



Market Summary

Buyer turns Seller!

Gunvor returned to the North Sea, jumped over the line divider and sailed in the opposite direction as if dodging the Royal Navy. What were they doing again? Just selling, ma'am, we know we were buying before but understand, what is bought must be sold again, it is called trading!

Gunvor sold two Midland cargoes including a ripe end July cargo. Buyers, including refiners, were bidding following last week's sell off. Gunvor and Glencore smacked Mercuria and Chevron. Based on some perspicacious analysis, (simple really) the cargoes Gunvor sold were pulled out of the chains at the end of June. Remember in those days when there was not oil enough to satisfy the two thirsty buyers. One could say, spending spree over, time to take profit?

Equinor offered Johan Sverdrup. Buzzards share of Forties fell slightly to 23% in the week to July 7, which we are sure was taken into consideration by the buyers of those programs. As systems work, the quality for Forties improves when Buzzard content is reduced, but we all know that. At the close of European trading, September Brent futures fell short of Friday's close, down over \$1.60/bbl. (Figure 1)

In France, after some customary window breaking and fire setting by left wing elements protesting against...the leftist winning the elections?? The PM wrote his resignation letter and the French got on with their lives. They bought some stocks, bonds and a little Euro. Macron's party fared much better than expected, it ended third but ended second in the number of MPs. Welcome to European style democracy and, Vive la revolution! The communists are in, and the least worst option prevails.

Meanwhile in oil, markets await OPEC's monthly outlook, to be released tomorrow. They will likely try to push for a strong demand narrative. OPEC have been projecting 2.2mb/d demand growth for 2024. As we have discussed in earlier reports, this is wildly optimistic, and dependent on China performing. China has not. Thursday, will there be another battle of the forecasters? Stay tuned!

Summary

Physical and Futures

		08-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	86.170	-1.660	+0.040
WTI Sep (fut)	(\$/bbl)	81.850	-1.600	+0.050
Dubai Sep (phys)	(\$/bbl)	86.290	-1.670	+0.200

Crude Swaps Aug

Brent	(\$/bbl)	85.310	-1.575	+0.025
DFL	(\$/bbl)	0.850	-0.010	-0.010
WTI	(\$/bbl)	81.530	-1.560	+0.070
Dubai	(\$/bbl)	85.420	-1.550	+0.000

Tenor

		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	86.170	85.350	84.640
WTI (fut)	(\$/bbl)	81.850	80.990	80.210



In detail

As at 16:30 BST, September WTI and Brent futures closed weaker at \$81.85 and \$86.17/bbl, respectively. Against the same time on Friday, the Brent front month futures contract fell by \$1.66/bbl, the WTI contracts eased by slightly less, shedding \$1.60/bbl over the same period. The M1/M2 spreads for Brent futures weakened slightly, down 8c against Friday at 82c/bbl.

As the macro picture continues to worsen in Europe, with May German industrial production falling by 2.5%, the French have been busy at the polling station, with the highest midday turnout since 1981. Macron performed better than expected, garnering 163 seats, in second place to the Popular Front who got 182 seats. The loser, in third place was the National Rally, who got more votes (37% of total votes) than the winner. French democracy for you.

A divided country is likely to further inhibit the democratic process. The ability for non-centric policy to be passed will be greatly reduced. The left will struggle borrow more, and fiscal responsibility will be enforced. Drastic anti-immigration legislation will also be blocked. In some ways the division may actually provide some stability. Markets welcomed the news. The French 2 year yield fell, whilst the euro strengthened against the dollar.

In the UK, Jonathan Haskel, a historically hawkish member of the Monetary Policy Committee at the Bank of England, has signaled that “tight and impaired” labor market dynamics limit the Banks ability to cut interest rates. His view remains that more evidence would be necessary to justify any move away from the current base rate, which remains at a 16 year high. “Inflation will remain above target for quite some time” Haskel noted on Monday, in what was the first speech from a committee member since the Banks election blackout. The new chancellor also discovered that there is no money in the budget. We are shocked by her discovery.

