



Market Summary

Beryl, the shower that busted the crude rally

Well, it is strong shower but not the end of the world. The hurricane has made landfall, the videos are dark, grainy and wet but nothing much is happening other than the oil price is falling. By the Singapore close the crude market has fallen near \$1.50/bbl compared to Friday. For the longs, disappointing but hey, the market has been outperforming for four weeks and it is time for a little reprieve. As an old hand put it, the hurricane 'never regained all that much strength after the Yucatán Peninsula sucked its life blood out of it.'

Beryl bypassed Corpus Christi and Houston with the average winds in the city at a bit higher than 30 mph, nothing really. (Figure 1) No impact has been seen on any facility other than a temporary closure of some ports. Freeport LNG has shut down liquefaction trains 1, 2 and 3 and a pre-treatment facility as precautionary measures. Shell, Exxon and Chevron all announced platform evacuations last week, again, as a precautionary measure. Things will be back to normal in no time. But as other folks noted, this is just the first hurricane and there will be others with another three months ahead of us before we slide into a winter mode.

September Brent closed barely above \$86.00/bbl with Dubai down to \$81.19/bbl, both down around \$1.45/bbl. Petrochina and Shell were on the buy side, but despite the flat price dump the physical premium hardly moved as per the accompanying graph. A trader noted that "time spreads are holding up, even though the broad crude complex has retraced a bit". Fuds were selling, noted a trader with another highlighting that CFDs had dumped on last Friday afternoon and values remained weak, with overall activity below normal. What do you know, a hurricane hits and the overall feeling is one of ennui.

See details over leaf.

Summary				
Physical and Futures		08-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	86.070	-1.450	+0.430
WTI Sep (fut)	(\$/bbl)	81.730	-1.460	+0.440
Dubai Sep (phys)	(\$/bbl)	86.190	-1.460	+0.530
Crude Swaps Aug				
Brent	(\$/bbl)	85.225	-1.345	+0.430
DFL	(\$/bbl)	0.810	-0.070	+0.000
WTI	(\$/bbl)	81.425	-1.420	+0.465
Dubai	(\$/bbl)	85.320	-1.330	+0.350
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	86.070	85.260	84.550
WTI (fut)	(\$/bbl)	81.730	80.890	80.120



In detail

As at 09:30 BST, crude markets eased on Monday against the close of Asia on Friday. September Brent futures dropped by \$1.45 to \$86.07/bbl, whilst September WTI futures losing \$1.46, at \$81.73/bbl. Our Dubai assessment of physical cargos for September fell by \$1.46/bbl, to close the window at \$86.19/bbl. Physical premiums for September Dubai remained elevated, easing by 17c to remain elevated at \$1.67/bbl.

Ports across Texas have been closed as Hurricane Beryl was expected to strengthen. Corpus Christi, Houston, Galveston, Free port and Texas City all restricting cargo and vessel movements ahead of landfall. Corpus Christi is the largest crude export hub in the US, with average crude exports at 2.4mb/d in May.

The hurricane was initially projected to strengthen, which could pose risks to refining capacity. According to National Hurricane Center projections, the system is headed directly for the Phillips Sweeny refinery, which has a 247kb/d capacity, of which roughly 140kb/d is gasoline. Some refineries have reduced production, including the 165kb/d Citigo Corpus Christi refinery. Good for products, bad for crude, if refineries close. According to the National Hurricane center, current maximum sustained windspeeds are around 80mph. But these are projected to ease to between 65mph by 6PM EDT. It seems the damage will be pretty limited, and Beryl will turn out to just be a bad storm.

This year is widely expected to set records for severe weather. In China we have seen significant flooding, with more than 5000 people being evacuated from rice fields in the Hunan province after a dike was breached. According to the National Climate Center, average temperatures in China were elevated above typical levels in June. July is expected to be worse. Across China, tropical storms, floods and droughts are damaging infrastructure and crop harvests. India have also seen flooding. Tokyo is facing tight power supply amidst a heatwave. The list is getting pretty long.

On the demand side in Asia India's oil market continues to strengthen. According to the Petroleum Planning and Analysis Cell, India's oil demand rose by 2.6% y-o-y, further entrenching India's outperformance in Asia. Oil demand was at 19.993 million tons in June, with gasoline driving the increase, up 4.6% against the same time last year. Modi is expected to sign some hefty deals with Putin bringing home the chapatti.

