



Market Summary

When oil offers no juicy returns, it's time for a cuppa of warm cocoa

Famed and mostly long trader, Pierre Andurand, is calling a time out from oil and will enter the most comforting cocoa market. Time for a cuppa and some time out. Most would agree on the rest but not on the choice of the infusion. Cocoa offered fantastic returns earlier this year when agricultural megahouse, Cargill, helped itself to a lot of beans, according to sources in the know. At the risk of getting crushed like a bean, Andurand is also entering the copper market. And he has some strong views about demand in the now 'renewable', must have metal.

But Andurand does not see his exit from oil as 'permanent.' He confided, 'I just don't have any strong view on oil at the moment. I feel like it is balanced and range bound. But it could change!' He seems right, the flat price has been on a range in the past 12 months, where the front month Brent average on a continuous basis is \$83.72/bbl, a mere couple of bucks from where we closed today at \$85.70 in Asia. Hedge funds indulge their investor when there are outsize moves. Oil has been navigating a treacherous environment with sanctions against Russia's exports, post Covid surging flight demand, on and off Chinese economy, spiking interest rates, Houthi shipping attacks and the odd squeeze here and there, but the oil prices have indeed gone mostly nowhere.

At least some things are constant and PetroChina reverted to its old bullish self and, at the risk of being unfriended today, bought some Dubai partials from Unipecc. Front Brent/Dubai firmed to 76 cts, up 10 cts. Three convergences were seen today. Hengli declared Oman to Mercuria, Trafigura Murban to Total, and Exxon Upper Zakum to Total.

Units at the Kochi refinery in southern India will be closed for maintenance in September and October. They recently bought WTI sources said.

China hiked gasoline by 210 yuan/ton from June 28. They will also be raising Diesel prices by 200 yuan/ton. Raising refined products might ease the collapsing margins amidst bad macros and poor demand. The rise may be in response to a weakening Yuan, anyway.

Summary					
Physical and Futures			27-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	85.700	+0.550	+0.500	
WTI Aug (fut)	(\$/bbl)	81.270	+0.260	+0.650	
Dubai Aug (phys)	(\$/bbl)	84.940	+0.445	+0.410	
Crude Swaps Jul					
Brent	(\$/bbl)	84.865	+0.475	+0.510	
DFL	(\$/bbl)	0.480	-0.030	-0.350	
WTI	(\$/bbl)	81.025	+0.205	+0.625	
Dubai	(\$/bbl)	85.060	+0.470	+0.660	



In detail

As at 09:30 BST, crude markets saw relative strengthening against the close of Asia yesterday. August Brent futures rose 55 cts to \$85.70/bbl, whilst August WTI futures posted a 26 cts increase over the same period, at \$81.27/bbl. Our Dubai assessment of physical cargos for August increased by 44.5 cts, to close the window at \$84.94/bbl. Physical premiums for August Dubai increased very marginally by 1.5 cts to 53 cts. This premium has collapsed versus the previous month and has resulted in submissions to Aramco, calling for a substantial reduction in OSPs. Get ready they are coming and won't be too far away from a \$0.75/bbl cut.

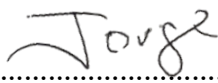
As we discussed yesterday, EIA reported builds of 3.6 mbbbls, compared with estimates of a 2mbbbls draw. Gasoline inventories also posted builds of over 2.6 mbbbls. Looking at google searches in the US gasoline consumer demand picture looks weak on a y-o-y basis. Hits for the key words 'gas station', which provides a good proxy for use of gasoline powered automotive transport, were down 27% last week compared with the year prior. Against the same period in 2019 hits for the search were 15% lower. We await this afternoon GDP final release and durable goods data for more colour on the state of demand in the US.

India's state-run Bharat Petroleum Corp expects no significant change in its annual crude processing this fiscal year, despite plans to shut a crude unit at its largest refinery for a month of maintenance. BPCL, the third-largest oil refiner in the country, will close a number of key units, including its largest 120 kbbls/d unit. The 310 kbbls/d Kochi refinery in southern India will be closed from mid-September, said Sanjay Khanna, head of refineries.

