



Market Summary

OPEC sticks to its demand guns

The Federal Open Market Committee is ready to meet while us, mere mortals, wait for their momentous decision to do nothing at all. But they will be worried about inflation. A non-reduction in interest rates will continue to weigh down long term oil consumption among other things. But OPEC was its usual sunny self and released what was considered by many, an overly optimistic forecast in demand. OPEC acknowledged a contraction in H1 but more robust growth in the second half with growth still penned at 2.2 mbbls/d and 1.85 mbbls/d in 2025, both unchanged versus the prior report. Analysts expected the IEA tomorrow to issue a less sanguine outlook, maybe citing growth at only half the amount. 'Politicization of forecasts,' cried an observer, while another was ready to see an actual contraction. Such large divergences just take away confidence on the forecasts until there is a clear winner.

We will be watching really to add our own views while noting the relentless growth in EVs, with China's May EV sales at 47 pct of all car sales. One could make the argument that as cars retire, and they will be the old combustion cars, the bite from EVs into transportation will be magnified. Gasoline, then, does not look too hot in our opinion. At the close, the European oil markets were up with August Brent futures at \$81.76/bbl, rising by 66cts.

While some banks foresee large oil deficits in the latter part of the year, OPEC increases may look prescient but only if such rise in demand occurs. The outlook for Jet fuel demand is strong. But oil supply continues to leak in. Niger shipped their first cargo through a port in Benin. Harnessing this new export ability could motivate the production of up to 110kbbbls/d. The IMF expect aggregate output of Niger to grow by 11% off the back of this entry to global oil markets. This oil will find a way to enter the market.

A weak Euro could also weigh down consumption, triggered by the Macron election gamble.

Physical Dubai relative to October swaps strengthened marginally by 1c with Aug/Oct spreads increasing to \$2.09/bbl over the last 24 hours. Strengthening was also seen in WTI (+7c) and Brent (+11c) structures.

See 'In Detail' section overleaf.

Summary

Physical and Futures		11-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	81.760	+0.660	+4.430
WTI Aug (fut)	(\$/bbl)	77.420	+0.690	+4.265
Dubai Aug (phys)	(\$/bbl)	81.950	+0.460	+4.200
Crude Swaps Jul				
Brent	(\$/bbl)	81.365	+0.590	+2.495
DFL	(\$/bbl)	0.150	+0.130	-0.100
WTI	(\$/bbl)	77.250	+0.665	+2.555
Dubai	(\$/bbl)	81.600	+0.560	+2.350



In detail

As at 16:30 BST August WTI and Brent futures increased to \$77.42/bbl and \$81.76/bbl respectively, with WTI rising by 69c and Brent trading up 66c against the same time yesterday. Our Dubai physical assessment also rose to \$81.95/bbl. Structures all strengthened over the 24 hours.

OPEC released their monthly review, in which they detailed their forecast for global oil demand growth. Growth forecasted for 2024 were unchanged at 2.2mbbls/d y-o-y. Projections for 2025 also remained unchanged at 1.8mbbls/d y-o-y. The overwhelming majority of the projected growth is attributed to elevated demand in non-OECD countries, whilst OECD countries only account for 0.1mbbls/d of the increase. The report detailed minor downward revisions of 50kbbls/d for demand in the first quarter of 2024 following the realisation of slightly weaker than expected data. However, estimates of Q3 supply were increased by an equal amount in a cunning move to balance the forecast, pointing to elevated seasonal demand.

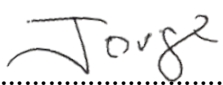
The IEA in contrast, currently forecasts a far more realistic demand growth of 1.1 mbbls/d. The market eagerly awaits their updated forecasts, to be issued on Wednesday.

OPEC stated that for countries not participating in the Declaration of Cooperation, supply is expected to increase by 1.2 mbbls/d in 2024, again unchanged from the previous months' estimates. Much of this increase is expected to be driven by growth in US, Canada, Brazil and Norway supply. In 2025 estimated Non-DoC supply growth also remains unchanged from the previous assessment at 1.1mbbls/d.

