



Market Summary

Traders scratch their heads in amusement

Say what?? The EIA, IEA and OPEC seers have counted the tea leaves for 2024 and by mid-year see global demand at 102.9, 103.1 and 104.46 mb/d, respectively. Step back and do some counting yourself. The difference is over half a billion barrels of oil on an annual basis. Nothing really, or is it? At current market values the missing barrels are worth close to 50 billion USD. Just a trifle.

The IEA is sticking to its guns, albeit inching up demand growth y-o-y but only by 10 kb/d to 974 kb/d. OPEC is expecting overall demand to grow by 2.25 mb/d. Statistically, they are miles apart. And as you travel forward in time, they diverge further. The Western agencies are putting a lot of credence on the green transition and OPEC not so, as one would expect. The figures are really a proverbial, combustion car crashes against an EV. We would agree EVs are growing, but to be fair the incline is slowing as subsidies come off, import tariffs and road usage taxes increase. And of course, in the developing world, and where economies are really growing, the interest in EVs is marginal.

In our opinion, the IEA has rose tinted electrified glasses for the long term, but in the short term, unless OPEC has a different insight into Chinese and other major economies data, demand growth is less than earlier expected.

And in the short term, some traders are now puzzled by the continuous strength in the Brent market and the strong backwardation. Some sources pointed to Gunvor as a reason for the recent strength, but as boring economists know, temporal reasons are like spring sneezes, they come and go.

The Dubai and Brent markets took no notice of such high-level matters and rose by nearly \$1.00/bbl. Dubai partials were sold off by entities usually associated with refining, Exxon, BP and PTT.

Meanwhile, the ONYX CFTC Predictor expects a reversal/decline managed money net Brent and gasoil futures positioning versus the prior four weeks' bullish trend as players took profit. We will see.

Summary					
Physical and Futures			11-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	85.550	+1.030	-1.080	
WTI Sep (fut)	(\$/bbl)	81.490	+1.060	-0.830	
Dubai Sep (phys)	(\$/bbl)	85.480	+0.895	-1.310	
Crude Swaps Aug					
Brent	(\$/bbl)	84.595	+0.910	-1.195	
DFL	(\$/bbl)	0.930	+0.160	+0.180	
WTI	(\$/bbl)	81.110	+0.995	-0.910	
Dubai	(\$/bbl)	84.530	+0.840	-1.390	
Tenor			Sep-24	Oct-24	Nov-24
Crude Futures					
Brent (fut)	(\$/bbl)	85.550	84.640	83.820	
WTI (fut)	(\$/bbl)	81.490	80.470	79.580	



In detail

As at 09:30 BST, crude markets reversed some previous losses against the close of Asia yesterday. September Brent futures increased by \$1.03 to \$85.55/bbl, whilst September WTI futures gained \$1.06, at \$81.49/bbl. Our Dubai assessment of physical cargoes for September rose by \$0.895/bbl, to close the window at \$85.48/bbl. Physical premiums for September Dubai increased further at an elevated \$1.78/bbl.

The UK is beating expectations not only in the economy but in soccer, what a welcome rarity! A goal from Watkins deep into stoppage time secured a place in the Euro 2024 final. And UK GDP printed ahead of consensus. Double the expected level said ecstatic economists. Look at the numbers. GDP increased by 0.4% m-o-m compared to an expected 0.2% gain, big goal innit? The same cannot be said in Japan. Core machinery orders declined at the fastest pace since November 2023 in May at -3.2% m-o-m. The drop in capital investment was predominately driven by decline in the non-manufacturing sector. Core machinery orders provides a leading indicator of capital spending for 6 to 9 months ahead. Today's print doesn't bode well for future economic growth in Japan. And the yen is still getting pummeled, up above 161.5 against the dollar. Imports, which have been growing as a share of GDP since the 90's (25.3%), will become even more costly. Note their refining activity is flat on its back. Refining runs are at a 20 year low! No wonder Japan has to import jet fuel to get the tourist coming and going!

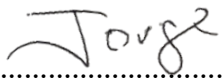
Bar India, weakness across Asia is clear from a macro perspective. Today's IEA report offers some confirmation. China's oil consumption fell in both April and May. Concerningly this was driven by particularly pronounced weakness in demand for industrial fuels and petrochemical feedstock. The Q2 2024 demand projection was adjusted down. Where has Made in China gone?

Whilst the IEA report the "lowest quarterly demand growth in over a year", the report also details an increase in supply of 150kb/d in June, and they are projecting an annual increase of 770kb/d for 2024. In 2025, supply is expected to jump, growing by 1.5mb/d. Muted demand and strong supply.


Despite agencies projecting robust supply, Saudi crude exports have fallen to their lowest levels in over 10 years, amidst increased domestic consumption and weak demand from Asia. According to Kpler, Saudi exports plummeted by 930kb/d to 5.42mb/d. It seems the generous OSPs couldn't come soon enough. More cuts look likely, as Asia cements attractive terms with Russia.




