



Market Summary

Dated Brent: The squeezes are back!

'The market can stay irrational longer than you can stay solvent.' - John Maynard Keynes

Just when you thought the squeezing monsters from the Black Lagoon had been skewered by the mighty Midland Police...They are back! And back for more, with the value of Dated Brent up by a further 15 or so cents/bbl, draining more money into the cash lagoon. If you are long, bask in the knowledge that the addition of Midland did nothing to prevent irrationality in the value of Dated Brent. Back to the drawing board we say; the system is not fully broken but boy, it ain't working, innit?

Summer maintenance programs, a slowly drying traditional benchmark of acceptable North Sea grades and a hard to ship in time Midland WTI into the bid windows have made it all possible. Midland is just too far from the North Sea, isn't it?

Surprise, surprise, the same two culprits from last week are back, resuming their spending spree. Trafigura and Gunvor, against all apparent odds, but they know the NS production and US loading schedules, continue to snap up benchmark cargos, and ask yourself, why? Or we pose a public question to them, do you have demand for any grade or just for benchmark grades. Please let us know, our phone lines are open and our readers want to know.

August Brent futures rose to within touching distance of \$86.00/bbl, while it was Gunvor's turn to buy, lifting a cargo of Forties from Totsa and one of Midland from Glencore. Trafi bid across multiple grades, pushing up the physical diff to break into the \$1.30's. There was also a newcomer to the party, with Repsol bidding midlands WTI, but struggled to be filled.

The power is with them, they have their bazooka locked, loaded and firing. According to one analyst, this may be an opportunistic move since 'NSEA programs for July are very thin due to summer maintenance'. The numbers undeniably show that Brent is as squeezable as before. And also dumpable. This creates volatility which then results in more profits for the traders as they exercise the operational tolerances. Both producers and consumers lose out.

See 'In Detail' section overleaf.

Summary

Physical and Futures

		24-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	85.880	+0.540	+2.340
WTI Aug (fut)	(\$/bbl)	81.500	+0.610	+2.510
Dubai Aug (phys)	(\$/bbl)	84.885	+0.145	+1.685

Crude Swaps Jul

Brent	(\$/bbl)	85.000	+0.490	+2.125
DFL	(\$/bbl)	0.730	-0.090	+0.110
WTI	(\$/bbl)	81.250	+0.590	+2.460
Dubai	(\$/bbl)	85.190	+0.590	+2.390



In detail

As at 16:30 BST, August WTI and Brent futures closed at \$81.50/bbl and \$85.88/bbl respectively. The Brent front month futures contract gained by \$0.54/bbl whilst the WTI contracts by \$0.61/bbl, against the same time on Friday. The M1/M2 spreads for Brent futures weakened by a 10 cts compared with Friday's close, to 84 cts/bbl. With Asia weak, the market feels like it is ready to topple over, but Trafi and Gunvor are refusing to remove their finger from the trigger.

If Brent continues to strengthen, the trans-Atlantic arb could open up. But this depends on tightness in US WTI markets. We may also see a surge in African crudes flowing into Europe, indeed, supply coming out of Africa has been increasing, as we have discussed in recent editions.


US West Coast refiners are increasingly substituting their heavy Iraqi oil imports with more affordable Canadian crude, thanks to the newly expanded Trans Mountain pipeline. In June, California and Washington are set to import approximately 150 kbbls/d of Canadian crude, a dramatic seven-fold increase from typical volumes. In contrast, imports of Iraq's Basrah Heavy crude are expected to plummet to just 3,587 bbls/d from 76 kbbls/d in May. Additionally, shipments of medium, low-sulphur Brazilian oil Tupi are also declining alongside Basrah Heavy.

The Trans Mountain expansion, which began operations in May, can transport 590 kbbls/d of crude from Canada's oil sands to Vancouver for export. This shift is advantageous for US West Coast refiners, who would otherwise incur higher costs for Iraqi crude. For example, the benchmark heavy Western Canadian Select in Alberta trades at a discount to the US benchmark West Texas Intermediate of about \$13.00/bbl in Alberta, pricing it around \$67.00/bbl. In comparison, Basrah Heavy trades at a \$5.55/bbl discount to dated Brent, implying prices in excess of \$80.00/bbl in recent sessions.

