



### Market Summary

#### Oil Market Consolidates

Traders sighed with relief as the crude markets clawed back some of the ground lost in the previous two-day onslaught. Sources wondered if the market had found its footing or if the buying was just short covering from the profitably lucky ones. At the Asian close (430 pm Singapore time) August Brent futures rose to \$77.695/bbl, marking a 43.5 cent gain over the day. And essentially left Dubai in the dust which only rose by 33 cts/bbl in the same period. The underperformance is even more stark as Total, Mitsui and specially Mercuria continue to bid for Dubai in the physical window.

The Dubai physical interest by at least two of the buyers is allegedly for or on behalf of a very large producer. You may want to go down a rabbit hole and speculate who that is. Chats with traders also centered on sellers who have grade options which also happen to price on Dubai.

But the opposite side (the consumers) was equally forceful in defending their positions with Petrochina, Unipac and Reliance selling into the bids. After all the bing, bang, boom Dubai closed at \$78.21 easing from earlier trades at \$78.25/bbl in the last minutes of trade.

But the market was still skittish and the weekly API report assuage no one. The report surprised with the crude oil inventory increase of 4.025mmbbls, above consensus of a 1.9mmbbls draw. Data continues to suggest oil markets remain over supplied and the bearish narratives persist. More so as economic data from the US is very weak. Gasoline and distillate inventories also rose amid lacklustre consumer demand.

Weak margins, especially in gasoline, are also hitting refiners. Formosa, who predominantly refine medium sour crude, announced a 40kb/d cut to run rates.

### Summary

#### Physical and Futures

		05-Jun-24	1-Day Change	7-Day Change
Brent Aug (fut)	(\$/bbl)	77.695	+0.435	-6.825
WTI Aug (fut)	(\$/bbl)	73.220	+0.240	-5.280
Dubai Aug (phys)	(\$/bbl)	78.210	+0.330	NA

#### Crude Swaps Jul

Brent	(\$/bbl)	77.425	+0.225	-6.595
DFL	(\$/bbl)	-0.130	+0.310	-0.530
WTI	(\$/bbl)	73.150	+0.230	-6.600
Dubai	(\$/bbl)	77.690	+0.150	-6.400



## In detail

Markets recovered on a 24 hours basis with Brent, WTI and Dubai front month swaps all increasing by 09:30 BST. Gasoline also rose with traders hoping for some consolidation after a dramatic sell off at the start of the week. But brokers were saying buying interest was still relatively muted. Fuel oil remained bearish, with European and Singapore structures posting declines on the day. Singapore 180 stands at \$470.26/mt at 09:30 BST, down over \$8/mt since the same time the day prior.


On Tuesday evening the API's showed an increase in crude inventories of 4.025mbbls and a gasoline and distillate stocks of 4.026mbbls and 1.975mbbls respectively. Only a minor drawdown of 0.465mbbls was reported for heating oil. But the market was in a recovery mode and ignored the further negative news. The market had already fallen so much.

Weaker than expected gasoline demand in the US has been the key driver for the negative sentiment with traders now waiting for the DOE figures to see if they pour further water on the rained on summer party. A sluggish start to driving season coincides with unnecessarily bolstered imports, and an overproduction of distillates and gasoline. This further reinforces the narrative of weak demand dynamics among US consumers.


Formosa Petrochemical (Taiwan) have also announced intentions to cut run rates in their refineries to 440kb/d, a reduction of 40kb/d. This is believed to be due to weak margins for both gasoline and gasoil. Formosa operates medium-sour heavy crude feeds according to traders close to the subject. In Singapore, profit margins among complex refineries have slumped in recent weeks, trading below \$4.00/bbl.

The macro picture in the US also continues to worsen, explaining the disappointing start to driving season. US job openings printed its fourth deepest decline MoM since 2000 to 8.059 million against expectations of 8.34 million. On the flip side, the worsening demand outlook has cooled inflation expectations.