Last year the refiner processed almost 800 kbbls/d of crude across its three refineries. The company plans to expand its Bina refinery in central India from 156 kbbls/d to 220 kbbls/d, with expansions hoping to be completed by the middle of the year 2027. At the Bina refinery, they are also aiming to build a 1.2 million tons per year petrochemical plant by the middle of the year 2028, with potential expansion to 1.5 million tons per year.


In Japan, kerosene continues to be in short supply. Narita airport, which services Tokyo said 6 Asian carriers were being affected by the shortage, disrupting around 57 flights per week. Forecasters are projecting large increases in Asian flights this year, amidst further tightening supply. Eneos is reportedly working with the government to ease frictions. As the Yen tumble continues, with the dollar cross surpassing 160, imported crude and refined products will only become more expensive. Therefore it looks likely that the market will remain tight.

Note, Japan's Yen is not the only one getting hit as the Won and Yuan have steadily deteriorated over the course of the year.

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Front Month Outrights					
July Swaps			27-Jun-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	84.865		+0.475	+0.510
WTI	(\$/bbl)	81.025		+0.205	+0.625
Dubai	(\$/bbl)	85.060		+0.470	+0.660
Distillates					
Gasoil 0.1 NWE	(\$/mt)	791.790		+8.810	+5.280
NWE Jet	(\$/mt)	848.790		+9.310	+1.280
Singapore 10ppm	(\$/bbl)	102.590		+1.220	+0.770
Sing Kero	(\$/bbl)	101.090		+1.250	+0.630
Gasoline					
RBOB	(c/gal)	252.595		+2.510	+5.165
EBOB	(\$/mt)	837.390		+7.070	+8.120
Singapore 92	(\$/bbl)	91.030		+0.540	+0.780
Singapore 95	(\$/bbl)	95.530		+0.540	+1.090
Naphtha					
US C5 ENT	(c/gal)	155.470		+0.000	-0.120
NWE Naphtha	(\$/mt)	688.060		+7.300	+13.800
MOPJ Naphtha	(\$/mt)	705.060		+7.050	+12.460
Fuel Oil					
3.5% barges	(\$/mt)	483.490		+2.670	-1.780
Singapore 380	(\$/mt)	504.240		+5.050	-0.530
Singapore 180	(\$/mt)	509.240		+3.980	-1.530
0.5% barges	(\$/mt)	560.130		+4.440	+9.460
Singapore 0.5%	(\$/mt)	609.030		+6.030	+15.500
NGLs					
US Propane LST	(c/gal)	83.370		+2.910	+4.030
NWE Propane	(\$/mt)	560.360		+8.660	+12.500
Saudi Propane CP	(\$/mt)	587.860		+6.720	+1.050
Asian Propane FEI	(\$/mt)	635.360		+5.220	-1.950
US Butane ENT	(c/gal)	98.620		+1.790	+3.040
Saudi Butane CP	(\$/mt)	570.860		+7.220	+4.050



