



Market Summary

Gasoil flips as Asian demand slips

Beryl continues to lose steam. The system has now been downgraded to Cat-3 hurricane, and is likely to ease further. The port of Corpus Christi has raised their hurricane readiness status as a precautionary measure, but operations are expected to remain unchanged. Oil markets are also little changed, with September Brent futures pricing at a 13c premium to yesterday. Ho hum price action in Dubai too, with September physical closing the window at \$86.79/bbl, up 21c. The physical premium retained strength at \$1.65/bbl, up 4c against yesterday.

Despite many analysts remaining bullish, pockets of weakness have been emerging. ICE Gasoil traded in contango at the close of the European window on Wednesday with front spreads falling to -75c. Analysts are pointing to weak diesel demand from China and milder temperatures than had been expected. The Gasoil contract has weakened considerably slipping from a bullish backwardation on 20 June, where front spreads traded at \$5/bbl. Although one trader didn't seem concerned, noting that "prompt spreads are just in light contango, with Sing stock levels low," spreads might not have "much further to go on the downside." (see Figure 1)

China's recovery from the pandemic has been sluggish, disappointing many. There seems little good news from the world's biggest oil consumer. Refineries returning to operation, following maintenance season, are only expected to boost production by 1.3% for July compared to June, according to survey conducted by OilChem. This compares to a 3% increase the same time last year and as we have reported refineries have been cutting runs. Weak consumer demand driven by a persistent property crisis has stunted demand growth, and it looks to be a slow summer ahead in China.

See details over leaf.

Summary					
Physical and Futures			04-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	86.620		+0.130	+1.730
WTI Sep (fut)	(\$/bbl)	82.320		+0.160	+1.810
Dubai Sep (phys)	(\$/bbl)	86.790		+0.210	+2.295
Crude Swaps Aug					
Brent	(\$/bbl)	85.790		+0.160	+1.605
DFL	(\$/bbl)	0.750		-0.090	+0.180
WTI	(\$/bbl)	82.020		+0.175	+1.785
Dubai	(\$/bbl)	85.920		+0.180	+1.510
Tenor			Sep-24	Oct-24	Nov-24
Crude Futures					
Brent (fut)	(\$/bbl)	86.620		85.820	85.120
WTI (fut)	(\$/bbl)	82.320		81.470	80.680



In detail

As at 09:30 BST, crude markets made muted gains against the close of Asia yesterday. September Brent futures edged up by \$0.13 to \$86.62/bbl, whilst September WTI futures posted a \$0.16 gain over the same period, at \$82.32/bbl. Our Dubai assessment of physical cargos for September increased by \$0.21/bbl, to close the window at \$86.79/bbl, marginally outperforming its peers. Physical premiums for September Dubai were little changed, rising by 4 cts to remain elevated at \$1.65/bbl.


Weakness across China and Europe persists. European construction PMI's today remained heavily suppressed yesterday. However, many remain optimistic. Standard Chartered see oil prices racing past \$90/bbl. StanChart expect oil markets will enter a deficit in Q3 and Q4, driving prices up beyond the \$90/bbl level. The shift in sentiment has been acute. Bearish managed money positioning has reversed, and analysts are expecting strong rallies into the summer driving season. As we reported, crude oil inventories plummeted in the US yesterday.


This bullishness also seems particularly apparent in the US. WTI seems to be very fashionable. As we discussed yesterday, Spanish imports of the light sweet crude jumped in May. Nigeria's Dangote refinery has also announced intentions to purchase more US crude. The 650kb/d refinery in Nigeria is looking to buy 1mb of the grade for delivery throughout August and into the first week of September. This reflects the second WTI tender for Dangote, after initially obtaining 2mb per month until July 2025. According to Vortexa, in 2024 so far, the refiner took delivery of an average of 200kb/d, and 27% of this was WTI.