At the last meeting, 2 of the 9 committee members voted for cuts. Dave Ramsden and Swati Dhingra both came out more dovish than their colleagues. Dhingra has been voting for a cut to 5% at each meeting since the start of February. But the committee is likely to remain split. Service inflation and labor market tightness are two key concerns amongst policy makers. Despite headline CPI returning to target, services inflation remains elevated at 5.7%, and wage growth remains far above pre-covid levels. Currently markets are pricing a 60% chance of a cut in August.

And in the US consumer inflation expectations are coming down, printing at 3% for June compared with 3.2% the month prior.




Figure 1: September Brent Futures, Onyx Flux

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Front Month Outrights				
August Swaps		08-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	85.310	-1.575	+0.025
WTI	(\$/bbl)	81.530	-1.560	+0.070
Dubai	(\$/bbl)	85.420	-1.550	+0.000
Distillates				
Gasoil 0.1 NWE	(\$/mt)	790.230	-17.570	-5.760
NWE Jet	(\$/mt)	844.730	-19.570	-4.720
Singapore 10ppm	(\$/bbl)	102.310	-2.230	-0.900
Sing Kero	(\$/bbl)	101.210	-2.230	-0.700
Gasoline				
RBOB	(c/gal)	252.155	-5.800	-0.245
EBOB	(\$/mt)	843.550	-20.110	+3.400
Singapore 92	(\$/bbl)	92.570	-2.060	-0.130
Singapore 95	(\$/bbl)	96.920	-2.010	-0.300
Naphtha				
US C5 ENT	(c/gal)	158.900	-4.420	-1.330
NWE Naphtha	(\$/mt)	685.830	-13.710	-3.920
MOPJ Naphtha	(\$/mt)	702.580	-13.710	-4.670
Fuel Oil				
3.5% barges	(\$/mt)	490.660	-6.740	+2.350
Singapore 380	(\$/mt)	507.160	-8.490	+7.350
Singapore 180	(\$/mt)	510.850	-9.050	+4.540
0.5% barges	(\$/mt)	567.370	-12.380	+1.900
Singapore 0.5%	(\$/mt)	610.680	-12.250	+2.030
NGLs				
US Propane LST	(c/gal)	83.940	-2.010	-1.840
NWE Propane	(\$/mt)	566.830	-9.970	-5.580
Saudi Propane CP	(\$/mt)	585.330	-6.970	-6.080
Asian Propane FEI	(\$/mt)	640.330	-7.470	-7.080
US Butane ENT	(c/gal)	99.940	-1.760	-1.090
Saudi Butane CP	(\$/mt)	571.330	-6.970	-5.080



Long Tenor Swaps			Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude									
Brent	(\$/bbl)	86.120	85.310	84.590	83.965	83.405	83.412	81.963	
WTI	(\$/bbl)	82.350	81.530	80.750	79.975	79.295	79.308	77.578	
Dubai	(\$/bbl)	86.120	85.420	84.620	83.900	83.260	83.273	81.653	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	789.250	790.230	791.010	788.380	782.790	783.520	773.542	
NWE Jet	(\$/mt)	842.750	844.730	846.510	844.880	839.790	840.520	832.157	
Singapore 10ppm	(\$/bbl)	102.060	102.310	102.420	102.170	101.730	101.740	100.717	
Sing Kero	(\$/bbl)	101.030	101.210	101.330	101.280	101.050	101.043	100.297	
Gasoline									
RBOB	(c/gal)	255.650	252.155	232.835	226.715	222.645	223.445	228.385	
EBOB	(\$/mt)	843.550	843.550	828.800	783.550	762.050	764.133	746.467	
Singapore 92	(\$/bbl)	93.290	92.570	91.720	90.800	89.830	89.907	88.550	
Singapore 95	(\$/bbl)	97.790	96.920	95.970	95.000	93.830	93.940	92.150	
Naphtha									
US C5 ENT	(c/gal)	158.400	158.900	159.280	159.660	159.780	159.657	158.780	
NWE Naphtha	(\$/mt)	699.830	685.830	677.830	673.330	668.330	668.247	653.837	
MOP-Japan Naphtha	(\$/mt)	709.580	702.580	695.080	689.580	684.080	684.080	666.997	
Fuel Oil									
3.5% barges	(\$/mt)	498.910	490.660	480.910	470.160	463.660	464.577	456.493	
Singapore 380	(\$/mt)	518.910	507.160	490.410	477.160	470.160	471.243	461.493	
Singapore 180	(\$/mt)	520.850	510.850	496.850	486.850	481.100	482.017	474.600	
0.5% barges	(\$/mt)	569.870	567.370	561.620	555.870	550.620	550.787	538.870	
Singapore 0.5%	(\$/mt)	616.680	610.680	603.180	597.180	592.180	592.347	579.263	
NGLs									
US Propane LST	(c/gal)	82.940	83.940	84.690	85.690	86.070	85.943	84.450	
NWE Propane	(\$/mt)	570.830	566.830	564.330	567.830	570.330	569.663	553.163	
Saudi Propane CP	(\$/mt)	585.330	585.330	592.830	603.830	611.830	610.830	604.163	
Asian Propane FEI	(\$/mt)	643.330	640.330	642.330	648.330	653.330	650.997	628.163	
US Butane ENT	(c/gal)	98.940	99.940	100.560	101.810	102.190	102.023	99.450	
Saudi Butane CP	(\$/mt)	571.330	571.330	584.830	597.830	606.330	605.163	596.163	



