



Market Summary

Hey, do you want a piece of me?

Like two victorious pugilists dominating the ring -after all they are on the same side- Gunvor and Trafigura continue to dare anyone to take them and sell them some oil. Whether it was WTI Midland or any of the grades in the alphabet soup, no one came out despite the bids rising by 10-25 cts. Curious but not surprising since the North Sea has been steadily drying, Midland is too far and the logistics are not really instantly open for everybody. So...dry markets and you can almost name your price.

But the ringsiders know this week is the peak of the posturing and were willing to sell balance month swaps at lower values. They are already betting on a different outcome. Balmo to July spreads fell by seven cts to 70 cts. Still pricey but coming off already. Market sources said Hartree was an early seller of the swaps this morning and selling by others carried on into the afternoon. Flat price ran up earlier in the day but cooled during the window (see Figure 1 in the details), with Brent / Dubai, as a result, heading down the other way. July Brent/Dubai swaps inverted after a brief three days in positive territory.

EIA inventories showed significant draws for the week to June 14. Crude fell by 2.547mbbls. Well done API! Gasoline decreased by 2.28mbbls. Has the driving season finally started? It looks that way. PADD 3, which houses the majority of the US's refinery capacity, saw larger draws of 4.417mbbls. Refinery runs were down by 282kbbbls.

August RBOB futures immediately gapped on the release, up 2 cts, but traders quickly took profit, seeing the contract retracing all gains from the news. Total gasoline inventories remain highly elevated compared with last year. This weeks draw, therefore, is unlikely to yield any material effect on market, after all a swallow doesn't make a summer.

Nevertheless there is a growing sentiment that driving season is gaining momentum. According to the AAA, the Independence Day holiday is projected to jumpstart what has been a rather morose period. An expected 70.9 million travelers are expected to travel at least 50 miles from their homes between June 29 and July 7, reflecting a significant 5% increased against the same period last year, and an 8% increase since the same period in 2019

See 'In Detail' section overleaf.

Summary

Physical and Futures		20-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	85.340	-0.470	+2.830
WTI Aug (fut)	(\$/bbl)	80.890	-0.240	+2.860
Dubai Aug (phys)	(\$/bbl)	84.750	-0.210	+2.220
Crude Swaps Jul				
Brent	(\$/bbl)	84.510	-0.410	+2.450
DFL	(\$/bbl)	0.820	-0.050	+0.630
WTI	(\$/bbl)	80.660	-0.240	+2.770
Dubai	(\$/bbl)	84.600	-0.220	+2.520



In detail

As at 16:30 BST, August WTI and Brent futures closed at \$80.89/bbl and \$85.34/bbl respectively. The Brent front month futures contract fell by \$0.47/bbl whilst the WTI contracts eased by \$0.24/bbl, against the same time yesterday. The M1/M2 spreads for Brent futures eased by 3 cts compared with yesterdays close, to 80 cts/bbl.

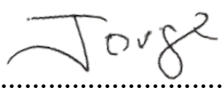
Of the total 70.9 million passengers expected to travel across the US during the July 4 period, 60.6 million are expected to drive, whilst 5.74m are expected to fly, reflecting 4.8% and 6.8% y-o-y increases respectively. It has certainly been a strong year for global air travel which has far outstripped 2019 levels according to data from [Airportia](#). This has been predominantly driven by international travel, which is up 14.7% since the year prior. Domestic flights are only 1.8% up y-o-y for comparison. Interestingly, in the US, domestic flights are down by 0.6% compared with the year prior, partially offsetting the 8.4% increase in international flights.

Following a slow start to driving season, gasoline prices in the US are particularly sanguine, despite consistent complaint from those of a certain political persuasion. According to the AAA, the national average gasoline price at the pump is \$3.455/gal as of the June 20, citing 'lackluster demand and burgeoning supply'.