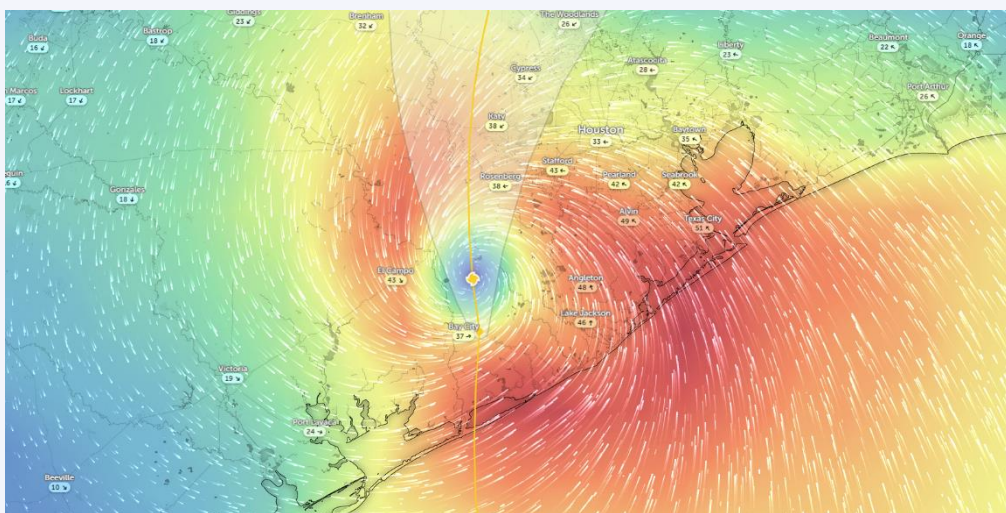





Figure 1: Hurricane Beryl wind speed, 12PM UTC, Zoom Earth, NCEP/NWS/GFS 08/06Z, NHC/JTWC

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Front Month Outrights				
August Swaps			08-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	85.225	-1.345	+0.430
WTI	(\$/bbl)	81.425	-1.420	+0.465
Dubai	(\$/bbl)	85.320	-1.330	+0.350
Distillates				
Gasoil 0.1 NWE	(\$/mt)	788.810	-14.160	+0.025
NWE Jet	(\$/mt)	845.310	-14.160	+3.030
Singapore 10ppm	(\$/bbl)	102.120	-1.800	-0.170
Sing Kero	(\$/bbl)	100.890	-1.980	-0.100
Gasoline				
RBOB	(c/gal)	251.015	-3.545	+1.005
EBOB	(\$/mt)	842.530	-10.990	+7.200
Singapore 92	(\$/bbl)	92.540	-0.820	+0.360
Singapore 95	(\$/bbl)	96.840	-0.820	-0.040
Naphtha				
US C5 ENT	(c/gal)	160.060	-1.770	+1.060
NWE Naphtha	(\$/mt)	686.810	-7.030	+2.310
MOPJ Naphtha	(\$/mt)	703.310	-7.120	+0.970
Fuel Oil				
3.5% barges	(\$/mt)	490.660	-3.690	+5.390
Singapore 380	(\$/mt)	506.660	-5.620	+8.890
Singapore 180	(\$/mt)	510.910	-6.190	+6.390
0.5% barges	(\$/mt)	567.820	-8.570	+7.370
Singapore 0.5%	(\$/mt)	610.680	-9.970	+7.110
NGLs				
US Propane LST	(c/gal)	84.110	-1.630	-1.110
NWE Propane	(\$/mt)	569.770	-5.940	+6.270
Saudi Propane CP	(\$/mt)	586.770	-4.440	+2.270
Asian Propane FEI	(\$/mt)	643.210	-5.000	+2.710
US Butane ENT	(c/gal)	99.990	-1.500	-0.480
Saudi Butane CP	(\$/mt)	572.710	-4.500	+3.320