Whilst the Trans Mountain pipeline isn't yet running at full capacity, the company anticipates 22 tankers will ship crude from Vancouver this month. Of these, over 81 kbbls/d are destined for China, and another 50 kbbls/d are headed to India, marking the first such exports from Canada's Pacific Coast to these countries, marking a stark realignment in global trade flows.

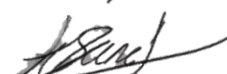
In Africa, investment in oil infrastructure continues. The Lake Albert region in Uganda is estimated to hold in excess of 1000 mbbls of crude reserves. The Ugandan government plans to develop these reserves through the Tilenga and Kingfisher production projects. South Africa's Standard Bank surprised many by announcing \$5 billion in funding for EACOP, despite the European Parliament's 2022 resolution opposing the project. Standard Bank's chair, Nonkululeko Nyembezi, stated that they have completed their due diligence and secured full commitment from project sponsors. TotalEnergies, holding the majority stake, remains committed to completing EACOP with support from Uganda and Tanzania, aiming for a December 2025 completion.

The EACOP project, if completed, would be the world's longest electrically heated crude oil pipeline at 1,443 km. Initially backed by \$2 billion from oil companies, it required an additional \$3 billion to proceed. However, many financial backers, including major banks like JPMorgan Chase and insurance companies like Aegis, pulled out due to environmental concerns and investment uncertainties. This left the Industrial and Commercial Bank of China and Standard Bank's Ugandan subsidiary, Stanbic, seeking new investors.

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Front Month Outrights				
July Swaps		24-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	85.000	+0.490	+2.125
WTI	(\$/bbl)	81.250	+0.590	+2.460
Dubai	(\$/bbl)	85.190	+0.590	+2.390
Distillates				
Gasoil 0.1 NWE	(\$/mt)	780.150	-1.170	+13.680
NWE Jet	(\$/mt)	839.650	-1.170	+14.180
Singapore 10ppm	(\$/bbl)	101.030	-0.220	+1.640
Sing Kero	(\$/bbl)	99.610	-0.190	+1.570
Gasoline				
RBOB	(c/gal)	250.130	+2.055	+8.845
EBOB	(\$/mt)	834.280	+3.780	+26.170
Singapore 92	(\$/bbl)	91.190	+0.710	+2.730
Singapore 95	(\$/bbl)	95.400	+0.720	+2.790
Naphtha				
US C5 ENT	(c/gal)	155.140	+0.460	+3.240
NWE Naphtha	(\$/mt)	680.140	+4.010	+22.340
MOPJ Naphtha	(\$/mt)	697.070	+3.280	+22.270
Fuel Oil				
3.5% barges	(\$/mt)	486.350	+0.960	+14.160
Singapore 380	(\$/mt)	504.100	-0.480	+20.910
Singapore 180	(\$/mt)	509.850	-0.480	+18.910
0.5% barges	(\$/mt)	557.470	+6.160	+14.480
Singapore 0.5%	(\$/mt)	602.230	+7.430	+15.550
NGLs				
US Propane LST	(c/gal)	79.860	-0.190	-10.150
NWE Propane	(\$/mt)	547.070	+0.010	+13.670
Saudi Propane CP	(\$/mt)	586.070	+0.510	+12.220
Asian Propane FEI	(\$/mt)	634.070	-1.940	+16.220
US Butane ENT	(c/gal)	97.240	+0.700	+2.350
Saudi Butane CP	(\$/mt)	565.070	+0.560	+6.220



