



Market Summary

Benchmark Fighter Federations Let Loose

From East to West, from trading companies to majors, from Dubai to Brent, the rival BFFs are letting loose their cannonades on one another. Ever entertaining to watch since we have no dog in the hunt. To clarify, the contenders are not Facebook BFFs, they are skilful fighters trying to extract value from the other via the benchmarks. They try to buy low and sell high, but if needed, they even sell low and buy high. Witnessed just today at the close in Asia, Dubai was trading at \$84.53/bbl, transparently bid and offered. But this did not stop players like Total buying at \$84.62/bbl nor Unipet from selling at \$84.45 and even \$84.30/bbl! And in the West, Gunvor and Trafigura continue their North Sea conquest, with more drama expected today after the EIA figures. All permitted except ear biting.

It is serious, complicated stuff. Take PTT, they have been selling partial Dubai lots throughout June, with the average price of the Dubai print at around \$81.50/bbl. But actually PTT sold at a premium ranging from 76 cts over Dubai (I know it is complicated) to about \$1.02/bbl premium over the benchmark. PTT delivered a Murban and the partials sale average was over 90 cts, actually a very strong premium and never mind the average flat price.

Moreover, in its latest tender, PTT bought 3-mil bbls of Murban, Das Blend and Umm Lulu. Critically, it bought the Murban in the upper 70s. So, the gain could have been close to 20 cts per barrel if properly hedged. As we know them, the moment the traders fire a bullet, they reload the hedge. So, congrats PTT.

Sticking with the high sulfur theme, in the window today BP declared an August Al-Shaheen cargo to Mercuria and a rare Dubai to METS. We should do some maths on those ones too. August Brent futures have regained their preeminence over Dubai, with some signs of weakness emerging.

Tightness also persists in Asian jet/kero, as airports struggle with supply. Restrictions that limit the overtime for truck drivers was introduced in April 2024. The new regulation has led to severe bottlenecks in the Japanese logistics industry, termed the "2024 problem". One serious consequence of this has been reduced access to Jet fuel.

Summary

Physical and Futures

		20-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	85.200	+0.210	+3.070
WTI Aug (fut)	(\$/bbl)	80.620	+0.240	+2.930
Dubai Aug (phys)	(\$/bbl)	84.530	+0.230	+2.450

Crude Swaps Jul

Brent	(\$/bbl)	84.355	+0.125	+2.665
DFL	(\$/bbl)	0.830	+0.170	+0.600
WTI	(\$/bbl)	80.400	+0.230	+2.860
Dubai	(\$/bbl)	84.400	+0.250	+2.570



In detail

As at 09:30 BST, August WTI and Brent futures increased to \$80.62/bbl and \$85.20/bbl respectively. Brent contracts rose by \$0.21/bbl and WTI contracts climbed by \$0.24/bbl, against the close of Asian markets yesterday. Our Dubai physical assessment also rose to \$84.53/bbl increasing by 23 cts.

Tightness in Asian jet markets continues as airports, such as Hiroshima, are reportedly facing sever difficulties in procuring kerosene. From a low of \$89.73/bbl on June 04, the July swaps contract has since strengthened considerably, closing the Asian window at \$100.46/bbl.

A number of carriers cut schedules in and out of regional airports in Japan. The future looks grim, Australia's Qantas, will not be able to serve Hokkaido for the ski season. The New Chitose Aripport lost a total of 14 weekly international routes this summer and winter. Although interesting in re-establishing routes remains high as Qantas stated they will 'continue to review the network' in hopes of 'restarting direct flights again'.

The issue is largely linked to Japanese oil refinery capacity, alongside labor shortages. Refinery capacity in Japan has been subject to consistent consolidation in recent years. Eneos holdings closed a refinery in Wakayama in October, whilst Idemitsu Kosan closed the Yamaguchi refinery in March. Falling and ageing populations don't bode well for products demand after all. Further, new legislation limiting the amount of overtime work has caused severe supply chain bottle necks, and consolidation means longer delivery times. Despite a nationwide 12% increase of jet fuel production in 2023, Eneos, amongst others, are turning down contracts for jet fuel, citing struggles to meet increased demand. Regulations...we all love them don't we?