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<b>Front month Outrights</b>				
<b>July Swaps</b>			05-Jun-24	1-Day Change 7-Day Change
<b>Crude</b>				
Brent	(\$/bbl)	77.425	+0.225	-6.595
WTI	(\$/bbl)	73.150	+0.230	-6.600
Dubai	(\$/bbl)	77.690	+0.150	-6.400
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	711.010	+4.520	-56.170
NWE Jet	(\$/mt)	764.510	+6.520	-62.420
Singapore 10ppm	(\$/bbl)	92.620	+0.680	-6.960
Sing Kero	(\$/bbl)	91.260	+0.670	-7.020
<b>Gasoline</b>				
RBOB	(c/gal)	232.350	+2.350	-16.890
EBOB	(\$/mt)	786.630	+6.440	-56.390
Singapore 92	(\$/bbl)	86.080	+1.420	-4.060
Singapore 95	(\$/bbl)	89.980	+1.420	-4.260
<b>Naphtha</b>				
US C5 ENT	(c/gal)	144.930	+0.000	-9.570
NWE Naphtha	(\$/mt)	617.570	-0.980	-40.810
MOPJ Naphtha	(\$/mt)	638.320	+0.020	-38.060
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	445.070	-1.780	-40.320
Singapore 380	(\$/mt)	460.070	-7.780	-37.820
Singapore 180	(\$/mt)	470.260	-8.090	-40.130
0.5% barges	(\$/mt)	508.890	-0.950	-38.440
Singapore 0.5%	(\$/mt)	548.890	-3.880	-37.230
<b>NGLs</b>				
US Propane LST	(c/gal)	68.700	+0.840	-6.630
NWE Propane	(\$/mt)	496.870	+3.820	-22.970
Saudi Propane CP	(\$/mt)	552.370	+2.320	-9.970
Asian Propane FEI	(\$/mt)	602.370	+5.820	-15.970
US Butane ENT	(c/gal)	81.810	+0.830	-6.650
Saudi Butane CP	(\$/mt)	539.320	+0.270	-17.020



## Long Tenor Swaps

		Balmo	Jul-24	Aug-24	Sep-24	Oct-24	Q3-24	Q4-24
<b>Crude</b>								
Brent	(\$/bbl)	77.680	77.425	77.090	76.735	76.390	76.735	75.770
WTI	(\$/bbl)	73.360	73.150	72.805	72.440	72.065	72.440	71.345
Dubai	(\$/bbl)	78.090	77.690	77.240	76.780	76.290	76.780	75.380
<b>Distillates</b>								
Gasoil 0.1 NWE	(\$/mt)	708.680	711.010	713.920	716.730	716.480	712.875	711.295
NWE Jet	(\$/mt)	760.180	764.510	768.420	772.230	772.980	769.380	767.800
Singapore 10ppm	(\$/bbl)	92.500	92.620	92.770	92.910	92.880	92.690	92.530
Sing Kero	(\$/bbl)	91.460	91.260	91.610	91.880	92.050	92.110	92.200
<b>Gasoline</b>								
RBOB	(c/gal)	234.325	232.350	228.960	211.150	206.150	203.350	202.480
EBOB	(\$/mt)	788.160	786.630	779.630	765.160	718.160	699.160	686.910
Singapore 92	(\$/bbl)	85.730	86.080	85.630	84.800	83.970	83.140	82.490
Singapore 95	(\$/bbl)	89.530	89.980	89.530	88.800	87.970	86.740	86.090
<b>Naphtha</b>								
US C5 ENT	(c/gal)	145.310	144.930	144.680	144.430	144.050	143.550	143.050
NWE Naphtha	(\$/mt)	621.820	617.570	613.570	610.320	607.570	604.320	600.820
MOP-Japan Naphtha	(\$/mt)	645.820	638.320	632.320	628.570	625.070	621.320	617.070
<b>Fuel Oil</b>								
3.5% barges	(\$/mt)	443.820	445.070	442.320	436.570	429.070	423.570	419.320
Singapore 380	(\$/mt)	475.320	460.070	452.820	444.820	436.820	432.320	428.820
Singapore 180	(\$/mt)	482.010	470.260	464.260	457.510	450.510	447.010	444.260
0.5% barges	(\$/mt)	510.390	508.890	506.640	503.640	500.640	497.640	494.640
Singapore 0.5%	(\$/mt)	554.640	548.890	544.140	539.890	536.640	533.390	530.390
<b>NGLs</b>								
US Propane LST	(c/gal)	67.700	68.700	69.450	70.200	71.700	72.580	72.960
NWE Propane	(\$/mt)	496.870	496.870	497.870	501.370	505.870	508.870	508.370
Saudi Propane CP	(\$/mt)	552.370	552.370	540.870	546.370	555.870	562.870	568.870
Asian Propane FEI	(\$/mt)	615.370	602.370	598.370	600.370	604.870	607.370	604.370
US Butane ENT	(c/gal)	81.810	81.810	82.430	83.050	85.300	86.180	86.680
Saudi Butane CP	(\$/mt)	539.320	539.320	534.820	542.320	553.320	560.320	566.320