Long Tenor Swaps

		Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude								
Brent	(\$/bbl)	85.715	85.000	84.285	83.665	83.095	84.317	82.555
WTI	(\$/bbl)	81.495	81.250	80.430	79.710	78.990	80.463	78.345
Dubai	(\$/bbl)	85.060	85.190	84.470	83.740	83.050	84.467	82.410
Distillates								
Gasoil 0.1 NWE	(\$/mt)	781.125	780.150	779.625	780.010	777.380	772.210	768.625
NWE Jet	(\$/mt)	838.620	839.650	838.620	838.510	835.880	830.710	827.120
Singapore 10ppm	(\$/bbl)	100.980	101.030	101.100	101.030	100.770	100.370	99.960
Sing Kero	(\$/bbl)	99.560	99.610	99.790	99.820	99.790	99.620	99.410
Gasoline								
RBOB	(c/gal)	251.725	250.130	246.945	228.425	223.070	219.805	218.565
EBOB	(\$/mt)	833.780	834.280	832.280	818.780	773.280	753.780	740.780
Singapore 92	(\$/bbl)	90.690	91.190	91.160	90.560	89.710	88.860	88.230
Singapore 95	(\$/bbl)	94.500	95.400	95.270	94.620	93.720	92.820	92.140
Naphtha								
US C5 ENT	(c/gal)	153.890	155.140	155.640	156.140	156.890	156.640	156.390
NWE Naphtha	(\$/mt)	690.640	680.140	670.640	663.890	659.640	655.140	650.640
MOP-Japan Naphtha	(\$/mt)	705.070	697.070	688.320	681.570	676.320	671.320	666.320
Fuel Oil								
3.5% barges	(\$/mt)	490.100	486.350	483.350	475.850	466.850	460.850	456.850
Singapore 380	(\$/mt)	511.850	504.100	496.100	485.350	474.850	469.350	465.600
Singapore 180	(\$/mt)	513.100	509.850	504.600	496.100	487.600	482.850	479.850
0.5% barges	(\$/mt)	558.720	557.470	554.470	551.220	547.220	543.220	539.470
Singapore 0.5%	(\$/mt)	604.480	602.230	595.730	590.230	586.230	582.480	578.730
NGLs								
US Propane LST	(c/gal)	78.610	79.860	80.610	80.990	82.110	82.610	82.730
NWE Propane	(\$/mt)	554.070	547.070	545.570	547.570	551.070	554.070	554.070
Saudi Propane CP	(\$/mt)	586.070	586.070	581.570	584.570	592.070	599.070	603.570
Asian Propane FEI	(\$/mt)	638.070	634.070	631.570	634.070	639.070	642.570	640.070
US Butane ENT	(c/gal)	96.740	97.240	97.740	97.620	99.000	99.500	99.500
Saudi Butane CP	(\$/mt)	565.070	565.070	563.070	575.070	584.570	592.570	597.570



Front Month Spreads				
July/Aug		24-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.715	+0.030	+0.045
WTI	(\$/bbl)	0.820	+0.050	+0.175
Dubai	(\$/bbl)	0.720	+0.040	+0.080
Distillates				
Gasoil 0.1 NWE	(\$/mt)	0.525	-0.515	+0.180
NWE Jet	(\$/mt)	1.030	-1.010	+0.680
Singapore 10ppm	(\$/bbl)	-0.070	-0.120	-0.070
Sing Kero	(\$/bbl)	-0.180	-0.040	-0.130
Gasoline				
RBOB	(c/gal)	3.185	-0.035	+0.315
EBOB	(\$/mt)	2.000	-1.250	-1.000
Singapore 92	(\$/bbl)	0.030	-0.020	-0.020
Singapore 95	(\$/bbl)	0.130	-0.020	+0.080
Naphtha				
US C5 ENT	(c/gal)	-0.500	+0.000	-0.250
NWE Naphtha	(\$/mt)	9.500	+1.000	+3.500
MOP-Japan Naphtha	(\$/mt)	8.750	+0.500	+2.500
Fuel Oil				
3.5% barges	(\$/mt)	3.000	-0.750	-1.000
Singapore 380	(\$/mt)	8.000	-1.750	+1.250
Singapore 180	(\$/mt)	5.250	-1.750	+0.500
0.5% barges	(\$/mt)	3.000	+0.250	-0.250
Singapore 0.5%	(\$/mt)	6.500	+1.000	+0.250
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	-0.130
NWE Propane	(\$/mt)	1.500	+0.000	+0.000
Saudi Propane CP	(\$/mt)	4.500	-1.500	-3.500
Asian Propane FEI	(\$/mt)	2.500	-1.000	+0.000
US Butane ENT	(c/gal)	-0.500	+0.000	+0.000
Saudi Butane CP	(\$/mt)	2.000	+1.500	+0.000