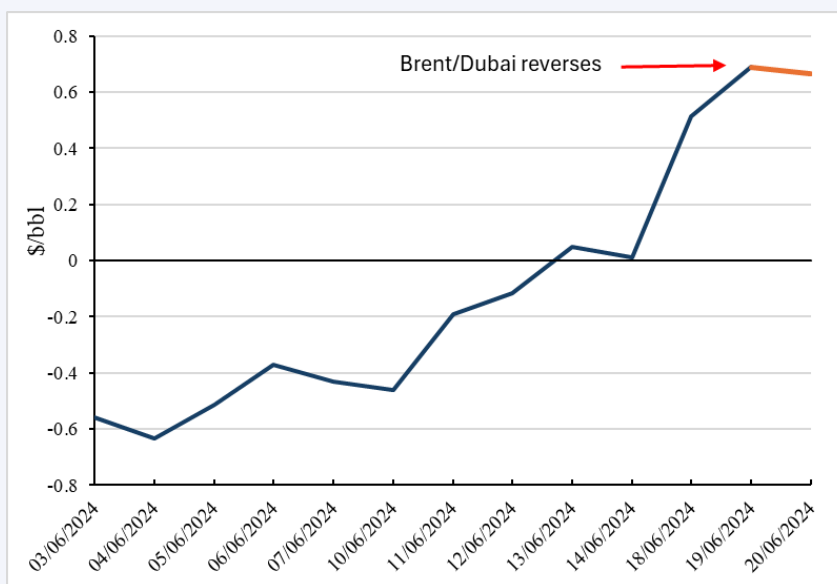
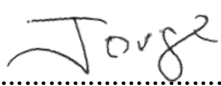




Figure 1: Brent/Dubai spread as at Asian close.

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Front Month Outrights				
July Swaps			20-Jun-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	84.355	+0.125	+2.665
WTI	(\$/bbl)	80.400	+0.230	+2.860
Dubai	(\$/bbl)	84.400	+0.250	+2.570
Distillates				
Gasoil 0.1 NWE	(\$/mt)	786.510	+6.270	+38.320
NWE Jet	(\$/mt)	847.510	+6.770	+40.820
Singapore 10ppm	(\$/bbl)	101.820	+0.780	+4.340
Sing Kero	(\$/bbl)	100.460	+0.720	+3.880
Gasoline				
RBOB	(c/gal)	247.430	+0.350	+8.900
EBOB	(\$/mt)	829.270	+2.270	+27.990
Singapore 92	(\$/bbl)	90.250	+0.020	+3.410
Singapore 95	(\$/bbl)	94.440	+0.010	+3.450
Naphtha				
US C5 ENT	(c/gal)	155.590	+1.260	+5.250
NWE Naphtha	(\$/mt)	674.260	+4.270	+23.670
MOPJ Naphtha	(\$/mt)	692.600	+5.200	+25.010
Fuel Oil				
3.5% barges	(\$/mt)	485.270	-1.900	+15.690
Singapore 380	(\$/mt)	504.770	+2.030	+23.190
Singapore 180	(\$/mt)	510.770	+1.850	+21.440
0.5% barges	(\$/mt)	550.670	-0.070	+17.270
Singapore 0.5%	(\$/mt)	593.530	-0.320	+17.140
NGLs				
US Propane LST	(c/gal)	79.340	+0.330	+1.270
NWE Propane	(\$/mt)	547.860	+5.720	+19.120
Saudi Propane CP	(\$/mt)	586.810	+2.670	+23.570
Asian Propane FEI	(\$/mt)	637.310	+4.170	+28.120
US Butane ENT	(c/gal)	95.580	+0.570	+4.520
Saudi Butane CP	(\$/mt)	566.810	+0.720	+18.620



