



Market Summary

37th OPEC+ meeting results: **Very bearish**. Sunday 2 July, OPEC and non-OPEC agreed to extend the current oil production cuts as demand remains weak amidst a high interest rate environment.

Members committed to extending the 1.65 mb/d voluntary cut, first announced in April 2023, until December 2025. The voluntary 2.2 mb/d cut that was announced in November 2023 has also been extended for the 8 participating members until September 2024, at which point the measure will be phased out incrementally up to September 2025. Currently these imply total productions cuts of around 5.8 mb/d including the 2 mb/d group wide reduction, also extended to December 2025. The group maintains that these cuts are subject to revision, should market dynamics justify them.

The market yawned and barely moved with Brent initially trading down to \$80.69/bbl, but subsequently recovered to \$81.63/bbl, before subsequently collapsing to \$78.46/bbl later in the day. **Some traders felt the long-term outlook worsened as the incremental new supply could overwhelm demand.** They feared the UAE and Saudi Arabia could open the taps.

See 'In Detail' section overleaf.

Summary

Physical and Futures

		03-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	81.335	-0.445	-0.645
WTI Aug (fut)	(\$/bbl)	77.195	-0.175	-0.185
Dubai Aug (phys)	(\$/bbl)	81.895	-0.245	-0.565

Crude Swaps

Brent	(\$/bbl)	81.070	-0.390	-0.470
DFL	(\$/bbl)	0.090	-0.040	-0.190
WTI	(\$/bbl)	76.825	-0.415	-0.385
Dubai	(\$/bbl)	81.430	-0.300	-0.290



In detail

The lead up to the 37th meeting of OPEC and Non-OPEC members was turbulent. Originally the meeting had been planned to be held in Vienna on the 1st, but for unknown reasons the meeting was delayed by a day and was to be held virtually. However, in a last minute change, representatives from KSA, Russia, Iraq, UAE, Kazakhstan, Algeria and Oman all met in person in Riyadh. Understandably, the changes and need to meet in person led to rumours of internal dissension as some members like the UAE and Iraq wanted to be given more latitude in their production levels. The UAE who has a nameplate capacity of up to 4.85 mb/d pushed through a higher official cap, increasing it by 300 kb/d.

Pledges were made by Iraq, Russia, and Kazakhstan to compensate for overproduction this year with some future cuts. Market participants expect the pledges to be in paper only as they have been in the past.

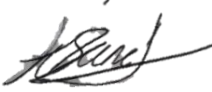
Notably, OPEC has agreed to increase the UAE's production targets from 2.9 to 3.5 mb/d for 2025 as production cuts are gradually phased out. The markets have seen a fairly muted reaction, with oil prices slipping upon the news. Traders expected no immediate change to anything and sighed with the continuation of the status quo.


Weak global demand coupled with markets pricing fewer central bank interest rate cuts have been key drivers in motivating the extension. For several months, Brent has been trading in the \$80/bbl range, which for many OPEC producers renders margins thin. The groups dominance in global oil markets is also being challenged with the US producing an increasing share of global oil production. WTI crude is also of a sweeter and lighter variety than much of the OPEC production, and therefore better positioned for heightened gasoline demand as we enter driving season.

Saudi Arabia is expected to imminently issue its monthly OSPs with prices coming down significantly and in some cases close to 50 cts for the lighter grades.

Approved and signed by:

Jorge Montepeque: 
jmontepeque@onyxccapitalgroup.com

Harinder Sandhu: 
hsandhu@onyxcapitaladvisory.com

Will Cunliffe: 
wcunliffe@onyxcapitaladvisory.com



Front month Outrights					
July Swaps			03-Jun-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	81.070	-0.390	-0.470	
WTI	(\$/bbl)	76.825	-0.415	-0.385	
Dubai	(\$/bbl)	81.430	-0.300	-0.290	
Distillates					
Gasoil 0.1 NWE	(\$/mt)	738.010	+0.510	-7.000	
NWE Jet	(\$/mt)	790.510	-2.740	-14.250	
Singapore 10ppm	(\$/bbl)	95.940	-0.090	-0.440	
Sing Kero	(\$/bbl)	94.510	-0.050	-0.500	
Gasoline					
RBOB	(c/gal)	240.815	+2.495	-4.005	
EBOB	(\$/mt)	815.940	+8.520	-13.190	
Singapore 92	(\$/bbl)	88.250	+0.980	-0.590	
Singapore 95	(\$/bbl)	92.150	+0.780	-0.790	
Naphtha					
US C5 ENT	(c/gal)	151.160	-0.660	-0.460	
NWE Naphtha	(\$/mt)	644.090	-1.370	-4.320	
MOPJ Naphtha	(\$/mt)	663.090	-1.870	-1.820	
Fuel Oil					
3.5% barges	(\$/mt)	468.440	-2.480	+0.920	
Singapore 380	(\$/mt)	483.690	-1.230	+2.920	
Singapore 180	(\$/mt)	494.690	-1.730	+0.670	
0.5% barges	(\$/mt)	529.400	-0.930	-1.340	
Singapore 0.5%	(\$/mt)	570.040	-0.080	+1.340	
NGLs					
US Propane LST	(c/gal)	71.670	-0.820	-2.900	
NWE Propane	(\$/mt)	511.900	+0.210	-1.480	
Saudi Propane CP	(\$/mt)	562.400	-6.290	+1.520	
Asian Propane FEI	(\$/mt)	611.400	+2.210	-5.480	
US Butane ENT	(c/gal)	84.550	-0.560	-2.520	
Saudi Butane CP	(\$/mt)	548.400	-6.290	-8.980	