Front Month Cracks and Diffs			
July	24-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.190	-0.110	-0.250
WTI/Brent (\$/bbl)	-3.750	+0.110	+0.330
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.720	-0.640	-0.310
NWE Jet crack (\$/bbl)	21.550	-0.630	-0.350
NWE Jet Diff (\$/mt)	59.500	+0.000	+0.500
Gasoil E/W (\$/bbl)	-27.500	-0.500	-1.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.420	+0.030	-0.070
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.700	+1.000	+1.400
EBOB crack (\$/mt)	15.150	-0.030	+1.000
Singapore 92 crack (\$/bbl)	6.190	+0.230	+0.590
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.960	+0.260	-0.410
European Gasnaph (EBOB vs Naphtha) (\$/mt)	154.350	-0.020	+4.040
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	62.810	+2.900	+0.650
Naphtha			
US C5 ENT vs WTI Crack	-16.100	-0.410	-1.110
NWE Naphtha Crack (\$/bbl)	-8.600	-0.050	+0.350
MOPJ Naphtha Crack (\$/bbl)	-6.720	-0.160	+0.320
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.750	-1.000	-0.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.450	-0.370	+0.050
Singapore 380 crack (\$/bbl)	-5.650	-0.600	+1.120
Singapore 180 crack (\$/bbl)	-4.750	-0.610	+0.800
Visco (180-380) (\$/mt)	5.750	+0.000	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	17.750	-1.500	+6.750
0.5% barges crack (\$/bbl)	2.750	+0.450	+0.100
Singapore 0.5% crack (\$/bbl)	9.800	+0.650	+0.250
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	44.770	+1.270	+0.950
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	71.120	+5.210	+0.320
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	98.140	+7.980	-5.480
0.5% barges/gasoil (\$/mt)	-222.350	+7.790	+1.260
Sing 0.5% vs Sing 10ppm (\$/mt)	-150.090	+9.420	+3.690
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-131.000	-1.000	-14.500
US Propane LST vs Asian Propane FEI (\$/mt)	-218.000	+1.000	-17.000
Asian Propane FEI vs NWE Propane (\$/mt)	87.000	-2.000	+2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	48.000	-2.500	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-133.100	-4.080	-8.880
Asian Pronap (FEI vs MOPJ) (\$/mt)	-62.850	-5.080	-6.080