Long Tenor Swaps

		Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude								
Brent	(\$/bbl)	85.080	84.355	83.665	83.070	82.505	83.697	81.977
WTI	(\$/bbl)	80.740	80.400	79.660	79.015	78.365	79.692	77.765
Dubai	(\$/bbl)	84.550	84.400	83.700	83.020	82.380	83.707	81.763
Distillates								
Gasoil 0.1 NWE	(\$/mt)	788.875	786.510	783.970	783.220	779.470	773.540	769.130
NWE Jet	(\$/mt)	847.880	847.510	843.970	842.720	838.970	833.040	828.630
Singapore 10ppm	(\$/bbl)	101.800	101.820	101.750	101.560	101.090	100.570	100.060
Sing Kero	(\$/bbl)	100.460	100.460	100.530	100.390	100.170	99.900	99.590
Gasoline								
RBOB	(c/gal)	249.225	247.430	244.075	225.835	220.595	217.355	216.030
EBOB	(\$/mt)	828.770	829.270	825.770	812.020	766.270	746.770	734.020
Singapore 92	(\$/bbl)	89.750	90.250	90.350	89.810	88.960	88.110	87.460
Singapore 95	(\$/bbl)	93.540	94.440	94.440	93.850	92.950	92.050	91.350
Naphtha								
US C5 ENT	(c/gal)	154.590	155.590	156.090	156.590	156.840	156.590	156.340
NWE Naphtha	(\$/mt)	682.260	674.260	666.510	660.260	655.760	651.010	646.260
MOP-Japan Naphtha	(\$/mt)	698.600	692.600	684.600	677.600	672.100	666.850	661.600
Fuel Oil								
3.5% barges	(\$/mt)	489.770	485.270	481.520	472.770	463.270	457.020	452.770
Singapore 380	(\$/mt)	515.270	504.770	494.770	483.770	473.020	467.270	463.020
Singapore 180	(\$/mt)	516.520	510.770	503.270	494.270	485.270	480.520	477.270
0.5% barges	(\$/mt)	551.920	550.670	547.670	544.420	540.670	537.050	533.430
Singapore 0.5%	(\$/mt)	596.780	593.530	588.030	583.530	579.780	576.030	572.280
NGLs								
US Propane LST	(c/gal)	77.840	79.340	80.090	80.340	81.340	81.960	82.080
NWE Propane	(\$/mt)	554.860	547.860	545.860	547.860	550.360	552.860	552.860
Saudi Propane CP	(\$/mt)	586.810	586.810	582.810	585.810	592.810	599.810	603.310
Asian Propane FEI	(\$/mt)	644.310	637.310	633.810	635.810	640.810	643.810	640.810
US Butane ENT	(c/gal)	95.080	95.580	96.200	96.080	97.330	97.830	97.830
Saudi Butane CP	(\$/mt)	566.810	566.810	566.810	575.810	584.810	592.810	596.810



Front Month Spreads				
July/Aug		20-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.690	+0.010	+0.190
WTI	(\$/bbl)	0.740	+0.040	+0.245
Dubai	(\$/bbl)	0.700	+0.020	+0.130
Distillates				
Gasoil 0.1 NWE	(\$/mt)	2.540	+1.330	+4.000
NWE Jet	(\$/mt)	3.540	+1.830	+5.000
Singapore 10ppm	(\$/bbl)	0.070	+0.040	+0.230
Sing Kero	(\$/bbl)	-0.070	-0.010	+0.040
Gasoline				
RBOB	(c/gal)	3.355	+0.035	+0.795
EBOB	(\$/mt)	3.500	-0.500	+1.750
Singapore 92	(\$/bbl)	-0.100	-0.200	+0.200
Singapore 95	(\$/bbl)	0.000	-0.200	+0.300
Naphtha				
US C5 ENT	(c/gal)	-0.500	+0.000	-0.250
NWE Naphtha	(\$/mt)	7.750	+0.250	+2.500
MOP-Japan Naphtha	(\$/mt)	8.000	+0.750	+2.250
Fuel Oil				
3.5% barges	(\$/mt)	3.750	-1.250	+0.250
Singapore 380	(\$/mt)	10.000	-0.250	+3.250
Singapore 180	(\$/mt)	7.500	-0.250	+2.750
0.5% barges	(\$/mt)	3.000	-0.250	+1.250
Singapore 0.5%	(\$/mt)	5.500	-0.500	+0.500
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	-0.370
NWE Propane	(\$/mt)	2.000	+0.000	+1.000
Saudi Propane CP	(\$/mt)	4.000	-1.000	-1.500
Asian Propane FEI	(\$/mt)	3.500	+0.000	+3.500
US Butane ENT	(c/gal)	-0.620	-0.000	-0.240
Saudi Butane CP	(\$/mt)	0.000	-1.000	-0.500