According to the report, the DoC crude oil production for May dropped to 40.92 mbbls/d, down 123kbbls/d on the month. This would imply a large deficit against their forecasted Q3 demand of 43.6 mbbls/d.

Elevated jet fuel demand has continued to tighten the market kerosene, with airlines in Japan struggling to obtain the fuel amidst worker shortages. Some airlines are even reportedly reversing plans to expand the number of flights into the country, despite historically elevated consumer demand for air travel. As at 16:30 BST, NWE Jet cracks stood at \$20.79/bbl. The contract continues to trend upward despite a small fall against the same time yesterday

Key movers among July contracts over the last 24 hours were the Singapore 92 crack (-17.6%), Asian Pronap (-15.9%), Asian Gasnaph (-14.5%), TA arb (+12.1%) and Regrade (-8.1%).

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Front Month Outrights				
July Swaps			11-Jun-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	81.365	+0.590	+4.225
WTI	(\$/bbl)	77.250	+0.665	+4.360
Dubai	(\$/bbl)	81.600	+0.560	+4.180
Distillates				
Gasoil 0.1 NWE	(\$/mt)	747.440	+7.545	+40.360
NWE Jet	(\$/mt)	804.940	+4.540	+46.360
Singapore 10ppm	(\$/bbl)	97.410	+1.220	+5.410
Sing Kero	(\$/bbl)	96.740	+1.170	+6.140
Gasoline				
RBOB	(c/gal)	239.305	+0.250	+7.715
EBOB	(\$/mt)	806.600	-2.240	+23.300
Singapore 92	(\$/bbl)	88.030	-0.830	+2.750
Singapore 95	(\$/bbl)	92.180	-0.830	+3.000
Naphtha				
US C5 ENT	(c/gal)	149.010	+1.550	+5.010
NWE Naphtha	(\$/mt)	645.960	+5.600	+31.590
MOPJ Naphtha	(\$/mt)	662.460	+5.350	+27.840
Fuel Oil				
3.5% barges	(\$/mt)	469.460	+4.260	+27.120
Singapore 380	(\$/mt)	481.210	+4.510	+20.120
Singapore 180	(\$/mt)	489.460	+4.260	+18.120
0.5% barges	(\$/mt)	531.370	+4.510	+26.160
Singapore 0.5%	(\$/mt)	573.660	+4.570	+26.670
NGLs				
US Propane LST	(c/gal)	75.230	+1.640	+7.020
NWE Propane	(\$/mt)	521.450	+4.550	+27.580
Saudi Propane CP	(\$/mt)	562.950	-1.950	+13.580
Asian Propane FEI	(\$/mt)	610.950	-1.450	+13.580
US Butane ENT	(c/gal)	88.230	+1.640	+6.900
Saudi Butane CP	(\$/mt)	546.950	-1.950	+8.580