Recently solar and wind power have faced increasing attention. China have led the charge in increasing the proportion of power generated by renewables. But India have not, despite being one of the top producers of solar panels. In the first half of this year, Solar installations in India declined, whilst coal generation increased by over 10%.



Figure 1: LS Gasoil Futures Front Month Spread, Onyx flux

Jorge Montepeque: 
 Managing Director for Benchmarking
 jmontepeque@onyxcapitalgroup.com

Harinder Sandhu: 
 Quantitative Research Analyst
 hsandhu@onyxcapitaladvisory.com

Will Cunliffe: 
 Research Analyst
 wcunliffe@onyxcapitaladvisory.com



Front Month Outrights				
August Swaps			04-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	85.790	+0.160	+1.605
WTI	(\$/bbl)	82.020	+0.175	+1.785
Dubai	(\$/bbl)	85.920	+0.180	+1.510
Distillates				
Gasoil 0.1 NWE	(\$/mt)	796.060	-3.990	+5.040
NWE Jet	(\$/mt)	850.560	-2.490	+3.040
Singapore 10ppm	(\$/bbl)	103.100	-0.600	+0.450
Sing Kero	(\$/bbl)	102.240	-0.310	+0.990
Gasoline				
RBOB	(c/gal)	253.060	+0.505	+3.100
EBOB	(\$/mt)	849.500	+2.660	+14.860
Singapore 92	(\$/bbl)	93.500	+0.140	+2.560
Singapore 95	(\$/bbl)	97.850	-0.010	+2.610
Naphtha				
US C5 ENT	(c/gal)	160.340	+0.960	+4.370
NWE Naphtha	(\$/mt)	688.060	+0.710	+11.000
MOPJ Naphtha	(\$/mt)	704.310	-0.290	+9.750
Fuel Oil				
3.5% barges	(\$/mt)	492.000	-3.240	+11.260
Singapore 380	(\$/mt)	506.500	+3.760	+10.260
Singapore 180	(\$/mt)	511.750	+3.260	+7.510
0.5% barges	(\$/mt)	572.010	+0.260	+14.880
Singapore 0.5%	(\$/mt)	614.550	+0.380	+14.270
NGLs				
US Propane LST	(c/gal)	84.990	+0.260	+0.870
NWE Propane	(\$/mt)	571.300	-4.640	+13.440
Saudi Propane CP	(\$/mt)	591.350	-2.590	+3.490
Asian Propane FEI	(\$/mt)	646.300	-6.640	+11.940
US Butane ENT	(c/gal)	100.740	+0.020	+1.620
Saudi Butane CP	(\$/mt)	576.300	-2.590	+5.440