More than 15 daily high temperature records were broken on Wednesday in the US. If gasoline demand were to increase by such a large margin, would refinery capacity be able to keep up? When producing gasoline, refineries utilising Fluid Catalytic Cracking (FCC) units require large volumes of air to burn off coke deposited on the catalyst. Indeed higher temperatures mean lower air density and reduced FCC effectiveness. That said, gasoline inventories remain highly elevated, so effects of the current heatwave are likely to be modest.

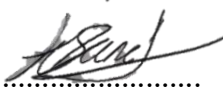


Figure 1: July Brent Swaps, Onyx Flux Realtime Data

Jorge Montepeque: 

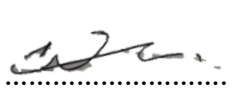
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Front Month Outrights				
July Swaps		20-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	84.510	-0.410	+2.450
WTI	(\$/bbl)	80.660	-0.240	+2.770
Dubai	(\$/bbl)	84.600	-0.220	+2.520
Distillates				
Gasoil 0.1 NWE	(\$/mt)	781.320	-10.360	+18.030
NWE Jet	(\$/mt)	840.820	-12.860	+17.990
Singapore 10ppm	(\$/bbl)	101.250	-1.160	+2.140
Sing Kero	(\$/bbl)	99.800	-1.260	+1.740
Gasoline				
RBOB	(c/gal)	248.075	-1.570	+8.855
EBOB	(\$/mt)	830.500	-4.930	+30.720
Singapore 92	(\$/bbl)	90.480	-0.510	+3.170
Singapore 95	(\$/bbl)	94.680	-0.510	+3.220
Naphtha				
US C5 ENT	(c/gal)	154.680	-1.190	+4.100
NWE Naphtha	(\$/mt)	676.130	+0.000	+23.490
MOPJ Naphtha	(\$/mt)	693.790	+0.160	+24.150
Fuel Oil				
3.5% barges	(\$/mt)	485.390	-4.580	+15.240
Singapore 380	(\$/mt)	504.580	-4.140	+21.930
Singapore 180	(\$/mt)	510.330	-4.640	+19.430
0.5% barges	(\$/mt)	551.310	-3.490	+16.450
Singapore 0.5%	(\$/mt)	594.800	-2.860	+17.200
NGLs				
US Propane LST	(c/gal)	80.050	+0.160	+1.160
NWE Propane	(\$/mt)	547.060	+0.330	+17.040
Saudi Propane CP	(\$/mt)	585.560	-0.170	+18.040
Asian Propane FEI	(\$/mt)	636.010	+0.280	+24.490
US Butane ENT	(c/gal)	96.540	+0.650	+4.270
Saudi Butane CP	(\$/mt)	564.510	-2.220	+11.990