Long Tenor Swaps

		Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude								
Brent	(\$/bbl)	85.295	84.865	84.185	83.545	83.010	84.198	82.502
WTI	(\$/bbl)	81.265	81.025	80.235	79.495	78.770	80.252	78.250
Dubai	(\$/bbl)	84.960	85.060	84.410	83.750	83.120	84.407	82.503
Distillates								
Gasoil 0.1 NWE	(\$/mt)	791.625	791.790	791.020	790.470	786.720	780.460	775.960
NWE Jet	(\$/mt)	846.620	848.790	847.520	846.970	843.220	836.960	832.460
Singapore 10ppm	(\$/bbl)	102.540	102.590	102.650	102.490	102.090	101.560	101.000
Sing Kero	(\$/bbl)	100.990	101.090	101.250	101.200	101.050	100.770	100.410
Gasoline								
RBOB	(c/gal)	254.630	252.595	249.960	230.670	224.585	219.765	218.885
EBOB	(\$/mt)	836.890	837.390	834.640	819.890	774.140	753.640	739.890
Singapore 92	(\$/bbl)	90.530	91.030	90.940	90.250	89.500	88.670	88.070
Singapore 95	(\$/bbl)	94.330	95.530	95.240	94.500	93.500	92.620	91.970
Naphtha								
US C5 ENT	(c/gal)	154.220	155.470	155.970	156.470	157.220	156.970	156.720
NWE Naphtha	(\$/mt)	698.560	688.060	677.060	668.560	663.810	658.810	653.810
MOP-Japan Naphtha	(\$/mt)	713.060	705.060	694.560	685.810	680.060	674.560	669.560
Fuel Oil								
3.5% barges	(\$/mt)	487.240	483.490	480.740	473.990	465.240	459.490	455.990
Singapore 380	(\$/mt)	510.490	504.240	496.240	485.240	474.490	468.990	465.490
Singapore 180	(\$/mt)	512.490	509.240	504.240	495.490	487.240	482.490	479.490
0.5% barges	(\$/mt)	560.880	560.130	557.130	553.380	548.880	544.630	540.630
Singapore 0.5%	(\$/mt)	611.530	609.030	600.280	593.280	588.530	584.530	580.530
NGLs								
US Propane LST	(c/gal)	82.120	83.370	84.120	84.370	85.370	85.750	85.630
NWE Propane	(\$/mt)	567.360	560.360	557.860	558.860	561.860	564.360	564.360
Saudi Propane CP	(\$/mt)	587.860	587.860	587.860	591.360	599.360	606.360	610.860
Asian Propane FEI	(\$/mt)	639.360	635.360	634.360	637.360	642.860	646.360	644.360
US Butane ENT	(c/gal)	156.240	157.240	157.620	158.120	158.740	158.490	158.240
Saudi Butane CP	(\$/mt)	570.860	570.860	570.860	583.360	592.860	600.360	605.360



Front Month Spreads				
July/Aug		27-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.680	+0.080	-0.010
WTI	(\$/bbl)	0.790	+0.015	+0.050
Dubai	(\$/bbl)	0.650	+0.040	-0.050
Distillates				
Gasoil 0.1 NWE	(\$/mt)	0.770	-0.010	-1.770
NWE Jet	(\$/mt)	1.270	+0.990	-2.270
Singapore 10ppm	(\$/bbl)	-0.060	+0.040	-0.130
Sing Kero	(\$/bbl)	-0.160	+0.030	-0.090
Gasoline				
RBOB	(c/gal)	2.635	-0.465	-0.720
EBOB	(\$/mt)	2.750	+0.750	-0.750
Singapore 92	(\$/bbl)	0.090	+0.090	+0.190
Singapore 95	(\$/bbl)	0.290	+0.090	+0.290
Naphtha				
US C5 ENT	(c/gal)	-0.500	+0.000	+0.000
NWE Naphtha	(\$/mt)	11.000	+1.000	+3.250
MOP-Japan Naphtha	(\$/mt)	10.500	+1.000	+2.500
Fuel Oil				
3.5% barges	(\$/mt)	2.750	+0.250	-1.000
Singapore 380	(\$/mt)	8.000	+1.000	-2.000
Singapore 180	(\$/mt)	5.000	+0.500	-2.500
0.5% barges	(\$/mt)	3.000	+0.250	-5.000
Singapore 0.5%	(\$/mt)	8.750	+1.250	+2.750
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	-4.500
NWE Propane	(\$/mt)	2.500	-0.500	-7.500
Saudi Propane CP	(\$/mt)	0.000	+0.000	-7.500
Asian Propane FEI	(\$/mt)	1.000	+0.000	-2.000
US Butane ENT	(c/gal)	-0.380	+0.120	-5.880
Saudi Butane CP	(\$/mt)	0.000	+0.000	+0.620