Long Tenor Swaps

		Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
Crude								
Brent	(\$/bbl)	81.740	81.365	80.885	80.425	79.985	80.425	79.180
WTI	(\$/bbl)	77.600	77.250	76.730	76.225	75.705	76.225	74.765
Dubai	(\$/bbl)	82.000	81.600	81.000	80.420	79.860	80.420	78.800
Distillates								
Gasoil 0.1 NWE	(\$/mt)	746.590	747.440	749.070	750.860	749.540	745.125	742.370
NWE Jet	(\$/mt)	800.590	804.940	807.070	808.940	807.580	803.120	800.370
Singapore 10ppm	(\$/bbl)	97.230	97.410	97.530	97.630	97.420	97.090	96.760
Sing Kero	(\$/bbl)	97.490	96.740	96.640	96.770	96.730	96.580	96.460
Gasoline								
RBOB	(c/gal)	240.670	239.305	236.450	218.645	213.885	210.985	210.035
EBOB	(\$/mt)	806.600	806.600	803.100	790.850	745.600	727.100	715.100
Singapore 92	(\$/bbl)	87.330	88.030	88.080	87.630	86.830	86.080	85.480
Singapore 95	(\$/bbl)	91.130	92.180	92.230	91.730	90.930	89.980	89.380
Naphtha								
US C5 ENT	(c/gal)	148.510	149.010	149.510	149.760	149.760	149.510	149.010
NWE Naphtha	(\$/mt)	650.460	645.960	641.710	637.960	634.710	631.210	627.460
MOP-Japan Naphtha	(\$/mt)	667.460	662.460	657.460	653.210	649.460	645.460	641.460
Fuel Oil								
3.5% barges	(\$/mt)	471.710	469.460	464.960	458.460	450.110	444.610	440.610
Singapore 380	(\$/mt)	493.460	481.210	473.710	465.210	456.710	451.960	448.710
Singapore 180	(\$/mt)	497.960	489.460	483.460	476.710	469.960	465.960	463.460
0.5% barges	(\$/mt)	532.620	531.370	529.870	527.370	524.620	521.740	518.860
Singapore 0.5%	(\$/mt)	577.410	573.660	568.910	565.160	562.160	559.160	556.160
NGLs								
US Propane LST	(c/gal)	73.980	75.230	75.730	76.230	77.480	78.360	78.600
NWE Propane	(\$/mt)	526.450	521.450	519.450	522.450	525.950	528.450	528.450
Saudi Propane CP	(\$/mt)	562.950	562.950	553.950	559.450	568.450	575.950	579.450
Asian Propane FEI	(\$/mt)	619.450	610.950	608.450	611.950	616.950	620.950	618.450
US Butane ENT	(c/gal)	87.730	88.230	88.730	89.230	91.230	92.110	92.610
Saudi Butane CP	(\$/mt)	546.950	546.950	544.950	554.450	564.950	572.450	575.950



Front Month Spreads				
July/Aug		11-Jun-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.440	+0.000	+0.175
WTI	(\$/bbl)	0.485	+0.000	+0.155
Dubai	(\$/bbl)	0.540	+0.000	+0.130
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.930	+0.000	+1.245
NWE Jet	(\$/mt)	-0.420	+0.000	+3.760
Singapore 10ppm	(\$/bbl)	-0.170	+0.000	-0.010
Sing Kero	(\$/bbl)	0.000	+0.000	+0.350
Gasoline				
RBOB	(c/gal)	3.020	+0.000	-0.315
EBOB	(\$/mt)	4.500	+0.000	-2.750
Singapore 92	(\$/bbl)	0.430	+0.000	-0.020
Singapore 95	(\$/bbl)	0.430	+0.000	-0.020
Naphtha				
US C5 ENT	(c/gal)	0.250	+0.000	+0.000
NWE Naphtha	(\$/mt)	4.250	+0.000	+0.500
MOP-Japan Naphtha	(\$/mt)	4.750	+0.000	-1.250
Fuel Oil				
3.5% barges	(\$/mt)	4.250	+0.000	+2.250
Singapore 380	(\$/mt)	7.000	+0.000	-0.750
Singapore 180	(\$/mt)	5.750	+0.000	-0.750
0.5% barges	(\$/mt)	1.500	+0.000	-0.750
Singapore 0.5%	(\$/mt)	4.880	+0.000	+0.130
NGLs				
US Propane LST	(c/gal)	-0.500	+0.000	+0.250
NWE Propane	(\$/mt)	1.500	+0.000	+2.500
Saudi Propane CP	(\$/mt)	11.500	+0.000	+3.000
Asian Propane FEI	(\$/mt)	3.500	+0.000	+1.000
US Butane ENT	(c/gal)	-0.500	+0.000	+0.120
Saudi Butane CP	(\$/mt)	3.500	+0.000	-0.500