Front Month Spreads				
Aug/Sep		08-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.720	-0.055	+0.010
WTI	(\$/bbl)	0.780	-0.075	-0.045
Dubai	(\$/bbl)	0.800	-0.050	+0.050
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.780	-0.475	-0.740
NWE Jet	(\$/mt)	-1.780	-1.980	-0.700
Singapore 10ppm	(\$/bbl)	-0.110	-0.020	-0.210
Sing Kero	(\$/bbl)	-0.120	-0.020	-0.100
Gasoline				
RBOB	(c/gal)	19.320	-0.635	-0.120
EBOB	(\$/mt)	14.750	-1.250	+2.000
Singapore 92	(\$/bbl)	0.850	-0.150	-0.050
Singapore 95	(\$/bbl)	0.950	-0.100	+0.000
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.120
NWE Naphtha	(\$/mt)	8.000	+0.000	-0.500
MOP-Japan Naphtha	(\$/mt)	7.500	-0.250	-1.500
Fuel Oil				
3.5% barges	(\$/mt)	9.750	+0.000	+1.750
Singapore 380	(\$/mt)	16.750	-0.500	+4.750
Singapore 180	(\$/mt)	14.000	-0.250	+4.750
0.5% barges	(\$/mt)	5.750	+0.000	+2.000
Singapore 0.5%	(\$/mt)	7.500	-0.500	+0.750
NGLs				
US Propane LST	(c/gal)	-0.750	-0.130	-0.370
NWE Propane	(\$/mt)	2.500	+0.000	+1.500
Saudi Propane CP	(\$/mt)	-7.500	+1.000	-2.000
Asian Propane FEI	(\$/mt)	-2.000	+1.000	+0.500
US Butane ENT	(c/gal)	-0.620	-0.240	-0.370
Saudi Butane CP	(\$/mt)	-13.500	+1.000	-1.000



