



### Market Summary

#### Beryl blows oil to new heights

When in doubt, double up. Oil markets are strong, prices say so. ‘The velocity at which crude prices are increasing is quite astonishing’ one analyst confided. Hurricane Beryl continues its path of destruction towards Mexico’s oil infrastructure, posing risks to drilling operations and shipping. The bullish traders noted that we are still so early in the season, so what’s in store for the ‘real’ hurricane season to come later in the year? Installations from Yucatan to Tabasco are in play for the record-breaking storm. A shortage of Tabasco for enchiladas might be the least of traders’ concerns!

Dubai premium went wild soaring to \$1.92 bbl! (see Figure 1). Saudis, whacha gonna do, when the buyers come for more oil? The spike is sudden and off the charts, surpassing any premium during June. Oil is short says the numbers and who are we to argue with the structures. Premiums are soaring in Asia, and more importantly products are also recovering. Physical cargoes for September closed the Asian window today at a new record for Onyx Benchmarks at \$87.09/bbl, up \$1.43 against yesterdays close, with Brent at \$86.88/bbl up \$1.25/bbl. Concerns over diversion of crude to power plant burning continued to be featured.

According to OPEC, production from the group is falling. In June, OPEC produced an average of 26.98 mbbbls/d, reflecting an 80kbbbls/d decrease over the month prior. The decline in production was predominantly driven by restraint, albeit limited, from Iraq and Nigeria. Despite the decrease in output, Iraq and the UAE are still failing to meet the productions cuts agreed at the start of the year. Baghdad also failed to curb production in line with the compensation promised for earlier non-compliance. OPEC’s inability to adhere to self-imposed rules is now baked in and markets don’t care. Supply continues to leak, whilst OPEC’s credibility is eroded. Yet oil continues to perform.

<b>Summary</b>					
<b>Physical and Futures</b>			<b>02-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
Brent Sep (fut)	(\$/bbl)	<b>86.880</b>		+1.250	+1.800
WTI Sep (fut)	(\$/bbl)	<b>82.580</b>		+1.290	+1.780
Dubai Sep (phys)	(\$/bbl)	<b>87.090</b>		+1.430	+1.820
<b>Crude Swaps Aug</b>					
Brent	(\$/bbl)	<b>85.925</b>		+1.130	+1.600
DFL	(\$/bbl)	<b>1.010</b>		+0.200	+0.310
WTI	(\$/bbl)	<b>82.200</b>		+1.240	+1.705
Dubai	(\$/bbl)	<b>85.950</b>		+0.980	+1.460
<b>Tenor</b>			<b>Sep-24</b>	<b>Oct-24</b>	<b>Nov-24</b>
<b>Crude Futures</b>					
Brent (fut)	(\$/bbl)	<b>86.880</b>		<b>85.960</b>	<b>85.180</b>
WTI (fut)	(\$/bbl)	<b>82.580</b>		<b>81.550</b>	<b>80.670</b>



## In detail

As at 09:30 BST, crude markets saw further strengthening against the close of Asia yesterday. September Brent futures bounced \$1.25 to \$86.88/bbl, whilst September WTI futures posted a \$1.29 increase over the same period, at \$82.58/bbl. Our Dubai assessment of physical cargos for September jumped by \$1.43/bbl, to close the window at \$87.09/bbl. Physical premiums for September Dubai continued to extend by 50 cts to \$1.92/bbl.

Hurricane Beryl has progressed since yesterday, achieving category 5 status, the highest rating on the Saffir-Simpson scale. The hurricane is now the strongest storm to form in the Atlantic in history for this time of year, as the weather system remains on track to blast the Yucatan and Campeche having broken records from the 1930s. Mexico's primary drilling capacity is located in the Tabasco region just south of the forecast path. Risks to supply disruption are therefore positioned strongly to the upside. Currently the storm is expected to make landfall on Friday, and intensity is consequently forecast to fall, with winds expected to ease to 65 mph.

The expected elevation of hurricane season potency and increased geopolitical tensions driving shipping costs higher provide starkly bullish signals. And oil is up. Some analysts point to demand boosts from summer driving season ahead of July 4 weekend, but this is yet to be seen. Last week gasoline inventories in the US jumped to 233.9mbbls for the week ending June 21, despite falling refinery utilization. Gasoline demand remains below par, OPEC fails to control its members, and not to mention obvious weakness in China. Nevertheless, markets continue to post gains. Some analysts are even projecting Brent to retest April's \$90.00/bbl resistance levels.