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	86.030	85.225	84.520	83.895	83.335	83.348	81.928
WTI	(\$/bbl)	82.215	81.425	80.655	79.900	79.220	79.232	77.512
Dubai	(\$/bbl)	86.100	85.320	84.520	83.820	83.190	83.203	81.593
Distillates								
Gasoil 0.1 NWE	(\$/mt)	788.000	788.810	789.590	786.740	781.125	781.823	771.667
NWE Jet	(\$/mt)	842.500	845.310	845.590	843.740	838.620	839.320	831.667
Singapore 10ppm	(\$/bbl)	101.920	102.120	102.200	101.920	101.480	101.490	100.440
Sing Kero	(\$/bbl)	100.670	100.890	101.000	100.960	100.740	100.727	99.957
Gasoline								
RBOB	(c/gal)	254.530	251.015	231.930	226.000	222.105	222.880	228.042
EBOB	(\$/mt)	844.530	842.530	828.030	782.280	760.530	762.697	745.113
Singapore 92	(\$/bbl)	93.260	92.540	91.640	90.670	89.690	89.767	88.360
Singapore 95	(\$/bbl)	97.760	96.840	95.890	94.870	93.690	93.800	91.960
Naphtha								
US C5 ENT	(c/gal)	159.560	160.060	160.440	160.820	160.940	160.817	159.940
NWE Naphtha	(\$/mt)	700.810	686.810	678.310	673.560	668.310	668.310	653.643
MOP-Japan Naphtha	(\$/mt)	709.810	703.310	695.310	689.560	684.060	684.060	666.893
Fuel Oil								
3.5% barges	(\$/mt)	498.660	490.660	480.660	469.660	463.160	464.077	455.993
Singapore 380	(\$/mt)	518.410	506.660	489.160	475.660	468.660	469.743	459.993
Singapore 180	(\$/mt)	520.910	510.910	496.160	485.660	479.910	480.910	473.160
0.5% barges	(\$/mt)	571.320	567.820	562.070	556.320	550.820	551.070	538.903
Singapore 0.5%	(\$/mt)	616.930	610.680	603.430	597.430	592.430	592.557	579.393
NGLs								
US Propane LST	(c/gal)	83.110	84.110	84.860	85.860	86.360	86.193	84.653
NWE Propane	(\$/mt)	573.770	569.770	567.270	570.270	572.270	571.770	555.603
Saudi Propane CP	(\$/mt)	586.770	586.770	594.770	604.770	612.770	611.770	605.603
Asian Propane FEI	(\$/mt)	645.710	643.210	645.210	650.710	655.210	653.043	629.877
US Butane ENT	(c/gal)	98.990	99.990	100.490	101.870	102.370	102.163	99.500
Saudi Butane CP	(\$/mt)	572.710	572.710	586.710	598.710	607.210	606.043	597.043



Front Month Spreads				
Aug/Sep		08-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.705	-0.095	+0.010
WTI	(\$/bbl)	0.770	-0.095	-0.025
Dubai	(\$/bbl)	0.800	-0.040	+0.070
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.780	-0.320	-0.740
NWE Jet	(\$/mt)	-0.280	+0.180	+0.760
Singapore 10ppm	(\$/bbl)	-0.080	+0.020	-0.140
Sing Kero	(\$/bbl)	-0.110	-0.030	-0.140
Gasoline				
RBOB	(c/gal)	19.085	-0.175	+0.005
EBOB	(\$/mt)	14.500	-0.500	+1.750
Singapore 92	(\$/bbl)	0.900	+0.030	-0.050
Singapore 95	(\$/bbl)	0.950	+0.030	-0.200
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.120
NWE Naphtha	(\$/mt)	8.500	+0.750	+0.000
MOP-Japan Naphtha	(\$/mt)	8.000	+0.500	-1.250
Fuel Oil				
3.5% barges	(\$/mt)	10.000	+0.500	+1.750
Singapore 380	(\$/mt)	17.500	+1.000	+5.750
Singapore 180	(\$/mt)	14.750	+1.750	+5.500
0.5% barges	(\$/mt)	5.750	+0.250	+2.250
Singapore 0.5%	(\$/mt)	7.250	-0.750	+0.750
NGLs				
US Propane LST	(c/gal)	-0.750	-0.130	-0.500
NWE Propane	(\$/mt)	2.500	+1.500	+2.000
Saudi Propane CP	(\$/mt)	-8.000	-0.500	-2.000
Asian Propane FEI	(\$/mt)	-2.000	+0.500	+0.500
US Butane ENT	(c/gal)	-0.500	-0.120	-0.620
Saudi Butane CP	(\$/mt)	-14.000	+1.000	-1.000