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	86.585	85.790	85.100	84.485	83.915	83.928	82.460
WTI	(\$/bbl)	82.840	82.020	81.240	80.470	79.785	79.802	78.038
Dubai	(\$/bbl)	86.720	85.920	85.140	84.430	83.800	83.800	82.120
Distillates								
Gasoil 0.1 NWE	(\$/mt)	795.125	796.060	797.225	794.530	788.625	784.670	781.625
NWE Jet	(\$/mt)	847.620	850.560	852.720	851.030	846.120	843.170	841.620
Singapore 10ppm	(\$/bbl)	102.770	103.100	103.250	103.000	102.490	102.010	101.690
Sing Kero	(\$/bbl)	102.090	102.240	102.340	102.190	101.850	101.520	101.250
Gasoline								
RBOB	(c/gal)	256.600	253.060	233.890	227.805	223.680	221.845	222.010
EBOB	(\$/mt)	851.000	849.500	834.500	788.250	766.500	751.250	749.000
Singapore 92	(\$/bbl)	94.400	93.500	92.350	91.200	90.100	89.400	89.040
Singapore 95	(\$/bbl)	98.900	97.850	96.600	95.400	94.100	93.300	92.840
Naphtha								
US C5 ENT	(c/gal)	159.840	160.340	160.720	161.100	161.220	160.970	161.220
NWE Naphtha	(\$/mt)	699.310	688.060	681.310	677.060	672.060	667.060	663.560
MOP-Japan Naphtha	(\$/mt)	712.810	704.310	697.560	692.560	687.310	682.060	677.060
Fuel Oil								
3.5% barges	(\$/mt)	501.000	492.000	481.500	470.750	464.500	460.500	458.500
Singapore 380	(\$/mt)	514.000	506.500	491.500	478.750	472.000	468.000	465.000
Singapore 180	(\$/mt)	518.750	511.750	499.750	489.750	484.250	481.250	478.750
0.5% barges	(\$/mt)	576.260	572.010	566.260	560.510	555.510	551.010	547.260
Singapore 0.5%	(\$/mt)	620.800	614.550	607.300	601.050	595.800	591.300	587.050
NGLs								
US Propane LST	(c/gal)	84.110	84.990	85.610	86.610	87.110	86.990	86.740
NWE Propane	(\$/mt)	574.300	571.300	571.300	574.300	576.300	576.300	572.800
Saudi Propane CP	(\$/mt)	591.350	591.350	596.850	607.350	615.350	620.350	619.850
Asian Propane FEI	(\$/mt)	650.300	646.300	648.800	654.300	658.300	656.300	649.300
US Butane ENT	(c/gal)	99.860	100.740	101.120	102.500	103.000	102.750	102.630
Saudi Butane CP	(\$/mt)	576.300	576.300	589.800	601.300	610.300	614.800	613.800



Front Month Spreads				
Aug/Sep		04-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.690	-0.040	+0.050
WTI	(\$/bbl)	0.780	-0.015	+0.040
Dubai	(\$/bbl)	0.780	+0.010	+0.120
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.165	-0.785	-1.715
NWE Jet	(\$/mt)	-2.160	+0.220	-2.710
Singapore 10ppm	(\$/bbl)	-0.150	-0.170	-0.310
Sing Kero	(\$/bbl)	-0.100	-0.060	-0.150
Gasoline				
RBOB	(c/gal)	19.170	-0.335	-0.120
EBOB	(\$/mt)	15.000	+0.250	+0.250
Singapore 92	(\$/bbl)	1.150	+0.000	+0.460
Singapore 95	(\$/bbl)	1.250	+0.050	+0.510
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.120
NWE Naphtha	(\$/mt)	6.750	+0.250	-1.750
MOP-Japan Naphtha	(\$/mt)	6.750	+0.000	-2.000
Fuel Oil				
3.5% barges	(\$/mt)	10.500	-1.250	+3.750
Singapore 380	(\$/mt)	15.000	+1.500	+4.000
Singapore 180	(\$/mt)	12.000	+1.500	+3.250
0.5% barges	(\$/mt)	5.750	+0.250	+2.000
Singapore 0.5%	(\$/mt)	7.250	+0.000	+0.250
NGLs				
US Propane LST	(c/gal)	-0.620	-0.000	-0.370
NWE Propane	(\$/mt)	0.000	-2.500	+1.000
Saudi Propane CP	(\$/mt)	-5.500	+1.500	-2.000
Asian Propane FEI	(\$/mt)	-2.500	-2.000	+0.500
US Butane ENT	(c/gal)	-0.380	-0.130	-0.380
Saudi Butane CP	(\$/mt)	-13.500	+0.500	-1.000