In the US, the yield curve continues to steepen as markets interpret the inflationary consequences of a Trump presidency and longer term rates are going up. Dollar against the yen consequently surged to as high as 161.745 on Tuesday. With the yen falling to near 38 year lows, the Nikkei broke resistance, surging again above 40,000. Markets are now questioning whether the Bank of Japan will resume currency market intervention, as the Yen slides well past their previous entry point, earlier in the year.

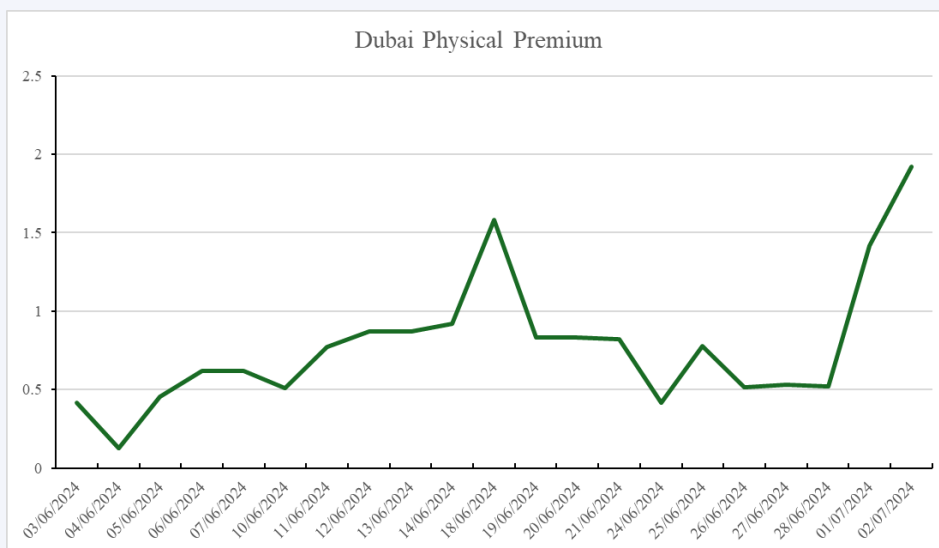




Figure 1: Dubai Physical premium, Onyx flux, Authors Calculations

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<b>Front Month Outrights</b>					
<b>August Swaps</b>			<b>02-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>					
Brent	(\$/bbl)	<b>85.925</b>		+1.130	+1.600
WTI	(\$/bbl)	<b>82.200</b>		+1.240	+1.705
Dubai	(\$/bbl)	<b>85.950</b>		+0.980	+1.460
<b>Distillates</b>					
Gasoil 0.1 NWE	(\$/mt)	<b>806.360</b>		+17.575	+24.660
NWE Jet	(\$/mt)	<b>859.360</b>		+17.080	+20.160
Singapore 10ppm	(\$/bbl)	<b>104.390</b>		+2.100	+3.000
Sing Kero	(\$/bbl)	<b>102.990</b>		+2.000	+2.920
<b>Gasoline</b>					
RBOB	(c/gal)	<b>255.090</b>		+5.080	+8.990
EBOB	(\$/mt)	<b>850.820</b>		+15.490	+23.290
Singapore 92	(\$/bbl)	<b>93.790</b>		+1.610	+3.290
Singapore 95	(\$/bbl)	<b>98.290</b>		+1.410	+3.480
<b>Naphtha</b>					
US C5 ENT	(c/gal)	<b>159.920</b>		+0.920	+4.020
NWE Naphtha	(\$/mt)	<b>692.240</b>		+7.740	+21.070
MOPJ Naphtha	(\$/mt)	<b>709.740</b>		+7.400	+20.730
<b>Fuel Oil</b>					
3.5% barges	(\$/mt)	<b>495.740</b>		+10.470	+14.430
Singapore 380	(\$/mt)	<b>502.740</b>		+4.970	+9.050
Singapore 180	(\$/mt)	<b>508.990</b>		+4.470	+6.610
0.5% barges	(\$/mt)	<b>572.900</b>		+12.450	+17.540
Singapore 0.5%	(\$/mt)	<b>617.350</b>		+13.780	+19.510
<b>NGLs</b>					
US Propane LST	(c/gal)	<b>85.910</b>		+0.690	+5.150
NWE Propane	(\$/mt)	<b>577.590</b>		+14.090	+31.740
Saudi Propane CP	(\$/mt)	<b>591.590</b>		+7.090	+10.240
Asian Propane FEI	(\$/mt)	<b>653.090</b>		+12.590	+21.740
US Butane ENT	(c/gal)	<b>101.660</b>		+1.190	+3.890
Saudi Butane CP	(\$/mt)	<b>576.590</b>		+7.200	+13.690



## Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>								
Brent	(\$/bbl)	86.845	85.925	85.150	84.485	83.865	83.877	82.347
WTI	(\$/bbl)	83.305	82.200	81.285	80.445	79.710	79.733	77.888
Dubai	(\$/bbl)	86.600	85.950	85.170	84.420	83.720	83.733	82.007
<b>Distillates</b>								
Gasoil 0.1 NWE	(\$/mt)	807.350	806.360	805.820	801.190	793.830	794.658	781.218
NWE Jet	(\$/mt)	858.850	859.360	860.320	857.690	850.330	851.160	840.720
Singapore 10ppm	(\$/bbl)	104.160	104.390	104.270	103.820	103.230	103.227	101.867
Sing Kero	(\$/bbl)	102.660	102.990	103.060	102.850	102.460	102.467	101.430
<b>Gasoline</b>								
RBOB	(c/gal)	259.340	255.090	235.140	228.565	224.035	224.903	229.500
EBOB	(\$/mt)	850.070	850.820	836.570	790.820	769.320	771.487	752.987
Singapore 92	(\$/bbl)	94.590	93.790	92.690	91.590	90.440	90.590	89.190
Singapore 95	(\$/bbl)	99.290	98.290	97.140	95.790	94.440	94.623	92.790
<b>Naphtha</b>								
US C5 ENT	(c/gal)	159.300	159.920	160.300	160.550	160.550	160.550	159.800
NWE Naphtha	(\$/mt)	706.490	692.240	684.240	679.240	674.240	674.240	659.907
MOP-Japan Naphtha	(\$/mt)	720.740	709.740	701.240	695.240	689.740	689.823	673.240
<b>Fuel Oil</b>								
3.5% barges	(\$/mt)	503.490	495.740	485.240	474.240	467.490	468.323	459.823
Singapore 380	(\$/mt)	509.490	502.740	489.990	478.490	472.740	473.407	464.157
Singapore 180	(\$/mt)	513.740	508.990	499.240	490.240	485.490	486.073	478.573
0.5% barges	(\$/mt)	575.900	572.900	568.650	563.400	558.650	558.817	547.567
Singapore 0.5%	(\$/mt)	624.850	617.350	609.350	603.350	598.100	598.267	585.100
<b>NGLs</b>								
US Propane LST	(c/gal)	85.030	85.910	86.410	87.410	87.660	87.577	85.493
NWE Propane	(\$/mt)	583.090	577.590	576.590	579.090	581.090	580.423	563.590
Saudi Propane CP	(\$/mt)	591.590	591.590	600.590	611.090	618.590	617.757	610.423
Asian Propane FEI	(\$/mt)	656.590	653.090	655.090	660.090	663.590	661.590	636.923
US Butane ENT	(c/gal)	100.910	101.660	101.910	103.160	103.540	103.330	100.373
Saudi Butane CP	(\$/mt)	576.590	576.590	592.590	604.090	612.590	611.257	601.757



<b>Front Month Spreads</b>				
<b>Aug/Sep</b>		<b>02-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>				
Brent	(\$/bbl)	0.775	+0.080	+0.135
WTI	(\$/bbl)	0.915	+0.120	+0.185
Dubai	(\$/bbl)	0.780	+0.050	+0.070
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	0.540	+0.580	+0.770
NWE Jet	(\$/mt)	-0.960	+0.080	-0.730
Singapore 10ppm	(\$/bbl)	0.120	+0.060	+0.070
Sing Kero	(\$/bbl)	-0.070	-0.100	-0.020
<b>Gasoline</b>				
RBOB	(c/gal)	19.950	+0.870	+1.665
EBOB	(\$/mt)	14.250	+1.500	+2.000
Singapore 92	(\$/bbl)	1.100	+0.150	+0.590
Singapore 95	(\$/bbl)	1.150	+0.000	+0.590
<b>Naphtha</b>				
US C5 ENT	(c/gal)	-0.380	+0.120	+0.120
NWE Naphtha	(\$/mt)	8.000	-0.500	+1.250
MOP-Japan Naphtha	(\$/mt)	8.500	-0.750	+1.750
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	10.500	+2.250	+3.250
Singapore 380	(\$/mt)	12.750	+1.000	+2.250
Singapore 180	(\$/mt)	9.750	+0.500	+1.500
0.5% barges	(\$/mt)	4.250	+0.750	+1.000
Singapore 0.5%	(\$/mt)	8.000	+1.500	+1.750
<b>NGLs</b>				
US Propane LST	(c/gal)	-0.500	-0.250	-0.120
NWE Propane	(\$/mt)	1.000	+0.500	+3.000
Saudi Propane CP	(\$/mt)	-9.000	-3.000	-6.000
Asian Propane FEI	(\$/mt)	-2.000	+0.500	+0.500
US Butane ENT	(c/gal)	-0.250	-0.370	-0.370
Saudi Butane CP	(\$/mt)	-16.000	-3.000	-4.000