Front Month Cracks and Diffs			
July	27-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.200	-0.010	-0.160
WTI/Brent (\$/bbl)	-3.840	-0.260	-7.800
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	21.420	+0.710	+0.240
NWE Jet crack (\$/bbl)	22.850	+0.720	-0.320
NWE Jet Diff (\$/mt)	57.000	+0.500	-4.000
Gasoil E/W (\$/bbl)	-27.500	+0.250	+0.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.500	+0.040	-0.140
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	13.250	+0.500	+2.850
EBOB crack (\$/mt)	15.670	+0.400	+0.470
Singapore 92 crack (\$/bbl)	6.170	+0.100	+0.270
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.500	-0.300	-0.200
European Gasnaph (EBOB vs Naphtha) (\$/mt)	149.330	-0.300	-5.650
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	53.220	-2.460	-6.070
Naphtha			
US C5 ENT vs WTI Crack	-14.980	+0.570	+0.080
NWE Naphtha Crack (\$/bbl)	-7.550	+0.380	+1.050
MOPJ Naphtha Crack (\$/bbl)	-5.640	+0.350	+0.910
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.000	-0.250	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.750	-0.050	-0.800
Singapore 380 crack (\$/bbl)	-5.480	+0.310	-0.600
Singapore 180 crack (\$/bbl)	-4.690	+0.150	-0.760
Visco (180-380) (\$/mt)	5.000	-1.000	-1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	20.750	+2.250	+1.250
0.5% barges crack (\$/bbl)	3.350	+0.250	+1.000
Singapore 0.5% crack (\$/bbl)	11.050	+0.500	+1.950
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	48.900	+1.590	+6.040
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	76.830	+1.900	+11.420
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	104.980	+1.240	+16.210
0.5% barges/gasoil (\$/mt)	-231.660	-4.300	+4.320
Sing 0.5% vs Sing 10ppm (\$/mt)	-155.270	-2.990	+9.820
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-126.000	+6.500	+8.500
US Propane LST vs Asian Propane FEI (\$/mt)	-201.000	+10.000	+23.000
Asian Propane FEI vs NWE Propane (\$/mt)	75.000	-3.500	-14.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	47.500	-1.500	-3.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-127.700	+1.240	-1.210
Asian Pronap (FEI vs MOPJ) (\$/mt)	-69.700	-2.010	-14.460



Long Tenor Cracks / Diffs

	Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude							
Brent/Dubai (\$/bbl)	0.340	-0.200	-0.230	-0.210	-0.110	-0.213	-0.003
WTI/Brent (\$/bbl)	-4.040	-3.840	-3.940	-4.040	-4.240	-3.940	-4.250
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	20.96	21.42	22.00	22.56	22.59	21.99	22.34
NWE Jet crack (\$/bbl)	22.14	22.85	23.37	23.94	24.00	23.39	23.79
NWE Jet Diff (\$/mt)	55.00	57.00	56.50	56.50	56.50	56.67	56.50
Gasoil E/W (\$/bbl)	-27.70	-27.50	-26.28	-26.93	-26.18	-26.90	-24.50
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.55	-1.50	-1.40	-1.29	-1.04	-1.40	-0.81
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	15.420	13.250	11.400	-3.680	3.310	6.990	5.020
EBOB crack (\$/mt)	15.170	15.670	16.020	14.890	9.920	15.527	8.240
Singapore 92 crack (\$/bbl)	5.230	6.170	6.760	6.710	6.490	6.547	6.247
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-9.940	-9.500	-9.260	-8.180	-3.430	-8.980	-1.993
European Gasnaph (EBOB vs Naphtha) (\$/mt)	138.330	149.330	157.580	151.330	110.330	152.747	97.080
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	41.050	53.220	62.970	65.970	65.470	60.720	64.530
Naphtha							
US C5 ENT vs WTI Crack	-15.640	-14.980	-14.040	-13.090	-12.100	-14.037	-11.683
NWE Naphtha Crack (\$/bbl)	-6.810	-7.550	-8.110	-8.420	-8.420	-8.027	-8.477
MOPJ Naphtha Crack (\$/bbl)	-5.180	-5.640	-6.140	-6.480	-6.600	-6.087	-6.690
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.500	17.000	17.500	17.250	16.250	17.250	15.917
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.600	-8.750	-8.500	-8.930	-9.770	-8.727	-10.050
Singapore 380 crack (\$/bbl)	-4.940	-5.480	-6.060	-7.150	-8.320	-6.230	-8.567
Singapore 180 crack (\$/bbl)	-4.620	-4.690	-4.800	-5.540	-6.310	-5.010	-6.457
Visco (180-380) (\$/mt)	2.000	5.000	8.000	10.250	12.750	7.750	13.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	23.250	20.750	15.500	11.250	9.250	15.833	9.417
0.5% bgs crack (\$/bbl)	3.030	3.350	3.560	3.610	3.430	3.507	3.283
Singapore 0.5% crack (\$/bbl)	11.000	11.050	10.350	9.890	9.670	10.430	9.550
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	50.650	48.900	43.150	39.900	39.650	43.983	39.817
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	73.830	76.830	76.580	79.580	83.830	77.663	84.663
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	101.230	104.980	104.230	108.230	114.230	105.813	115.063
0.5% bgs/gasoil (\$/mt)	-230.740	-231.660	-233.890	-237.090	-237.840	-234.213	-236.333
Sing 0.5% vs Sing 10ppm (\$/mt)	-152.390	-155.270	-164.460	-170.270	-172.040	-163.333	-172.017
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-139.51	-126	-119.59	-119.29	-117.08	-121.627	-117.637
US Propane LST vs Asian Propane FEI (\$/mt)	-211.51	-201	-196.09	-197.79	-198.08	-198.293	-198.637
Asian Propane FEI vs NWE Propane (\$/mt)	72	75	76.5	78.5	81	76.66667	81
Asian Propane FEI vs Saudi Propane CP (\$/mt)	51.5	47.5	46.5	46	43.5	46.66667	39
European Pronap (\$/mt)	-131.2	-127.7	-119.2	-109.7	-101.95	-118.867	-95.2833
Asian Pronap (FEI vs MOPJ) (\$/mt)	-125.2	-117.2	-106.7	-94.45	-80.7	-106.117	-69.2