Long Tenor Cracks / Diffs

	Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude							
Brent/Dubai (\$/bbl)	0.650	-0.190	-0.190	-0.080	0.030	-0.153	0.143
WTI/Brent (\$/bbl)	-4.220	-3.750	-3.860	-3.950	-4.090	-3.853	-4.200
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.13	19.72	20.37	21.04	21.25	20.38	21.16
NWE Jet crack (\$/bbl)	20.70	21.55	22.14	22.75	23.00	22.15	22.93
NWE Jet Diff (\$/mt)	57.50	59.50	59.00	58.50	58.50	59.00	58.50
Gasoil E/W (\$/bbl)	-28.82	-27.50	-26.43	-27.33	-26.68	-27.09	-25.01
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.42	-1.42	-1.31	-1.21	-0.98	-1.31	-0.76
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.430	11.700	9.080	-5.580	2.080	5.067	4.440
EBOB crack (\$/mt)	14.370	15.150	15.610	14.630	9.730	15.130	8.190
Singapore 92 crack (\$/bbl)	4.970	6.190	6.860	6.900	6.610	6.650	6.373
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.400	-8.960	-8.750	-7.730	-3.120	-8.480	-1.817
European Gasnaph (EBOB vs Naphtha) (\$/mt)	143.350	154.350	161.850	155.100	113.850	157.100	101.017
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	50.640	62.810	71.310	73.060	71.230	69.060	69.760
Naphtha							
US C5 ENT vs WTI Crack	-16.870	-16.100	-15.070	-14.130	-13.100	-15.100	-12.563
NWE Naphtha Crack (\$/bbl)	-8.130	-8.600	-8.950	-9.090	-8.980	-8.880	-8.943
MOPJ Naphtha Crack (\$/bbl)	-6.540	-6.720	-6.980	-7.120	-7.140	-6.940	-7.160
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.250	16.750	17.500	17.500	16.500	17.250	16.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.580	-8.450	-8.210	-8.760	-9.610	-8.473	-9.913
Singapore 380 crack (\$/bbl)	-5.150	-5.650	-6.200	-7.270	-8.350	-6.373	-8.587
Singapore 180 crack (\$/bbl)	-4.960	-4.750	-4.870	-5.570	-6.340	-5.063	-6.457
Visco (180-380) (\$/mt)	1.250	5.750	8.500	10.750	12.750	8.333	13.500
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	21.750	17.750	12.750	9.500	8.000	13.333	8.417
0.5% bgs crack (\$/bbl)	2.240	2.750	3.000	3.120	3.060	2.957	2.983
Singapore 0.5% crack (\$/bbl)	9.440	9.800	9.500	9.260	9.200	9.520	9.153
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	45.770	44.770	41.270	39.020	39.020	41.687	39.187
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	68.620	71.120	71.120	75.370	80.370	72.537	81.787
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	92.640	98.140	99.640	104.890	111.390	100.890	112.557
0.5% bgs/gasoil (\$/mt)	-222.160	-222.350	-225.130	-228.840	-230.250	-225.440	-229.510
Sing 0.5% vs Sing 10ppm (\$/mt)	-147.470	-150.090	-157.110	-162.160	-164.230	-156.453	-164.973
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-144.51	-131	-125.59	-125.61	-123.27	-127.4	-123.327
US Propane LST vs Asian Propane FEI (\$/mt)	-228.51	-218	-211.59	-212.11	-211.27	-213.9	-210.827
Asian Propane FEI vs NWE Propane (\$/mt)	84	87	86	86.5	88	86.5	87.5
Asian Propane FEI vs Saudi Propane CP (\$/mt)	52	48	50	49.5	47	49.17	42.33
European Pronap (\$/mt)	-136.6	-133.1	-125.1	-116.35	-108.6	-124.85	-102.1
Asian Pronap (FEI vs MOPJ) (\$/mt)	-118.85	-110.85	-106.6	-96.85	-84.1	-104.77	72.93



Inter-month Crack Spreads			
July/Aug	24-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.000	-0.010	-0.030
WTI/Brent (\$/bbl)	0.110	+0.030	+0.140
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.650	-0.100	-0.060
NWE Jet crack (\$/bbl)	-0.590	-0.160	+0.020
NWE Jet Diff (\$/mt)	0.500	-0.500	+0.500
Gasoil E/W (\$/bbl)	-1.070	-0.410	-0.730
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.110	+0.080	-0.060
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	2.620	+0.340	+0.620
EBOB crack (\$/mt)	-0.460	-0.160	-0.140
Singapore 92 crack (\$/bbl)	-0.670	-0.030	-0.040
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.210	+0.130	+0.100
European Gasnaph (EBOB vs Naphtha) (\$/mt)	-7.500	-2.250	-4.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-8.500	-0.670	-2.670
Naphtha			
US C5 ENT vs WTI Crack	-1.030	-0.050	-0.270
NWE Naphtha Crack (\$/bbl)	0.350	+0.080	+0.350
MOPJ Naphtha Crack (\$/bbl)	0.260	+0.030	+0.240
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.750	-0.500	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-0.240	-0.140	-0.190
Singapore 380 crack (\$/bbl)	0.550	-0.290	+0.170
Singapore 180 crack (\$/bbl)	0.120	-0.300	+0.030
Visco (180-380) (\$/mt)	-2.750	+0.000	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	5.000	-1.000	+2.250
0.5% barges crack (\$/bbl)	-0.250	+0.000	-0.100
Singapore 0.5% crack (\$/bbl)	0.300	+0.110	-0.020
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	3.500	+0.750	+0.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	0.000	+1.000	+0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-1.500	+2.750	-1.000
0.5% barges/gasoil (\$/mt)	2.780	+1.070	+0.140
Sing 0.5% vs Sing 10ppm (\$/mt)	7.020	+1.890	+0.770
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-5.410	+0.000	-0.680
US Propane LST vs Asian Propane FEI (\$/mt)	-6.410	+1.000	-0.680
Asian Propane FEI vs NWE Propane (\$/mt)	1.000	-1.000	+0.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-2.000	+0.500	+3.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-8.000	-1.000	-3.500