<b>Front Month Spreads</b>				
<b>July/Aug</b>		<b>05-Jun-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>				
Brent	(\$/bbl)	0.335	+0.155	-0.205
WTI	(\$/bbl)	0.345	+0.125	-0.265
Dubai	(\$/bbl)	0.450	+0.060	-0.150
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	-2.910	+0.610	-0.590
NWE Jet	(\$/mt)	-3.910	+0.610	-2.090
Singapore 10ppm	(\$/bbl)	-0.150	+0.050	-0.070
Sing Kero	(\$/bbl)	-0.350	-0.030	-0.140
<b>Gasoline</b>				
RBOB	(c/gal)	3.390	+0.480	-0.500
EBOB	(\$/mt)	7.000	+1.000	-3.500
Singapore 92	(\$/bbl)	0.450	+0.300	+0.390
Singapore 95	(\$/bbl)	0.450	+0.300	+0.390
<b>Naphtha</b>				
US C5 ENT	(c/gal)	0.250	+0.000	-0.130
NWE Naphtha	(\$/mt)	4.000	-0.500	+0.250
MOP-Japan Naphtha	(\$/mt)	6.000	-0.250	+0.250
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	2.750	+0.250	-0.500
Singapore 380	(\$/mt)	7.250	-1.000	+0.000
Singapore 180	(\$/mt)	6.000	-1.250	-0.500
0.5% barges	(\$/mt)	2.250	-0.250	-0.500
Singapore 0.5%	(\$/mt)	4.750	-0.750	+1.000
<b>NGLs</b>				
US Propane LST	(c/gal)	-0.750	+0.000	-0.370
NWE Propane	(\$/mt)	-1.000	+0.000	+0.500
Saudi Propane CP	(\$/mt)	11.500	+3.500	+7.500
Asian Propane FEI	(\$/mt)	4.000	+2.000	+3.000
US Butane ENT	(c/gal)	-0.620	+0.130	+0.000
Saudi Butane CP	(\$/mt)	4.500	+0.500	+1.500