Front Month Cracks and Diffs			
August	08-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.100	-0.020	+0.070
WTI/Brent (\$/bbl)	-3.800	-0.070	+0.040
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	20.660	-0.550	-0.420
NWE Jet crack (\$/bbl)	22.050	-0.450	-0.040
NWE Jet Diff (\$/mt)	56.500	+0.000	+3.000
Gasoil E/W (\$/bbl)	-28.000	+0.750	-1.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.230	-0.180	+0.070
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.200	-0.400	-1.050
EBOB crack (\$/mt)	15.920	+0.020	+0.440
Singapore 92 crack (\$/bbl)	7.320	+0.520	-0.060
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.600	+0.500	-0.500
European Gasnaph (EBOB vs Naphtha) (\$/mt)	155.690	-3.990	+4.850
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.550	+0.200	+1.860
Naphtha			
US C5 ENT vs WTI Crack	-14.190	+0.680	+0.010
NWE Naphtha Crack (\$/bbl)	-8.050	+0.550	-0.150
MOPJ Naphtha Crack (\$/bbl)	-6.200	+0.550	-0.290
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.500	+0.000	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-7.950	+0.780	+0.450
Singapore 380 crack (\$/bbl)	-5.430	+0.460	+1.000
Singapore 180 crack (\$/bbl)	-4.760	+0.390	+0.610
Visco (180-380) (\$/mt)	4.250	-0.500	-2.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	16.000	-2.000	+3.500
0.5% barges crack (\$/bbl)	4.200	+0.000	+0.750
Singapore 0.5% crack (\$/bbl)	10.950	-0.210	+0.710
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.860	-1.340	-0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	77.150	-4.950	+1.910
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	104.010	-4.300	-1.850
0.5% barges/gasoil (\$/mt)	-220.930	+5.710	+7.630
Sing 0.5% vs Sing 10ppm (\$/mt)	-150.050	+3.670	+8.660
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-131.500	-2.500	-12.000
US Propane LST vs Asian Propane FEI (\$/mt)	-205.000	-3.500	-8.500
Asian Propane FEI vs NWE Propane (\$/mt)	73.500	+1.000	-3.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	56.500	-0.500	+0.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-117.190	+1.250	+3.830
Asian Pronap (FEI vs MOPJ) (\$/mt)	-116.690	+2.750	+1.030



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	-0.100	-0.100	0.000	0.080	0.150	0.150	0.337
WTI/Brent (\$/bbl)	-3.800	-3.800	-3.860	-4.000	-4.130	-4.123	-4.413
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.75	20.66	21.47	21.70	21.51	21.59	21.65
NWE Jet crack (\$/bbl)	20.89	22.05	22.79	23.17	23.08	23.16	23.61
NWE Jet Diff (\$/mt)	54.50	56.50	56.00	57.00	57.50	57.50	60.00
Gasoil E/W (\$/bbl)	-28.70	-28.00	-28.20	-27.40	-25.10	-25.72	-23.37
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.25	-1.23	-1.20	-0.96	-0.74	-0.76	-0.48
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.140	10.200	-4.770	2.410	4.730	4.887	15.077
EBOB crack (\$/mt)	15.360	15.920	14.880	10.020	7.960	8.210	7.523
Singapore 92 crack (\$/bbl)	7.240	7.320	7.120	6.780	6.350	6.417	6.430
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.120	-8.600	-7.760	-3.240	-1.610	-1.793	-1.090
European Gasnaph (EBOB vs Naphtha) (\$/mt)	143.690	155.690	149.690	108.690	92.190	94.357	91.440
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.050	67.550	68.050	65.720	63.060	63.697	69.147
Naphtha							
US C5 ENT vs WTI Crack	-15.190	-14.190	-13.270	-12.360	-11.630	-11.693	-10.333
NWE Naphtha Crack (\$/bbl)	-7.280	-8.050	-8.310	-8.210	-8.240	-8.250	-8.480
MOPJ Naphtha Crack (\$/bbl)	-6.270	-6.200	-6.400	-6.410	-6.470	-6.480	-6.993
Naphtha E/W (NWE vs MOPJ) (\$/mt)	9.000	16.500	17.000	16.000	15.750	15.750	13.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-7.490	-7.950	-8.830	-9.930	-10.390	-10.257	-10.113
Singapore 380 crack (\$/bbl)	-4.380	-5.430	-7.490	-8.980	-9.530	-9.373	-9.487
Singapore 180 crack (\$/bbl)	-4.000	-4.760	-6.380	-7.410	-7.760	-7.617	-7.417
Visco (180-380) (\$/mt)	2.500	4.250	7.000	10.000	11.250	11.167	13.167
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	19.750	16.000	8.500	6.000	5.500	5.667	4.000
0.5% bgs crack (\$/bbl)	3.950	4.200	4.010	3.720	3.420	3.443	2.940
Singapore 0.5% crack (\$/bbl)	11.140	10.950	10.530	10.200	9.970	9.980	9.330
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	45.610	42.860	41.360	41.110	41.610	41.487	40.490
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	72.650	77.150	81.400	86.650	87.650	86.983	82.900
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	98.510	104.010	114.260	121.760	123.760	122.803	119.390
0.5% bgs/gasoil (\$/mt)	-216.600	-220.930	-227.300	-230.290	-230.240	-230.643	-232.550
Sing 0.5% vs Sing 10ppm (\$/mt)	-142.310	-150.050	-157.900	-161.960	-163.680	-163.607	-168.853
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-140.71	-131.5	-125.09	-122.88	-122.27	-122.64	-114.5
US Propane LST vs Asian Propane FEI (\$/mt)	-212.71	-205	-203.09	-203.38	-205.27	-203.973	-188.833
Asian Propane FEI vs NWE Propane (\$/mt)	72	73.5	78	80.5	83	81.333	74.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	59	56.5	50.5	46	42.5	41.333	24.333
European Pronap (\$/mt)	-127.19	-117.19	-111.19	-103.44	-96.19	-96.69	-98.19
Asian Pronap (FEI vs MOPJ) (\$/mt)	-123.19	-116.69	-100.69	-84.94	-71.44	-72.44	-61.44