Long Tenor Swaps			Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude									
Brent	(\$/bbl)	85.220	84.510	83.825	83.220	82.660	83.852	82.130	
WTI	(\$/bbl)	81.035	80.660	79.890	79.210	78.535	79.920	77.928	
Dubai	(\$/bbl)	84.820	84.600	83.920	83.230	82.570	83.917	81.933	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	782.625	781.320	780.280	780.125	776.820	771.210	767.345	
NWE Jet	(\$/mt)	840.120	840.820	838.780	838.200	834.860	829.210	825.340	
Singapore 10ppm	(\$/bbl)	101.220	101.250	101.200	101.060	100.660	100.200	99.750	
Sing Kero	(\$/bbl)	99.800	99.800	99.940	99.850	99.700	99.460	99.250	
Gasoline									
RBOB	(c/gal)	249.755	248.075	244.855	226.650	221.405	218.150	216.825	
EBOB	(\$/mt)	830.000	830.500	827.250	814.250	768.750	748.750	735.500	
Singapore 92	(\$/bbl)	89.980	90.480	90.430	89.860	89.010	88.180	87.530	
Singapore 95	(\$/bbl)	93.780	94.680	94.530	93.910	93.010	92.130	91.430	
Naphtha									
US C5 ENT	(c/gal)	153.680	154.680	155.180	155.680	156.180	155.930	155.680	
NWE Naphtha	(\$/mt)	684.630	676.130	667.630	661.130	656.630	651.880	647.130	
MOP-Japan Naphtha	(\$/mt)	699.790	693.790	685.540	678.540	673.290	668.040	662.790	
Fuel Oil									
3.5% barges	(\$/mt)	489.390	485.390	481.640	473.140	463.640	457.390	453.140	
Singapore 380	(\$/mt)	514.830	504.580	494.830	483.830	473.080	467.390	463.140	
Singapore 180	(\$/mt)	515.830	510.330	503.330	494.330	485.330	480.580	477.330	
0.5% barges	(\$/mt)	552.560	551.310	548.560	545.560	541.810	538.060	534.440	
Singapore 0.5%	(\$/mt)	597.550	594.800	589.300	584.680	580.930	577.180	573.430	
NGLs									
US Propane LST	(c/gal)	78.800	80.050	80.800	81.050	82.050	82.550	82.550	
NWE Propane	(\$/mt)	554.060	547.060	545.560	547.060	549.560	552.060	552.060	
Saudi Propane CP	(\$/mt)	585.560	585.560	579.560	582.560	589.560	596.560	600.060	
Asian Propane FEI	(\$/mt)	642.510	636.010	632.510	634.010	639.010	642.010	639.010	
US Butane ENT	(c/gal)	96.040	96.540	97.040	97.040	98.290	98.790	98.670	
Saudi Butane CP	(\$/mt)	564.510	564.510	564.010	573.010	581.010	589.510	593.510	



Front Month Spreads				
July/Aug		20-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.685	-0.055	+0.210
WTI	(\$/bbl)	0.770	+0.010	+0.310
Dubai	(\$/bbl)	0.680	-0.010	+0.160
Distillates				
Gasoil 0.1 NWE	(\$/mt)	1.040	-1.630	+1.600
NWE Jet	(\$/mt)	2.040	-1.630	+2.600
Singapore 10ppm	(\$/bbl)	0.050	-0.040	+0.200
Sing Kero	(\$/bbl)	-0.140	-0.090	-0.030
Gasoline				
RBOB	(c/gal)	3.220	-0.255	+0.615
EBOB	(\$/mt)	3.250	-1.250	+1.000
Singapore 92	(\$/bbl)	0.050	-0.050	+0.300
Singapore 95	(\$/bbl)	0.150	-0.050	+0.400
Naphtha				
US C5 ENT	(c/gal)	-0.500	+0.000	-0.250
NWE Naphtha	(\$/mt)	8.500	+0.750	+3.500
MOP-Japan Naphtha	(\$/mt)	8.250	+0.500	+2.500
Fuel Oil				
3.5% barges	(\$/mt)	3.750	-0.750	+0.000
Singapore 380	(\$/mt)	9.750	-1.250	+3.000
Singapore 180	(\$/mt)	7.000	-1.500	+2.000
0.5% barges	(\$/mt)	2.750	-0.250	+0.750
Singapore 0.5%	(\$/mt)	5.500	-0.250	+0.500
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	-0.370
NWE Propane	(\$/mt)	1.500	-0.500	+0.500
Saudi Propane CP	(\$/mt)	6.000	+3.000	-1.000
Asian Propane FEI	(\$/mt)	3.500	+0.500	+2.000
US Butane ENT	(c/gal)	-0.500	+0.120	-0.120
Saudi Butane CP	(\$/mt)	0.500	+1.500	-1.000