<b>Front Month Cracks and Diffs</b>			
<b>August</b>	<b>02-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.020	+0.150	+0.150
WTI/Brent (\$/bbl)	-3.720	+0.120	+0.100
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	22.310	+1.230	+1.700
NWE Jet crack (\$/bbl)	23.130	+1.040	+0.950
NWE Jet Diff (\$/mt)	53.000	-0.500	-4.500
Gasoil E/W (\$/bbl)	-28.650	-1.900	-2.310
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.400	-0.100	-0.080
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	11.900	+0.650	+2.390
EBOB crack (\$/mt)	16.190	+0.710	+1.170
Singapore 92 crack (\$/bbl)	7.860	+0.480	+1.670
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.350	-0.250	+0.480
European Gasnaph (EBOB vs Naphtha) (\$/mt)	158.580	+7.740	+2.320
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	71.530	+5.840	+6.680
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-15.030	-0.830	-0.020
NWE Naphtha Crack (\$/bbl)	-8.150	-0.250	+0.730
MOPJ Naphtha Crack (\$/bbl)	-6.180	-0.270	+0.710
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.500	-0.250	-0.250
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	-7.850	+0.550	+0.640
Singapore 380 crack (\$/bbl)	-6.750	-0.320	-0.200
Singapore 180 crack (\$/bbl)	-5.760	-0.390	-0.570
Visco (180-380) (\$/mt)	6.250	-0.500	-2.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.000	-5.500	-5.250
0.5% barges crack (\$/bbl)	4.300	+0.850	+1.140
Singapore 0.5% crack (\$/bbl)	11.300	+1.060	+1.460
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	44.450	+1.340	+2.030
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	77.160	+1.920	+3.180
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	114.610	+8.750	+10.460
0.5% barges/gasoil (\$/mt)	-233.380	-4.820	-7.100
Sing 0.5% vs Sing 10ppm (\$/mt)	-160.280	-1.570	-2.690
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-130.000	-10.500	-4.910
US Propane LST vs Asian Propane FEI (\$/mt)	-205.500	-9.000	+5.090
Asian Propane FEI vs NWE Propane (\$/mt)	75.500	-1.500	-10.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	61.500	+5.500	+11.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-114.560	+6.460	+10.760
Asian Pronap (FEI vs MOPJ) (\$/mt)	-118.060	-0.340	-10.490