<b>Front Month Cracks and Diffs</b>			
<b>July</b>	<b>05-Jun-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.250	+0.090	-0.180
WTI/Brent (\$/bbl)	-4.280	+0.000	-0.010
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	18.020	+0.390	-0.940
NWE Jet crack (\$/bbl)	19.610	+0.620	-1.310
NWE Jet Diff (\$/mt)	53.500	+2.000	-6.250
Gasoil E/W (\$/bbl)	-21.000	+0.500	+4.310
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.360	-0.010	-0.060
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	7.500	+0.500	-0.780
EBOB crack (\$/mt)	17.010	+0.550	-0.170
Singapore 92 crack (\$/bbl)	8.650	+1.190	+2.530
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.350	+0.650	+2.710
European Gasnaph (EBOB vs Naphtha) (\$/mt)	169.170	+7.530	-15.470
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	78.820	+11.900	+4.330
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-12.280	-0.230	+2.580
NWE Naphtha Crack (\$/bbl)	-8.050	-0.350	+1.990
MOPJ Naphtha Crack (\$/bbl)	-5.720	-0.240	+2.300
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.750	+1.000	+2.750
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	-7.350	-0.520	+0.230
Singapore 380 crack (\$/bbl)	-4.990	-1.470	+0.620
Singapore 180 crack (\$/bbl)	-3.370	-1.500	+0.270
Visco (180-380) (\$/mt)	10.250	-0.250	-2.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	15.000	-6.000	+2.500
0.5% barges crack (\$/bbl)	2.700	-0.390	+0.530
Singapore 0.5% crack (\$/bbl)	9.000	-0.850	+0.720
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	40.010	-2.920	+1.220
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	63.820	+0.830	+1.880
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	88.830	+3.910	+0.600
0.5% barges/gasoil (\$/mt)	-202.160	-5.510	+17.690
Sing 0.5% vs Sing 10ppm (\$/mt)	-141.170	-8.990	+14.580
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-139.000	+0.500	-11.630
US Propane LST vs Asian Propane FEI (\$/mt)	-244.500	-1.500	-18.630
Asian Propane FEI vs NWE Propane (\$/mt)	105.500	+2.000	+7.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50.000	+3.500	-6.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-120.570	+4.930	+17.970
Asian Pronap (FEI vs MOPJ) (\$/mt)	-35.820	+5.930	+22.220



<b>Inter-month Crack Spreads</b>			
<b>July/Aug</b>	<b>05-Jun-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.110	+0.100	-0.050
WTI/Brent (\$/bbl)	0.020	-0.020	-0.050
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	-0.740	-0.090	+0.110
NWE Jet crack (\$/bbl)	-0.850	-0.090	-0.080
NWE Jet Diff (\$/mt)	-1.000	+0.000	-1.500
Gasoil E/W (\$/bbl)	1.940	-0.130	+0.190
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.200	-0.080	-0.070
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	1.390	+0.190	+0.500
EBOB crack (\$/mt)	0.500	-0.040	-0.220
Singapore 92 crack (\$/bbl)	0.110	+0.140	+0.590
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.390	+0.180	+0.810
European Gasnaph (EBOB vs Naphtha) (\$/mt)	3.000	+1.500	-3.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-2.250	+2.750	+3.000
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-0.250	-0.130	+0.200
NWE Naphtha Crack (\$/bbl)	0.120	-0.210	+0.230
MOPJ Naphtha Crack (\$/bbl)	0.320	-0.200	+0.210
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.000	+0.250	+0.000
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	0.090	-0.120	+0.120
Singapore 380 crack (\$/bbl)	0.800	-0.320	+0.200
Singapore 180 crack (\$/bbl)	0.610	-0.350	+0.120
Visco (180-380) (\$/mt)	-1.250	-0.250	-0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	4.500	-1.250	+0.500
0.5% barges crack (\$/bbl)	0.010	-0.200	+0.120
Singapore 0.5% crack (\$/bbl)	0.410	-0.280	+0.360
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.500	-0.500	+1.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-0.500	-0.500	+0.000
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-2.500	+0.250	+1.000
0.5% barges/gasoil (\$/mt)	5.330	-0.690	+0.260
Sing 0.5% vs Sing 10ppm (\$/mt)	5.870	-1.120	+1.520
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-2.910	+0.000	-2.430
US Propane LST vs Asian Propane FEI (\$/mt)	-7.910	-2.000	-4.930
Asian Propane FEI vs NWE Propane (\$/mt)	5.000	+2.000	+2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-7.500	-1.500	-4.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-5.000	+0.500	+0.250