Front Month Cracks and Diffs			
August	08-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.110	-0.040	+0.030
WTI/Brent (\$/bbl)	-3.780	+0.020	+0.060
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	20.760	-0.770	-0.810
NWE Jet crack (\$/bbl)	21.890	-0.880	-0.630
NWE Jet Diff (\$/mt)	54.500	-2.000	+1.000
Gasoil E/W (\$/bbl)	-28.050	+0.950	-1.050
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.100	+0.000	+0.200
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.050	-0.050	-1.200
EBOB crack (\$/mt)	15.960	-0.820	+0.390
Singapore 92 crack (\$/bbl)	7.260	-0.470	-0.150
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.700	+0.350	-0.550
European Gasnaph (EBOB vs Naphtha) (\$/mt)	157.630	-6.460	+7.260
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	68.440	-3.450	+3.330
Naphtha			
US C5 ENT vs WTI Crack	-14.800	-0.300	-0.620
NWE Naphtha Crack (\$/bbl)	-8.250	+0.050	-0.450
MOPJ Naphtha Crack (\$/bbl)	-6.370	+0.050	-0.540
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.750	+0.000	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.040	+0.530	+0.360
Singapore 380 crack (\$/bbl)	-5.440	+0.260	+1.150
Singapore 180 crack (\$/bbl)	-4.850	+0.180	+0.720
Visco (180-380) (\$/mt)	3.750	-0.500	-2.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	16.500	-1.750	+5.000
0.5% barges crack (\$/bbl)	4.050	-0.350	+0.300
Singapore 0.5% crack (\$/bbl)	10.870	-0.330	+0.320
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.310	+0.130	+0.130
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	76.770	-5.580	-0.390
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	103.580	-3.700	-5.260
0.5% barges/gasoil (\$/mt)	-222.860	+5.190	+7.620
Sing 0.5% vs Sing 10ppm (\$/mt)	-151.530	+4.360	+8.730
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-129.500	-0.500	-4.000
US Propane LST vs Asian Propane FEI (\$/mt)	-203.000	-3.000	-2.500
Asian Propane FEI vs NWE Propane (\$/mt)	73.500	+2.500	-1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	55.000	-0.500	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-118.920	+3.690	-1.580
Asian Pronap (FEI vs MOPJ) (\$/mt)	-117.170	+6.690	-1.330



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	-0.010	-0.110	-0.020	0.070	0.140	0.137	0.307
WTI/Brent (\$/bbl)	-3.770	-3.780	-3.850	-3.990	-4.100	-4.097	-4.393
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.82	20.76	21.58	21.86	21.67	21.76	21.87
NWE Jet crack (\$/bbl)	20.83	21.89	22.82	23.25	23.17	23.25	23.63
NWE Jet Diff (\$/mt)	53.50	54.50	55.50	56.50	57.00	57.00	58.50
Gasoil E/W (\$/bbl)	-28.90	-28.05	-27.98	-27.18	-24.93	-25.56	-23.30
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.03	-1.10	-1.09	-0.89	-0.68	-0.70	-0.42
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.540	11.050	-4.050	2.760	4.820	5.033	15.023
EBOB crack (\$/mt)	15.150	15.960	14.900	10.090	8.060	8.307	7.640
Singapore 92 crack (\$/bbl)	7.170	7.260	7.120	6.830	6.410	6.483	6.580
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.980	-8.700	-7.780	-3.260	-1.650	-1.823	-1.060
European Gasnaph (EBOB vs Naphtha) (\$/mt)	143.630	157.630	150.880	110.130	93.630	95.797	92.660
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.440	68.440	68.860	66.690	64.110	64.750	70.533
Naphtha							
US C5 ENT vs WTI Crack	-15.830	-14.800	-13.850	-12.920	-12.190	-12.257	-10.890
NWE Naphtha Crack (\$/bbl)	-7.480	-8.250	-8.430	-8.300	-8.320	-8.330	-8.507
MOPJ Naphtha Crack (\$/bbl)	-6.380	-6.370	-6.490	-6.480	-6.550	-6.550	-7.017
Naphtha E/W (NWE vs MOPJ) (\$/mt)	9.750	16.750	17.250	16.250	15.750	15.833	13.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-7.550	-8.040	-8.870	-9.930	-10.400	-10.260	-10.083
Singapore 380 crack (\$/bbl)	-4.400	-5.440	-7.360	-8.830	-9.360	-9.200	-9.287
Singapore 180 crack (\$/bbl)	-4.070	-4.850	-6.340	-7.280	-7.630	-7.490	-7.207
Visco (180-380) (\$/mt)	2.000	3.750	6.500	9.750	11.000	10.833	13.167
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	20.000	16.500	9.500	7.000	6.500	6.667	5.000
0.5% bgs crack (\$/bbl)	3.630	4.050	3.850	3.580	3.310	3.330	2.900
Singapore 0.5% crack (\$/bbl)	11.000	10.870	10.400	10.080	9.860	9.877	9.263
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	46.810	43.310	41.560	41.310	41.560	41.560	40.393
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	71.020	76.770	80.770	85.770	87.020	86.270	82.437
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	97.830	103.580	112.830	120.080	122.080	121.163	117.830
0.5% bgs/gasoil (\$/mt)	-219.380	-222.860	-229.310	-232.470	-232.170	-232.720	-234.673
Sing 0.5% vs Sing 10ppm (\$/mt)	-143.670	-151.530	-159.850	-164.060	-165.780	-165.690	-171.077
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-138.71	-129.5	-123.1	-121.39	-121.91	-121.903	-113.177
US Propane LST vs Asian Propane FEI (\$/mt)	-211.21	-203	-201.1	-201.89	-204.91	-203.237	-188.177
Asian Propane FEI vs NWE Propane (\$/mt)	72.5	73.5	78	80.5	83	81.333	75
Asian Propane FEI vs Saudi Propane CP (\$/mt)	58	55	49.5	44.5	41.5	40.167	24
European Pronap (\$/mt)	-128.92	-118.92	-113.42	-105.42	-97.92	-98.503	-100.503
Asian Pronap (FEI vs MOPJ) (\$/mt)	-124.17	-117.17	-102.17	-85.67	-72.17	-73.17	-62.753