<b>Long Tenor Cracks / Diffs</b>							
	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>							
Brent/Dubai (\$/bbl)	0.250	-0.020	-0.010	0.070	0.150	0.153	0.350
WTI/Brent (\$/bbl)	-3.540	-3.720	-3.870	-4.040	-4.150	-4.143	-4.460
<b>Distillates</b>							
Gasoil 0.1 NWE crack (\$/bbl)	21.52	22.31	23.01	23.05	22.69	22.79	22.51
NWE Jet crack (\$/bbl)	22.14	23.13	24.03	24.35	24.04	24.13	24.34
NWE Jet Diff (\$/mt)	51.50	53.00	54.50	56.50	56.50	56.50	59.50
Gasoil E/W (\$/bbl)	-31.36	-28.65	-29.01	-27.76	-24.76	-25.64	-22.31
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.50	-1.40	-1.21	-0.97	-0.77	-0.76	-0.44
<b>Gasoline</b>							
TA Arb (RBOB vs EBOB) (c/gal)	16.370	11.900	-3.960	2.540	4.180	4.417	14.313
EBOB crack (\$/mt)	15.190	16.190	15.250	10.440	8.480	8.723	8.027
Singapore 92 crack (\$/bbl)	7.750	7.860	7.530	7.110	6.580	6.713	6.837
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.460	-8.350	-7.740	-3.350	-1.920	-2.027	-1.200
European Gasnaph (EBOB vs Naphtha) (\$/mt)	143.580	158.580	152.330	111.580	95.080	97.247	93.080
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.190	71.530	70.870	67.700	63.630	64.790	69.710
<b>Naphtha</b>							
US C5 ENT vs WTI Crack	-16.390	-15.030	-13.970	-13.020	-12.290	-12.307	-10.773
NWE Naphtha Crack (\$/bbl)	-7.460	-8.150	-8.280	-8.170	-8.110	-8.127	-8.210
MOPJ Naphtha Crack (\$/bbl)	-5.860	-6.180	-6.370	-6.370	-6.360	-6.373	-6.713
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.340	17.500	17.090	16.000	15.500	15.583	13.333
<b>Fuel Oil</b>							
3.5% bgs crack (\$/bbl)	-7.550	-7.850	-8.720	-9.800	-10.240	-10.123	-9.930
Singapore 380 crack (\$/bbl)	-6.610	-6.750	-7.980	-9.130	-9.410	-9.323	-9.253
Singapore 180 crack (\$/bbl)	-5.940	-5.760	-6.520	-7.270	-7.400	-7.323	-6.973
Visco (180-380) (\$/mt)	4.250	6.250	9.250	11.750	12.750	12.667	14.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	6.000	7.000	4.750	4.250	5.250	5.083	4.333
0.5% bgs crack (\$/bbl)	3.850	4.300	4.410	4.250	4.120	4.130	3.883
Singapore 0.5% crack (\$/bbl)	11.560	11.300	10.820	10.550	10.330	10.347	9.790
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	48.950	44.450	40.700	39.950	39.450	39.450	37.533
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	72.410	77.160	83.410	89.160	91.160	90.493	87.743
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	115.360	114.610	119.360	124.860	125.360	124.860	120.943
0.5% bgs/gasoil (\$/mt)	-231.240	-233.380	-237.010	-237.540	-235.100	-235.707	-233.387
Sing 0.5% vs Sing 10ppm (\$/mt)	-151.070	-160.280	-167.390	-169.890	-170.960	-170.697	-173.633
<b>NGLs</b>							
US Propane LST vs NWE Propane (\$/mt)	-140.08	-130	-126.39	-123.68	-124.38	-124.147	-118.17
US Propane LST vs Asian Propane FEI (\$/mt)	-213.58	-205.5	-204.89	-204.68	-206.88	-205.313	-191.503
Asian Propane FEI vs NWE Propane (\$/mt)	73.5	75.5	78.5	81	82.5	81.167	73.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	65	61.5	54.5	49	45	43.833	26.5
European Pronap (\$/mt)	-123.31	-114.56	-107.56	-100.06	-93.06	-93.727	-96.227
Asian Pronap (FEI vs MOPJ) (\$/mt)	-129.06	-118.06	-100.56	-84.06	-71.06	-71.977	-62.727





<b>Inter-month Crack Spreads</b>			
<b>Aug/Sep</b>	<b>02-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.010	+0.020	+0.060
WTI/Brent (\$/bbl)	0.150	+0.050	+0.050
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	-0.700	+0.000	-0.030
NWE Jet crack (\$/bbl)	-0.900	-0.070	-0.230
NWE Jet Diff (\$/mt)	-1.500	-0.500	-1.500
Gasoil E/W (\$/bbl)	0.360	-0.100	-0.240
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.190	-0.160	-0.090
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	15.860	+0.420	+1.070
EBOB crack (\$/mt)	0.940	+0.110	+0.110
Singapore 92 crack (\$/bbl)	0.330	+0.080	+0.480
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.610	-0.030	+0.350
European Gasnaph (EBOB vs Naphtha) (\$/mt)	6.250	+2.000	+0.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.660	+1.990	+3.170
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-1.060	-0.050	-0.110
NWE Naphtha Crack (\$/bbl)	0.130	-0.120	+0.010
MOPJ Naphtha Crack (\$/bbl)	0.190	-0.150	+0.080
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.410	-0.340	+0.410
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	0.870	+0.260	+0.370
Singapore 380 crack (\$/bbl)	1.230	+0.090	+0.210
Singapore 180 crack (\$/bbl)	0.760	+0.000	+0.110
Visco (180-380) (\$/mt)	-3.000	-0.500	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	2.250	-1.250	-1.000
0.5% barges crack (\$/bbl)	-0.110	+0.030	+0.020
Singapore 0.5% crack (\$/bbl)	0.480	+0.150	+0.130
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	3.750	+0.750	+0.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-6.250	-1.500	-2.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-4.750	+0.500	-0.500
0.5% barges/gasoil (\$/mt)	3.630	+0.050	+0.150
Sing 0.5% vs Sing 10ppm (\$/mt)	7.110	+1.060	+1.230
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-3.610	-1.810	-3.630
US Propane LST vs Asian Propane FEI (\$/mt)	-0.610	-1.810	-1.130
Asian Propane FEI vs NWE Propane (\$/mt)	-3.000	+0.000	-2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	7.000	+3.500	+6.500
European Pronap (NWE Propane vs NWE Naphtha ) (\$/mt)	-7.000	+1.000	+1.750