Long Tenor Swaps			Balmo	M1	M2	M3	M4	Q3-24	Q4-24
Crude									
Brent	(\$/bbl)	81.320	81.070	80.695	80.310	79.935	80.310	79.215	
WTI	(\$/bbl)	77.110	76.825	76.435	76.045	75.625	76.045	74.825	
Dubai	(\$/bbl)	81.920	81.430	80.920	80.410	79.900	80.410	78.890	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	735.500	738.010	740.920	743.580	743.230	739.625	737.585	
NWE Jet	(\$/mt)	786.000	790.510	795.420	798.580	798.730	795.620	793.580	
Singapore 10ppm	(\$/bbl)	95.940	95.940	96.070	96.190	96.070	95.860	95.630	
Sing Kero	(\$/bbl)	94.560	94.510	94.750	94.970	95.050	95.090	95.110	
Gasoline									
RBOB	(c/gal)	242.815	240.815	237.375	219.510	214.290	210.920	209.460	
EBOB	(\$/mt)	820.690	815.940	807.690	792.940	745.190	726.440	714.190	
Singapore 92	(\$/bbl)	87.650	88.250	88.150	87.650	86.900	86.150	85.550	
Singapore 95	(\$/bbl)	91.450	92.150	92.050	91.650	90.900	89.750	89.150	
Naphtha									
US C5 ENT	(c/gal)	151.540	151.160	150.910	150.660	150.280	149.780	149.280	
NWE Naphtha	(\$/mt)	650.590	644.090	639.840	636.090	632.840	629.590	625.840	
MOP-Japan Naphtha	(\$/mt)	670.590	663.090	656.840	652.590	648.340	644.340	640.340	
Fuel Oil									
3.5% barges	(\$/mt)	468.440	468.440	465.190	458.690	450.440	444.940	440.440	
Singapore 380	(\$/mt)	498.190	483.690	475.690	466.940	458.190	453.440	449.690	
Singapore 180	(\$/mt)	506.940	494.690	487.690	479.940	471.940	467.690	464.440	
0.5% barges	(\$/mt)	531.650	529.400	526.400	522.900	519.400	516.030	512.660	
Singapore 0.5%	(\$/mt)	576.040	570.040	565.790	561.790	558.290	554.790	551.420	
NGLs									
US Propane LST	(c/gal)	71.170	71.670	72.290	73.040	74.420	75.420	75.800	
NWE Propane	(\$/mt)	508.900	511.900	512.900	517.400	522.400	526.400	527.400	
Saudi Propane CP	(\$/mt)	562.400	562.400	555.400	560.400	570.400	577.400	583.400	
Asian Propane FEI	(\$/mt)	620.900	611.400	609.900	614.400	619.900	623.400	621.400	
US Butane ENT	(c/gal)	84.550	84.550	85.170	85.790	88.040	89.040	89.540	
Saudi Butane CP	(\$/mt)	548.400	548.400	546.900	555.400	566.900	573.900	579.900	



Front Month Spreads				
July/Aug		03-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.375	-0.035	-0.115
WTI	(\$/bbl)	0.390	-0.040	-0.160
Dubai	(\$/bbl)	0.510	-0.010	-0.120
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-2.910	+0.310	-0.420
NWE Jet	(\$/mt)	-4.910	-1.440	-2.920
Singapore 10ppm	(\$/bbl)	-0.130	-0.060	-0.010
Sing Kero	(\$/bbl)	-0.240	-0.030	+0.040
Gasoline				
RBOB	(c/gal)	3.440	+0.580	-0.820
EBOB	(\$/mt)	8.250	+1.750	-3.500
Singapore 92	(\$/bbl)	0.100	+0.150	-0.200
Singapore 95	(\$/bbl)	0.100	+0.150	-0.200
Naphtha				
US C5 ENT	(c/gal)	0.250	-0.130	-0.130
NWE Naphtha	(\$/mt)	4.250	+0.250	-1.250
MOP-Japan Naphtha	(\$/mt)	6.250	+0.000	+0.250
Fuel Oil				
3.5% barges	(\$/mt)	3.250	+0.000	+0.750
Singapore 380	(\$/mt)	8.000	+0.500	+1.000
Singapore 180	(\$/mt)	7.000	+0.750	+0.750
0.5% barges	(\$/mt)	3.000	+0.000	+0.500
Singapore 0.5%	(\$/mt)	4.250	+0.250	+1.250
NGLs				
US Propane LST	(c/gal)	-0.620	+0.000	-0.240
NWE Propane	(\$/mt)	-1.000	-0.500	+0.000
Saudi Propane CP	(\$/mt)	7.000	+1.500	+1.500
Asian Propane FEI	(\$/mt)	1.500	+0.500	-1.500
US Butane ENT	(c/gal)	-0.620	-0.120	-0.120
Saudi Butane CP	(\$/mt)	1.500	+1.000	-2.500