Inter-month Crack Spreads				
Aug/Sep		08-Jul-24	1-Day Change	7-Day Change
Crude				
Brent/Dubai (\$/bbl)		-0.090	-0.030	-0.060
WTI/Brent (\$/bbl)		0.070	-0.010	-0.030
Distillates				
Gasoil 0.1 NWE crack (\$/bbl)		-0.820	-0.010	-0.120
NWE Jet crack (\$/bbl)		-0.930	-0.180	-0.090
NWE Jet Diff (\$/mt)		-1.000	-1.500	+0.000
Gasoil E/W (\$/bbl)		-0.070	+0.320	-0.860
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)		-0.010	+0.000	+0.110
Gasoline				
TA Arb (RBOB vs EBOB) (c/gal)		15.100	-0.270	-0.700
EBOB crack (\$/mt)		1.060	-0.080	+0.240
Singapore 92 crack (\$/bbl)		0.140	-0.080	-0.040
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)		-0.920	+0.000	-0.290
European Gasnaph (EBOB vs Naphtha) (\$/mt)		6.750	-1.250	+2.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)		-0.420	-1.000	+1.080
Naphtha				
US C5 ENT vs WTI Crack		-0.950	+0.060	+0.080
NWE Naphtha Crack (\$/bbl)		0.180	+0.060	-0.060
MOPJ Naphtha Crack (\$/bbl)		0.120	+0.030	-0.170
Naphtha E/W (NWE vs MOPJ) (\$/mt)		-0.500	-0.250	-1.000
Fuel Oil				
3.5% barges crack (\$/bbl)		0.830	+0.090	+0.290
Singapore 380 crack (\$/bbl)		1.920	-0.010	+0.750
Singapore 180 crack (\$/bbl)		1.490	+0.030	+0.760
Visco (180-380) (\$/mt)		-2.750	+0.250	+0.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)		7.000	-0.500	+3.000
0.5% barges crack (\$/bbl)		0.200	+0.090	+0.330
Singapore 0.5% crack (\$/bbl)		0.470	-0.010	+0.130
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)		1.750	-0.500	-1.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)		-4.000	+0.000	+0.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)		-9.250	+0.000	-4.000
0.5% barges/gasoil (\$/mt)		6.450	+0.320	+2.620
Sing 0.5% vs Sing 10ppm (\$/mt)		8.320	-0.350	+2.310
NGLs				
US Propane LST vs NWE Propane (\$/mt)		-6.400	-0.670	-3.420
US Propane LST vs Asian Propane FEI (\$/mt)		-1.900	-1.670	-2.420
Asian Propane FEI vs NWE Propane (\$/mt)		-4.500	+1.000	-1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)		5.500	+0.000	+2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)		-5.500	+0.000	+2.000