Front Month Cracks and Diffs			
July	11-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.260	+0.000	+0.030
WTI/Brent (\$/bbl)	-4.090	+0.090	+0.170
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.970	+0.420	+1.220
NWE Jet crack (\$/bbl)	20.790	-0.010	+1.680
NWE Jet Diff (\$/mt)	57.500	-3.000	+6.000
Gasoil E/W (\$/bbl)	-21.750	+1.500	-0.100
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.670	-0.050	+0.730
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	8.800	+0.950	+1.100
EBOB crack (\$/mt)	15.480	-0.860	-1.410
Singapore 92 crack (\$/bbl)	6.670	-1.420	-1.470
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.800	-0.550	-0.050
European Gasnaph (EBOB vs Naphtha) (\$/mt)	160.820	-7.700	-8.080
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	71.000	-12.010	-4.750
Naphtha			
US C5 ENT vs WTI Crack	-14.700	-0.040	-2.300
NWE Naphtha Crack (\$/bbl)	-8.800	+0.020	-0.690
MOPJ Naphtha Crack (\$/bbl)	-6.950	-0.010	-1.110
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.500	-0.250	-3.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-7.450	+0.060	+0.050
Singapore 380 crack (\$/bbl)	-5.600	+0.100	-1.050
Singapore 180 crack (\$/bbl)	-4.300	+0.060	-1.370
Visco (180-380) (\$/mt)	8.250	-0.250	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	11.750	+0.250	-7.000
0.5% barges crack (\$/bbl)	2.300	+0.100	-0.100
Singapore 0.5% crack (\$/bbl)	8.950	+0.100	-0.050
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.230	+0.010	+0.320
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	61.910	+0.250	-0.950
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	92.390	+0.000	+6.370
0.5% barges/gasoil (\$/mt)	-216.230	-3.060	-14.310
Sing 0.5% vs Sing 10ppm (\$/mt)	-152.250	-4.590	-13.870
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-129.500	+4.000	+9.000
US Propane LST vs Asian Propane FEI (\$/mt)	-219.000	+10.000	+23.000
Asian Propane FEI vs NWE Propane (\$/mt)	89.500	-6.000	-14.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	48.000	+0.500	+0.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-124.620	-1.420	-3.930
Asian Pronap (FEI vs MOPJ) (\$/mt)	-51.620	-7.080	-14.180



Inter-month Crack Spreads			
July/Aug	11-Jun-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.120	-0.030	+0.010
WTI/Brent (\$/bbl)	0.050	+0.010	+0.010
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.710	-0.020	-0.010
NWE Jet crack (\$/bbl)	-0.760	-0.260	-0.680
NWE Jet Diff (\$/mt)	-0.500	-2.000	+0.500
Gasoil E/W (\$/bbl)	0.820	+0.130	-1.090
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.220	+0.050	+0.410
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	1.850	+0.140	+0.590
EBOB crack (\$/mt)	-0.040	-0.150	-0.630
Singapore 92 crack (\$/bbl)	-0.520	-0.520	-0.690
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.470	-0.360	-0.050
European Gasnaph (EBOB vs Naphtha) (\$/mt)	-0.750	-1.000	-4.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-5.410	-4.240	-3.160
Naphtha			
US C5 ENT vs WTI Crack	-0.740	-0.350	-0.520
NWE Naphtha Crack (\$/bbl)	0.010	-0.030	-0.130
MOPJ Naphtha Crack (\$/bbl)	0.090	+0.000	-0.300
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.750	+0.250	-1.500
Fuel Oil			
3.5% barges crack (\$/bbl)	0.230	+0.000	+0.200
Singapore 380 crack (\$/bbl)	0.700	+0.040	-0.240
Singapore 180 crack (\$/bbl)	0.460	-0.010	-0.290
Visco (180-380) (\$/mt)	-1.500	-0.250	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	3.000	+0.250	-2.750
0.5% barges crack (\$/bbl)	-0.240	-0.040	-0.310
Singapore 0.5% crack (\$/bbl)	0.270	-0.060	-0.200
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	3.250	-0.130	+0.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-3.000	-0.250	-3.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-2.750	-0.630	+0.250
0.5% barges/gasoil (\$/mt)	3.220	+0.050	-2.160
Sing 0.5% vs Sing 10ppm (\$/mt)	5.650	-0.490	-0.300
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-4.610	-0.510	-1.700
US Propane LST vs Asian Propane FEI (\$/mt)	-5.110	+0.990	+1.300
Asian Propane FEI vs NWE Propane (\$/mt)	0.500	-1.500	-3.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-6.500	+1.500	-0.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-2.250	+0.500	+2.500