Inter-month Crack Spreads			
July/Aug	27-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.030	+0.030	+0.030
WTI/Brent (\$/bbl)	0.100	-0.080	+0.060
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.580	-0.090	-0.210
NWE Jet crack (\$/bbl)	-0.520	+0.060	-0.250
NWE Jet Diff (\$/mt)	0.500	+1.000	-0.500
Gasoil E/W (\$/bbl)	-1.220	+0.280	+0.760
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.100	-0.010	+0.040
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	1.850	-0.670	-0.510
EBOB crack (\$/mt)	-0.350	+0.020	-0.090
Singapore 92 crack (\$/bbl)	-0.590	+0.020	+0.200
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.240	-0.000	+0.280
European Gasnaph (EBOB vs Naphtha) (\$/mt)	-8.250	-0.250	-4.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-9.750	-0.250	-0.920
Naphtha			
US C5 ENT vs WTI Crack	-0.940	+0.050	-0.000
NWE Naphtha Crack (\$/bbl)	0.560	+0.040	+0.390
MOPJ Naphtha Crack (\$/bbl)	0.500	+0.030	+0.300
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.500	+0.000	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-0.250	-0.040	-0.150
Singapore 380 crack (\$/bbl)	0.580	+0.080	-0.300
Singapore 180 crack (\$/bbl)	0.110	+0.010	-0.360
Visco (180-380) (\$/mt)	-3.000	-0.500	-0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	5.250	+0.750	-1.000
0.5% barges crack (\$/bbl)	-0.210	-0.040	+0.010
Singapore 0.5% crack (\$/bbl)	0.700	+0.120	+0.520
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	5.750	+1.000	+3.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	0.250	+0.000	+1.000
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	0.750	+0.250	+5.250
0.5% barges/gasoil (\$/mt)	2.230	+0.260	+1.810
Sing 0.5% vs Sing 10ppm (\$/mt)	9.190	+0.950	+4.210
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-6.410	+0.500	-0.500
US Propane LST vs Asian Propane FEI (\$/mt)	-4.910	+0.000	+2.500
Asian Propane FEI vs NWE Propane (\$/mt)	-1.500	+0.500	-3.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.000	+0.000	+1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-8.500	-1.500	-2.750