Front Month Cracks and Diffs			
August	04-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.130	-0.020	+0.100
WTI/Brent (\$/bbl)	-3.780	+0.010	+0.160
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	21.060	-0.700	-0.940
NWE Jet crack (\$/bbl)	22.140	-0.490	-1.230
NWE Jet Diff (\$/mt)	54.500	+1.500	-2.000
Gasoil E/W (\$/bbl)	-28.000	-0.500	-1.720
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.860	+0.290	+0.540
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.250	-0.250	-1.150
EBOB crack (\$/mt)	16.180	+0.130	+0.160
Singapore 92 crack (\$/bbl)	7.700	-0.050	+0.940
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.480	-0.180	+0.780
European Gasnaph (EBOB vs Naphtha) (\$/mt)	161.380	+1.890	+3.800
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	74.450	+1.360	+11.480
Naphtha			
US C5 ENT vs WTI Crack	-14.680	+0.220	-0.640
NWE Naphtha Crack (\$/bbl)	-8.480	-0.090	-0.370
MOPJ Naphtha Crack (\$/bbl)	-6.650	-0.200	-0.510
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.250	-1.000	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.300	-0.670	+0.200
Singapore 380 crack (\$/bbl)	-6.020	+0.430	+0.040
Singapore 180 crack (\$/bbl)	-5.190	+0.350	-0.390
Visco (180-380) (\$/mt)	5.250	-0.500	-2.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	14.500	+7.000	-1.000
0.5% barges crack (\$/bbl)	4.300	-0.120	+0.740
Singapore 0.5% crack (\$/bbl)	11.000	-0.100	+0.650
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.540	+0.120	-0.610
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	80.010	+3.500	+3.430
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	108.050	-3.380	+3.820
0.5% barges/gasoil (\$/mt)	-224.350	+3.950	+9.540
Sing 0.5% vs Sing 10ppm (\$/mt)	-153.810	+4.580	+10.650
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-128.500	+6.000	-8.910
US Propane LST vs Asian Propane FEI (\$/mt)	-203.500	+8.000	-7.410
Asian Propane FEI vs NWE Propane (\$/mt)	75.000	-2.000	-1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	55.000	-4.000	+8.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-116.630	-5.170	+2.570
Asian Pronap (FEI vs MOPJ) (\$/mt)	-57.880	-6.170	+48.820



Long Tenor Cracks / Diffs							
	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	-0.140	-0.130	-0.040	0.050	0.120	0.127	0.337
WTI/Brent (\$/bbl)	-3.750	-3.780	-3.860	-4.010	-4.140	-4.127	-4.423
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	20.15	21.06	21.91	22.17	21.94	22.02	21.97
NWE Jet crack (\$/bbl)	20.98	22.14	23.11	23.52	23.46	23.53	23.89
NWE Jet Diff (\$/mt)	52.50	54.50	55.50	56.50	57.50	57.50	60.00
Gasoil E/W (\$/bbl)	-29.48	-28.00	-28.01	-27.21	-25.06	-25.66	-23.24
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.68	-0.86	-0.91	-0.81	-0.64	-0.65	-0.44
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.360	10.250	-4.620	2.500	4.590	4.733	14.647
EBOB crack (\$/mt)	15.570	16.180	15.080	10.150	8.100	8.353	7.660
Singapore 92 crack (\$/bbl)	7.810	7.700	7.240	6.720	6.180	6.307	6.397
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.760	-8.480	-7.830	-3.430	-1.920	-2.047	-1.260
European Gasnaph (EBOB vs Naphtha) (\$/mt)	151.630	161.380	153.130	111.130	94.380	96.547	92.463
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	73.450	74.450	71.630	67.050	63.130	64.243	68.717
Naphtha							
US C5 ENT vs WTI Crack	-15.710	-14.680	-13.740	-12.820	-12.080	-12.150	-10.757
NWE Naphtha Crack (\$/bbl)	-8.010	-8.480	-8.550	-8.410	-8.390	-8.410	-8.510
MOPJ Naphtha Crack (\$/bbl)	-6.490	-6.650	-6.720	-6.660	-6.670	-6.690	-7.023
Naphtha E/W (NWE vs MOPJ) (\$/mt)	13.500	16.250	16.250	15.500	15.250	15.250	13.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-7.660	-8.300	-9.260	-10.330	-10.750	-10.640	-10.400
Singapore 380 crack (\$/bbl)	-5.620	-6.020	-7.690	-9.070	-9.570	-9.433	-9.520
Singapore 180 crack (\$/bbl)	-4.870	-5.190	-6.380	-7.330	-7.640	-7.513	-7.290
Visco (180-380) (\$/mt)	4.750	5.250	8.250	11.000	12.250	12.167	14.167
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	13.000	14.500	10.000	8.000	7.500	7.667	5.583
0.5% bgs crack (\$/bbl)	4.170	4.300	4.070	3.790	3.560	3.580	3.190
Singapore 0.5% crack (\$/bbl)	11.180	11.000	10.540	10.170	9.910	9.940	9.333
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	44.540	42.540	41.040	40.540	40.290	40.373	39.040
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	75.260	80.010	84.760	89.760	91.010	90.427	86.343
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	106.800	108.050	115.800	122.300	123.800	123.133	119.800
0.5% bgs/gasoil (\$/mt)	-219.060	-224.350	-231.270	-234.280	-233.450	-233.873	-234.433
Sing 0.5% vs Sing 10ppm (\$/mt)	-145.110	-153.810	-162.180	-166.490	-168.090	-167.817	-172.117
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-136.09	-128.5	-125.27	-123.06	-122.46	-122.867	-115.737
US Propane LST vs Asian Propane FEI (\$/mt)	-212.09	-203.5	-202.77	-203.06	-204.46	-203.533	-189.403
Asian Propane FEI vs NWE Propane (\$/mt)	76	75	77.5	80	82	80.667	73.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	59	55	52	47	43	42	26.667
European Pronap (\$/mt)	-124.88	-116.63	-109.88	-102.63	-95.63	-96.297	-99.047
Asian Pronap (FEI vs MOPJ) (\$/mt)	-121.38	-112.88	-100.63	-85.13	-71.88	-72.88	-65.297