Front Month Cracks and Diffs			
July	20-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.040	-0.110	-0.020
WTI/Brent (\$/bbl)	-3.960	+0.090	+0.160
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	21.180	+0.690	+2.290
NWE Jet crack (\$/bbl)	23.170	+0.710	+2.300
NWE Jet Diff (\$/mt)	61.000	+0.500	+2.000
Gasoil E/W (\$/bbl)	-28.000	-0.500	-5.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.360	-0.060	-0.410
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.400	-0.300	+0.500
EBOB crack (\$/mt)	15.200	+0.160	+1.660
Singapore 92 crack (\$/bbl)	5.900	-0.090	+1.260
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.300	-0.250	-0.400
European Gasnaph (EBOB vs Naphtha) (\$/mt)	154.980	-2.060	+13.480
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	59.290	-4.930	+8.400
Naphtha			
US C5 ENT vs WTI Crack	-15.060	+0.290	-0.670
NWE Naphtha Crack (\$/bbl)	-8.600	+0.350	-0.100
MOPJ Naphtha Crack (\$/bbl)	-6.550	+0.430	+0.100
Naphtha E/W (NWE vs MOPJ) (\$/mt)	18.250	+0.750	+1.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-7.950	-0.450	+0.310
Singapore 380 crack (\$/bbl)	-4.880	+0.180	+1.330
Singapore 180 crack (\$/bbl)	-3.930	+0.150	+1.020
Visco (180-380) (\$/mt)	6.000	-0.250	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	19.500	+4.000	+6.500
0.5% barges crack (\$/bbl)	2.350	-0.150	+0.250
Singapore 0.5% crack (\$/bbl)	9.100	-0.200	+0.350
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.860	-0.320	+0.630
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	65.410	+1.910	-0.370
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	88.770	-2.410	-6.240
0.5% barges/gasoil (\$/mt)	-235.980	-6.480	-18.410
Sing 0.5% vs Sing 10ppm (\$/mt)	-165.090	-6.260	-12.520
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-134.500	-4.000	-17.500
US Propane LST vs Asian Propane FEI (\$/mt)	-224.000	-2.500	-30.500
Asian Propane FEI vs NWE Propane (\$/mt)	89.500	-1.500	+13.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50.500	+1.500	+9.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-126.490	+1.270	-1.450
Asian Pronap (FEI vs MOPJ) (\$/mt)	-55.240	-0.890	+9.800