Front Month Cracks and Diffs			
July	20-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.080	-0.160	-0.060
WTI/Brent (\$/bbl)	-3.860	+0.150	+0.310
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	20.360	-0.920	-0.040
NWE Jet crack (\$/bbl)	22.180	-1.180	-0.170
NWE Jet Diff (\$/mt)	59.500	-2.500	+0.000
Gasoil E/W (\$/bbl)	-27.000	+1.750	-2.000
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.450	-0.100	-0.400
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.700	+0.050	+0.100
EBOB crack (\$/mt)	15.180	-0.130	+1.230
Singapore 92 crack (\$/bbl)	5.960	+0.000	+0.710
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.220	+0.130	-0.520
European Gasnaph (EBOB vs Naphtha) (\$/mt)	154.370	-3.750	+7.070
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	59.910	-2.860	+2.010
Naphtha			
US C5 ENT vs WTI Crack	-15.690	-0.370	-1.020
NWE Naphtha Crack (\$/bbl)	-8.550	+0.300	+0.200
MOPJ Naphtha Crack (\$/bbl)	-6.560	+0.320	+0.280
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.750	+0.250	+0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.080	-0.230	-0.040
Singapore 380 crack (\$/bbl)	-5.050	-0.350	+1.020
Singapore 180 crack (\$/bbl)	-4.140	-0.420	+0.630
Visco (180-380) (\$/mt)	5.750	-0.500	-2.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	19.250	-0.750	+6.750
0.5% barges crack (\$/bbl)	2.300	-0.100	+0.150
Singapore 0.5% crack (\$/bbl)	9.150	-0.050	+0.270
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.500	+0.320	+0.760
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	65.910	+0.820	+1.210
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	90.160	+1.890	-4.780
0.5% barges/gasoil (\$/mt)	-230.140	+6.240	-1.620
Sing 0.5% vs Sing 10ppm (\$/mt)	-159.510	+4.910	+1.200
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-130.000	+0.500	-11.000
US Propane LST vs Asian Propane FEI (\$/mt)	-219.000	+0.500	-18.500
Asian Propane FEI vs NWE Propane (\$/mt)	89.000	+0.000	+7.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50.500	+0.500	+6.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-129.020	-0.110	-6.190
Asian Pronap (FEI vs MOPJ) (\$/mt)	-57.770	-0.360	+0.440



Long Tenor Cracks / Diffs

	Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude							
Brent/Dubai (\$/bbl)	0.400	-0.080	-0.090	-0.010	0.090	-0.060	0.187
WTI/Brent (\$/bbl)	-4.200	-3.860	-3.940	-4.020	-4.120	-3.940	-4.203
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.82	20.36	20.91	21.48	21.60	20.92	21.47
NWE Jet crack (\$/bbl)	21.38	22.18	22.61	23.13	23.27	22.64	23.17
NWE Jet Diff (\$/mt)	57.50	59.50	58.50	58.00	58.00	58.67	58.00
Gasoil E/W (\$/bbl)	-28.53	-27.00	-26.34	-27.34	-26.84	-26.89	-25.24
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.42	-1.45	-1.26	-1.19	-0.97	-1.30	-0.74
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.540	10.700	8.420	-6.060	1.720	4.353	4.167
EBOB crack (\$/mt)	14.420	15.180	15.480	14.520	9.630	15.060	8.030
Singapore 92 crack (\$/bbl)	4.760	5.960	6.600	6.630	6.350	6.397	6.117
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.660	-9.220	-8.880	-7.890	-3.280	-8.663	-1.920
European Gasnaph (EBOB vs Naphtha) (\$/mt)	145.370	154.370	159.620	153.120	112.120	155.703	99.120
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	49.740	59.910	67.740	69.990	68.160	65.880	66.997
Naphtha							
US C5 ENT vs WTI Crack	-16.480	-15.690	-14.710	-13.820	-12.940	-14.740	-12.433
NWE Naphtha Crack (\$/bbl)	-8.300	-8.550	-8.820	-8.940	-8.880	-8.770	-8.890
MOPJ Naphtha Crack (\$/bbl)	-6.590	-6.560	-6.790	-6.980	-7.010	-6.777	-7.070
Naphtha E/W (NWE vs MOPJ) (\$/mt)	15.250	17.750	18.000	17.500	16.750	17.750	16.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.160	-8.080	-7.980	-8.720	-9.660	-8.260	-10.007
Singapore 380 crack (\$/bbl)	-4.140	-5.050	-5.890	-7.030	-8.160	-5.990	-8.453
Singapore 180 crack (\$/bbl)	-3.980	-4.140	-4.560	-5.360	-6.230	-4.687	-6.363
Visco (180-380) (\$/mt)	1.000	5.750	8.500	10.500	12.250	8.250	13.250
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	25.500	19.250	13.250	10.750	9.500	14.417	9.833
0.5% bgs crack (\$/bbl)	1.790	2.300	2.550	2.680	2.660	2.510	2.610
Singapore 0.5% crack (\$/bbl)	8.870	9.150	8.960	8.850	8.820	8.987	8.763
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	45.000	43.500	40.750	39.130	39.130	41.127	39.087
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	63.160	65.910	66.910	72.410	78.160	68.410	80.037
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	82.660	90.160	94.410	100.790	107.790	95.120	109.290
0.5% bgs/gasoil (\$/mt)	-230.190	-230.140	-231.850	-234.690	-235.060	-232.227	-233.777
Sing 0.5% vs Sing 10ppm (\$/mt)	-156.540	-159.510	-164.640	-168.190	-169.110	-164.113	-169.457
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-143.51	-130	-124.59	-124.79	-122.08	-126.46	-122.007
US Propane LST vs Asian Propane FEI (\$/mt)	-232.01	-219	-211.59	-211.79	-211.58	-214.127	-210.84
Asian Propane FEI vs NWE Propane (\$/mt)	88.5	89	87	87	89.5	87.667	88.833
Asian Propane FEI vs Saudi Propane CP (\$/mt)	57	50.5	53	51.5	49.5	51.667	44.667
European Pronap (\$/mt)	-130.52	-129.02	-122.02	-114.02	-107.02	-121.687	-100.603
Asian Pronap (FEI vs MOPJ) (\$/mt)	-57.27	-57.77	-53.02	-44.52	-34.27	-51.77	-28.02



