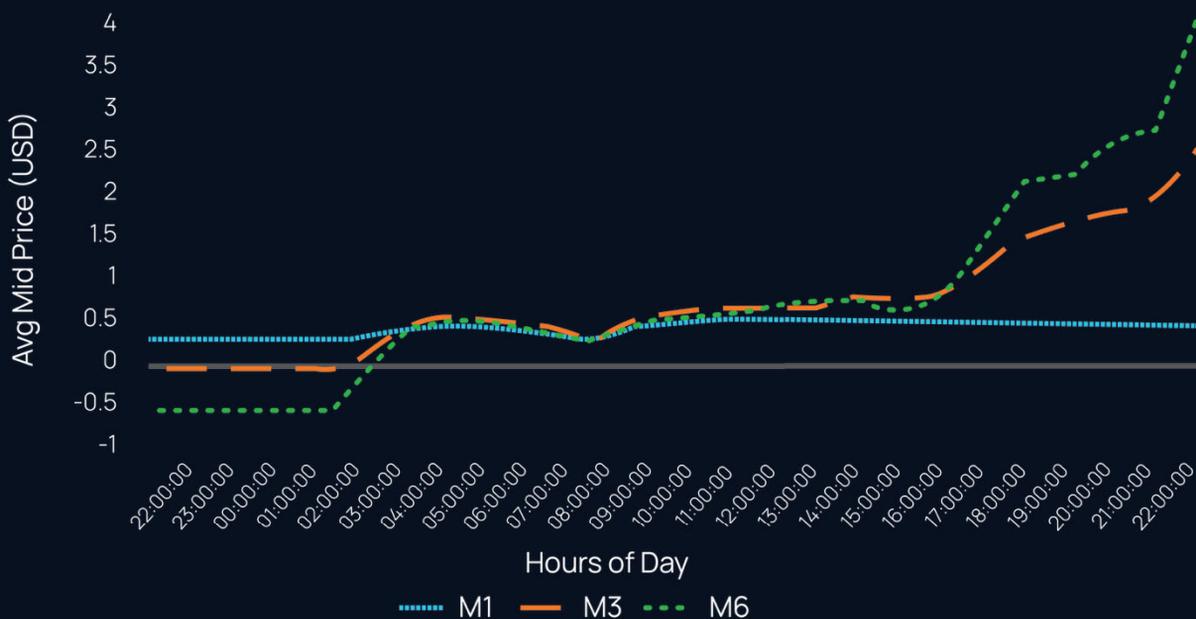
The combination of live crude and product data allows traders to spot profitable arbitrage opportunities with unprecedented speed. By connecting the dots between crude benchmarks and refined product flows, traders can identify price discrepancies across different grades, regions, or even different parts of the value chain.

For example, imagine a trader notices that the price of light sweet crude in West Africa is unusually low relative to the price of refined products in Europe. With real-time OTC data, they can quickly confirm this price divergence, model the refining and shipping costs, and execute a profitable trade by securing the crude and selling the refined products. This level of insight is only possible when you have a holistic, real-time view of the entire value chain.

A holistic view of the barrel

For market analysts, this interconnected data stream supports sharper, more responsive insights. Analysts tracking forward curves and M1-M6 spreads can use tick-by-tick OTC data to capture evolving sentiment such as identifying when short-term spreads remain steady, while medium-term contracts turn bearish. This signals a potential shift in refinery demand or supply expectations. Armed with this intelligence, analysts can advise trading desks and risk teams in near real time, ensuring decisions reflect the true state of the market.

Market Reaction to Iran-Israel Conflict on June 23rd 2025
M1 vs M3 vs M6 Brent/Dubai Swap Spread Dynamics





Ultimately, real-time OTC data provides the full-barrel transparency from well to engine. It connects the dots from the moment crude is pumped to the point where its refined products are sold, providing a single, comprehensive view of the entire market. This eliminates blind spots and allows traders to make decisions based on the most current and accurate information available.

Real-time pricing created through OTC data provides a more accurate view of niche contract activity. In more liquid contracts, OTC data could provide the foundation for future benchmarks and indices.

Traders no longer have to rely so heavily on exchange-based data as a reference price simply because it was the most accessible. In today's complex and volatile market, timely, comprehensive market intelligence is a necessity, not a nice to have. Real-time OTC data represents the new standard for oil market intelligence, providing a direct line to the physical market as it unfolds.

By moving from lagging to live, market participants can better manage risk, identify hidden opportunities, and gain a competitive edge. Real-time oil data delivers unmatched visibility into OTC oil markets – cutting through noise and reducing information asymmetry.

Parameta is the exclusive provider of unique market data sourced from TP ICAP, one of the world's largest interdealer broker. With 2,600 brokers operating in 28 countries, TP ICAP provides access to deep liquidity pools. Parameta also sources data from a diverse range of trusted partners. With Real-Time, Intra-Day, and Historical Data, you can gain timely and comprehensive insights into market trends, liquidity, and price movements. Access data via API feeds, cloud, third party platforms or Parameta proprietary software.

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