Front Month Cracks and Diffs			
July	03-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.360	-0.090	-0.180
WTI/Brent (\$/bbl)	-4.250	-0.030	+0.080
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.990	+0.460	-0.470
NWE Jet crack (\$/bbl)	19.240	+0.030	-1.350
NWE Jet Diff (\$/mt)	52.500	-3.250	-7.250
Gasoil E/W (\$/bbl)	-23.250	-1.170	+3.730
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.430	+0.040	-0.060
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	7.600	+0.060	-0.230
EBOB crack (\$/mt)	16.890	+1.420	-1.110
Singapore 92 crack (\$/bbl)	7.190	+1.380	-0.110
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.700	-0.040	+1.000
European Gasnaph (EBOB vs Naphtha) (\$/mt)	171.940	+9.980	-8.780
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	72.120	+10.120	-3.010
Naphtha			
US C5 ENT vs WTI Crack	-13.350	+0.130	+0.180
NWE Naphtha Crack (\$/bbl)	-8.700	+0.240	-0.020
MOPJ Naphtha Crack (\$/bbl)	-6.570	+0.180	+0.260
Naphtha E/W (NWE vs MOPJ) (\$/mt)	19.000	-0.500	+2.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-7.300	+0.000	+0.610
Singapore 380 crack (\$/bbl)	-4.900	+0.190	+0.930
Singapore 180 crack (\$/bbl)	-3.170	+0.110	+0.570
Visco (180-380) (\$/mt)	11.000	-0.500	-2.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	15.250	+1.250	+2.000
0.5% barges crack (\$/bbl)	2.300	+0.240	+0.260
Singapore 0.5% crack (\$/bbl)	8.700	+0.380	+0.680
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	40.640	+0.850	+2.680
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	60.960	+1.550	-2.260
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	86.350	+1.150	-1.580
0.5% barges/gasoil (\$/mt)	-208.610	-1.440	+5.660
Sing 0.5% vs Sing 10ppm (\$/mt)	-144.710	+0.590	+4.620
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-138.500	-4.480	-13.630
US Propane LST vs Asian Propane FEI (\$/mt)	-238.000	-6.480	-9.630
Asian Propane FEI vs NWE Propane (\$/mt)	99.500	+2.000	-4.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	49.000	+8.500	-7.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-132.140	+1.630	+2.890
Asian Pronap (FEI vs MOPJ) (\$/mt)	-51.640	+4.130	-3.610



Inter-month Crack Spreads			
July/Aug	03-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.140	-0.030	+0.000
WTI/Brent (\$/bbl)	0.000	-0.020	-0.060
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.780	+0.070	+0.050
NWE Jet crack (\$/bbl)	-1.020	-0.170	-0.280
NWE Jet Diff (\$/mt)	-2.000	-1.750	-2.500
Gasoil E/W (\$/bbl)	1.950	-0.750	+0.350
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.110	+0.030	+0.050
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	1.080	+0.070	+0.180
EBOB crack (\$/mt)	0.620	+0.250	-0.310
Singapore 92 crack (\$/bbl)	-0.270	+0.190	-0.080
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.890	-0.060	+0.230
European Gasnaph (EBOB vs Naphtha) (\$/mt)	4.000	+1.500	-2.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-5.420	+1.250	-1.920
Naphtha			
US C5 ENT vs WTI Crack	-0.280	-0.010	+0.110
NWE Naphtha Crack (\$/bbl)	0.110	+0.070	-0.020
MOPJ Naphtha Crack (\$/bbl)	0.330	+0.040	+0.140
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.000	-0.250	+1.500
Fuel Oil			
3.5% barges crack (\$/bbl)	0.140	+0.040	+0.230
Singapore 380 crack (\$/bbl)	0.890	+0.110	+0.280
Singapore 180 crack (\$/bbl)	0.730	+0.150	+0.230
Visco (180-380) (\$/mt)	-1.000	+0.250	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	4.750	+0.500	+0.250
0.5% barges crack (\$/bbl)	0.100	+0.030	+0.200
Singapore 0.5% crack (\$/bbl)	0.300	+0.080	+0.320
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	1.250	+0.250	+0.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-0.250	+0.000	-0.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-3.750	-0.250	+0.250
0.5% barges/gasoil (\$/mt)	5.910	-0.310	+0.920
Sing 0.5% vs Sing 10ppm (\$/mt)	5.220	+0.700	+1.330
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-2.230	+0.500	-1.250
US Propane LST vs Asian Propane FEI (\$/mt)	-4.730	-0.500	+0.250
Asian Propane FEI vs NWE Propane (\$/mt)	2.500	+1.000	-1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-5.500	-1.000	-3.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-5.250	-0.750	+1.250