Inter-month Crack Spreads			
July/Aug	20-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.010	-0.030	+0.070
WTI/Brent (\$/bbl)	0.080	+0.050	+0.090
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.550	-0.210	-0.020
NWE Jet crack (\$/bbl)	-0.430	-0.190	+0.090
NWE Jet Diff (\$/mt)	1.000	+0.000	+1.000
Gasoil E/W (\$/bbl)	-0.660	+1.410	-0.060
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.190	-0.050	-0.230
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	2.280	+0.200	+0.320
EBOB crack (\$/mt)	-0.300	-0.150	-0.100
Singapore 92 crack (\$/bbl)	-0.640	-0.030	+0.080
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.340	+0.140	+0.180
European Gasnaph (EBOB vs Naphtha) (\$/mt)	-5.250	-2.250	-2.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-7.830	-0.780	+0.000
Naphtha			
US C5 ENT vs WTI Crack	-0.980	-0.030	-0.420
NWE Naphtha Crack (\$/bbl)	0.270	+0.110	+0.180
MOPJ Naphtha Crack (\$/bbl)	0.230	+0.060	+0.060
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.250	-0.380	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-0.100	-0.060	-0.210
Singapore 380 crack (\$/bbl)	0.840	-0.170	+0.260
Singapore 180 crack (\$/bbl)	0.420	-0.200	+0.110
Visco (180-380) (\$/mt)	-2.750	-0.250	-1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.000	-0.750	+3.000
0.5% barges crack (\$/bbl)	-0.250	+0.000	-0.110
Singapore 0.5% crack (\$/bbl)	0.190	+0.000	-0.130
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.750	+0.000	-0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.000	+0.250	+0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-4.250	+1.000	-2.500
0.5% barges/gasoil (\$/mt)	1.710	+1.470	-0.800
Sing 0.5% vs Sing 10ppm (\$/mt)	5.130	+0.050	-0.990
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-5.410	+0.500	-2.430
US Propane LST vs Asian Propane FEI (\$/mt)	-7.410	-0.500	-3.930
Asian Propane FEI vs NWE Propane (\$/mt)	2.000	+1.000	+1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-2.500	-2.500	+3.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-7.000	-1.250	-3.000