Inter-month Crack Spreads				
Aug/Sep		08-Jul-24	1-Day Change	7-Day Change
Crude				
Brent/Dubai (\$/bbl)		-0.100	-0.050	-0.070
WTI/Brent (\$/bbl)		0.060	-0.010	-0.040
Distillates				
Gasoil 0.1 NWE crack (\$/bbl)		-0.810	+0.040	-0.110
NWE Jet crack (\$/bbl)		-0.740	+0.120	+0.090
NWE Jet Diff (\$/mt)		0.500	+0.500	+1.500
Gasoil E/W (\$/bbl)		0.200	+0.470	-0.260
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)		-0.030	-0.050	+0.000
Gasoline				
TA Arb (RBOB vs EBOB) (c/gal)		14.970	+0.000	-0.470
EBOB crack (\$/mt)		1.040	+0.020	+0.210
Singapore 92 crack (\$/bbl)		0.200	+0.110	-0.050
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)		-0.840	+0.090	-0.260
European Gasnaph (EBOB vs Naphtha) (\$/mt)		6.000	-1.250	+1.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)		-0.500	-0.250	+0.830
Naphtha				
US C5 ENT vs WTI Crack		-0.920	+0.100	+0.090
NWE Naphtha Crack (\$/bbl)		0.260	+0.190	+0.010
MOPJ Naphtha Crack (\$/bbl)		0.200	+0.150	-0.140
Naphtha E/W (NWE vs MOPJ) (\$/mt)		-0.500	-0.250	-1.250
Fuel Oil				
3.5% barges crack (\$/bbl)		0.880	+0.180	+0.270
Singapore 380 crack (\$/bbl)		2.060	+0.260	+0.920
Singapore 180 crack (\$/bbl)		1.620	+0.380	+0.860
Visco (180-380) (\$/mt)		-2.750	+0.750	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)		7.500	+0.500	+4.000
0.5% barges crack (\$/bbl)		0.190	+0.120	+0.330
Singapore 0.5% crack (\$/bbl)		0.420	-0.060	+0.090
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)		1.500	-1.000	-1.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)		-4.250	-0.250	+0.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)		-10.250	-1.630	-5.000
0.5% barges/gasoil (\$/mt)		6.370	+0.410	+2.790
Sing 0.5% vs Sing 10ppm (\$/mt)		7.850	-0.900	+1.800
NGLs				
US Propane LST vs NWE Propane (\$/mt)		-6.410	-2.180	-4.610
US Propane LST vs Asian Propane FEI (\$/mt)		-1.910	-1.180	-3.110
Asian Propane FEI vs NWE Propane (\$/mt)		-4.500	-1.000	-1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)		6.000	+1.000	+2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)		-6.000	+0.750	+2.000