Long Tenor Cracks / Diffs

	Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude							
Brent/Dubai (\$/bbl)	0.530	-0.040	-0.040	0.040	0.130	-0.013	0.217
WTI/Brent (\$/bbl)	-4.340	-3.960	-4.000	-4.060	-4.140	-4.007	-4.210
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	20.81	21.18	21.55	22.05	22.11	21.59	21.92
NWE Jet crack (\$/bbl)	22.52	23.17	23.44	23.87	23.95	23.49	23.80
NWE Jet Diff (\$/mt)	59.00	61.00	60.00	59.50	59.50	60.17	59.50
Gasoil E/W (\$/bbl)	-30.58	-28.00	-26.02	-26.72	-26.42	-26.91	-24.85
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.34	-1.36	-1.22	-1.17	-0.92	-1.25	-0.69
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.330	10.400	8.040	-6.270	1.570	-1.250	-0.687
EBOB crack (\$/mt)	14.400	15.200	15.460	14.400	9.470	4.057	3.887
Singapore 92 crack (\$/bbl)	4.670	5.900	6.690	6.750	6.440	15.020	7.933
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.740	-9.300	-8.780	-7.670	-3.020	6.447	6.197
European Gasnaph (EBOB vs Naphtha) (\$/mt)	146.480	154.980	159.230	151.730	110.500	-8.583	-1.733
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	49.120	59.290	68.120	70.620	69.040	155.313	98.000
Naphtha							
US C5 ENT vs WTI Crack	-15.830	-15.060	-14.120	-13.260	-12.500	-14.147	-12.010
NWE Naphtha Crack (\$/bbl)	-8.400	-8.600	-8.770	-8.870	-8.820	-8.747	-8.823
MOPJ Naphtha Crack (\$/bbl)	-6.600	-6.550	-6.750	-6.930	-6.990	-6.743	-7.053
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.250	18.250	18.000	17.250	16.250	17.833	15.750
Fuel Oil							
3.5% bgs crack (\$/bbl)	-7.960	-7.950	-7.850	-8.630	-9.560	-8.143	-9.913
Singapore 380 crack (\$/bbl)	-3.950	-4.880	-5.760	-6.900	-8.030	-5.847	-8.323
Singapore 180 crack (\$/bbl)	-3.750	-3.930	-4.400	-5.220	-6.090	-4.517	-6.227
Visco (180-380) (\$/mt)	1.250	6.000	8.500	10.500	12.250	8.333	13.250
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	25.500	19.500	13.250	11.000	9.750	14.583	10.083
0.5% bgs crack (\$/bbl)	1.830	2.350	2.570	2.660	2.610	2.527	2.570
Singapore 0.5% crack (\$/bbl)	8.890	9.100	8.920	8.810	8.770	8.943	8.713
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	44.860	42.860	40.360	39.110	39.110	40.777	38.980
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	62.160	65.410	66.160	71.660	77.410	67.743	79.373
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	81.520	88.770	93.270	99.770	106.770	93.937	108.270
0.5% bgs/gasoil (\$/mt)	-237.020	-235.980	-236.400	-238.710	-238.790	-237.030	-237.033
Sing 0.5% vs Sing 10ppm (\$/mt)	-161.690	-165.090	-170.070	-172.930	-173.330	-169.363	-173.253
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-149.32	-134.5	-128.59	-129.29	-126.58	-130.793	-125.887
US Propane LST vs Asian Propane FEI (\$/mt)	-238.82	-224	-216.59	-217.29	-217.08	-219.293	-215.72
Asian Propane FEI vs NWE Propane (\$/mt)	89.5	89.5	88	88	90.5	88.5	89.833
Asian Propane FEI vs Saudi Propane CP (\$/mt)	57.5	50.5	51	50	48	50.5	43.167
European Pronap (\$/mt)	-127.49	-126.49	-120.74	-112.49	-105.49	-119.907	-99.073
Asian Pronap (FEI vs MOPJ) (\$/mt)	-111.74	-105.74	-101.74	-91.74	-79.24	-99.74	-68.157



Inter-month Crack Spreads			
July/Aug	20-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.000	+0.020	+0.070
WTI/Brent (\$/bbl)	0.040	+0.010	+0.040
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.370	+0.130	+0.330
NWE Jet crack (\$/bbl)	-0.270	+0.170	+0.420
NWE Jet Diff (\$/mt)	1.000	+0.500	+1.000
Gasoil E/W (\$/bbl)	-1.980	-0.880	-2.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.140	-0.050	-0.190
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	2.360	+0.170	+0.300
EBOB crack (\$/mt)	-0.260	-0.070	+0.040
Singapore 92 crack (\$/bbl)	-0.790	-0.220	+0.020
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.520	-0.140	-0.010
European Gasnaph (EBOB vs Naphtha) (\$/mt)	-4.250	-0.750	-0.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-8.830	-2.420	-0.580
Naphtha			
US C5 ENT vs WTI Crack	-0.940	-0.040	-0.340
NWE Naphtha Crack (\$/bbl)	0.170	-0.010	+0.080
MOPJ Naphtha Crack (\$/bbl)	0.200	+0.040	+0.060
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.250	+0.500	-0.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-0.100	-0.220	-0.150
Singapore 380 crack (\$/bbl)	0.880	-0.050	+0.310
Singapore 180 crack (\$/bbl)	0.470	-0.070	+0.220
Visco (180-380) (\$/mt)	-2.500	+0.000	-0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.250	+1.000	+3.000
0.5% barges crack (\$/bbl)	-0.220	-0.070	+0.000
Singapore 0.5% crack (\$/bbl)	0.180	-0.080	-0.110
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.500	-0.250	-0.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-0.750	+1.000	+1.000
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-4.500	-0.250	-2.750
0.5% barges/gasoil (\$/mt)	0.420	-1.620	-2.700
Sing 0.5% vs Sing 10ppm (\$/mt)	4.980	-0.790	-1.210
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-5.910	+0.000	-2.930
US Propane LST vs Asian Propane FEI (\$/mt)	-7.410	+0.000	-5.430
Asian Propane FEI vs NWE Propane (\$/mt)	1.500	+0.000	+2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-0.500	+1.000	+5.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-5.750	-0.250	-1.500