Inter-month Crack Spreads			
Aug/Sep	04-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.090	-0.050	-0.070
WTI/Brent (\$/bbl)	0.080	+0.020	-0.020
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.850	-0.070	-0.290
NWE Jet crack (\$/bbl)	-0.970	+0.060	-0.400
NWE Jet Diff (\$/mt)	-1.000	+1.000	-1.000
Gasoil E/W (\$/bbl)	0.010	-0.500	-0.640
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.050	+0.110	+0.160
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.870	-0.420	-0.210
EBOB crack (\$/mt)	1.100	+0.040	-0.030
Singapore 92 crack (\$/bbl)	0.460	+0.030	+0.410
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.650	-0.030	+0.430
European Gasnaph (EBOB vs Naphtha) (\$/mt)	8.250	+0.000	+2.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	2.820	-0.010	+5.820
Naphtha			
US C5 ENT vs WTI Crack	-0.940	+0.010	+0.010
NWE Naphtha Crack (\$/bbl)	0.070	+0.060	-0.240
MOPJ Naphtha Crack (\$/bbl)	0.070	+0.030	-0.270
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.000	-0.250	-0.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.960	-0.170	+0.530
Singapore 380 crack (\$/bbl)	1.670	+0.270	+0.580
Singapore 180 crack (\$/bbl)	1.190	+0.250	+0.450
Visco (180-380) (\$/mt)	-3.000	+0.000	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	4.500	+2.750	+0.250
0.5% barges crack (\$/bbl)	0.230	+0.080	+0.280
Singapore 0.5% crack (\$/bbl)	0.460	+0.040	+0.000
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	1.500	-0.250	-1.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-4.750	+1.500	-1.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-7.750	-1.500	-3.750
0.5% barges/gasoil (\$/mt)	6.920	+1.040	+3.720
Sing 0.5% vs Sing 10ppm (\$/mt)	8.370	+1.260	+2.560
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-3.230	+2.500	-2.930
US Propane LST vs Asian Propane FEI (\$/mt)	-0.730	+2.000	-2.430
Asian Propane FEI vs NWE Propane (\$/mt)	-2.500	+0.500	-0.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	-3.500	+2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-6.750	-2.750	+2.750