Figure 1: Brent futures front 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			11-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	84.595	+0.910	-1.195
WTI	(\$/bbl)	81.110	+0.995	-0.910
Dubai	(\$/bbl)	84.530	+0.840	-1.390
Distillates				
Gasoil 0.1 NWE	(\$/mt)	777.975	+7.665	-18.085
NWE Jet	(\$/mt)	831.060	+6.750	-19.500
Singapore 10ppm	(\$/bbl)	100.780	+0.970	-2.320
Sing Kero	(\$/bbl)	99.830	+0.940	-2.410
Gasoline				
RBOB	(c/gal)	248.530	+1.055	-4.530
EBOB	(\$/mt)	832.460	+4.760	-17.040
Singapore 92	(\$/bbl)	91.140	+0.680	-2.360
Singapore 95	(\$/bbl)	95.490	+0.670	-2.360
Naphtha				
US C5 ENT	(c/gal)	156.790	+1.910	-3.550
NWE Naphtha	(\$/mt)	677.020	+8.100	-11.040
MOPJ Naphtha	(\$/mt)	693.270	+7.600	-11.040
Fuel Oil				
3.5% barges	(\$/mt)	482.410	+2.350	-9.590
Singapore 380	(\$/mt)	504.560	+3.750	-1.940
Singapore 180	(\$/mt)	510.310	+4.750	-1.440
0.5% barges	(\$/mt)	558.610	+2.920	-13.400
Singapore 0.5%	(\$/mt)	601.920	+3.120	-12.630
NGLs				
US Propane LST	(c/gal)	82.360	-0.360	-2.630
NWE Propane	(\$/mt)	567.540	+6.570	-3.760
Saudi Propane CP	(\$/mt)	587.600	+3.630	-3.750
Asian Propane FEI	(\$/mt)	639.100	+3.130	-7.200
US Butane ENT	(c/gal)	98.980	+0.010	-1.760
Saudi Butane CP	(\$/mt)	572.100	+3.130	-4.200



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	85.480	84.595	83.775	83.090	82.490	82.515	81.097
WTI	(\$/bbl)	82.050	81.110	80.200	79.335	78.590	78.613	76.815
Dubai	(\$/bbl)	85.330	84.530	83.700	82.950	82.290	82.313	80.743
Distillates								
Gasoil 0.1 NWE	(\$/mt)	777.375	777.975	778.635	776.440	771.375	772.035	763.108
NWE Jet	(\$/mt)	830.380	831.060	832.920	831.560	826.880	827.630	820.133
Singapore 10ppm	(\$/bbl)	100.620	100.780	100.880	100.660	100.240	100.237	99.327
Sing Kero	(\$/bbl)	99.580	99.830	99.960	99.850	99.560	99.567	98.807
Gasoline								
RBOB	(c/gal)	251.680	248.530	229.760	223.855	219.990	220.755	225.923
EBOB	(\$/mt)	835.460	832.460	818.460	773.960	752.710	754.793	737.960
Singapore 92	(\$/bbl)	91.540	91.140	90.340	89.520	88.720	88.803	87.667
Singapore 95	(\$/bbl)	96.040	95.490	94.590	93.720	92.720	92.837	91.267
Naphtha								
US C5 ENT	(c/gal)	156.290	156.790	157.170	157.550	157.670	157.547	156.670
NWE Naphtha	(\$/mt)	688.020	677.020	670.020	665.770	661.020	661.020	647.353
MOP-Japan Naphtha	(\$/mt)	698.520	693.270	687.020	681.770	676.770	676.770	660.853
Fuel Oil								
3.5% barges	(\$/mt)	491.160	482.410	473.660	463.410	456.910	457.743	449.993
Singapore 380	(\$/mt)	512.810	504.560	488.310	475.060	467.310	468.560	458.477
Singapore 180	(\$/mt)	518.310	510.310	495.810	485.560	479.060	480.143	471.977
0.5% barges	(\$/mt)	560.860	558.610	553.860	548.110	542.860	543.027	531.527
Singapore 0.5%	(\$/mt)	607.920	601.920	595.670	589.920	584.920	585.003	572.087
NGLs								
US Propane LST	(c/gal)	81.360	82.360	83.360	84.480	84.980	84.813	83.563
NWE Propane	(\$/mt)	573.040	567.540	563.540	564.540	566.040	565.540	547.873
Saudi Propane CP	(\$/mt)	587.600	587.600	590.600	600.600	609.100	607.767	601.767
Asian Propane FEI	(\$/mt)	644.100	639.100	640.100	645.100	649.100	646.933	624.100
US Butane ENT	(c/gal)	98.230	98.980	99.600	100.980	101.480	101.273	98.820
Saudi Butane CP	(\$/mt)	572.100	572.100	584.100	595.100	604.100	602.600	595.267



Front Month Spreads				
Aug/Sep		11-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.820	+0.120	+0.130
WTI	(\$/bbl)	0.910	+0.130	+0.130
Dubai	(\$/bbl)	0.830	+0.070	+0.050
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.660	+0.580	+0.505
NWE Jet	(\$/mt)	-1.860	+0.380	+0.300
Singapore 10ppm	(\$/bbl)	-0.100	+0.020	+0.050
Sing Kero	(\$/bbl)	-0.130	+0.020	-0.030
Gasoline				
RBOB	(c/gal)	18.770	-0.390	-0.400
EBOB	(\$/mt)	14.000	-0.250	-1.000
Singapore 92	(\$/bbl)	0.800	+0.010	-0.350
Singapore 95	(\$/bbl)	0.900	+0.010	-0.350
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.000
NWE Naphtha	(\$/mt)	7.000	+0.750	+0.250
MOP-Japan Naphtha	(\$/mt)	6.250	+0.500	-0.500
Fuel Oil				
3.5% barges	(\$/mt)	8.750	-0.250	-1.750
Singapore 380	(\$/mt)	16.250	-0.500	+1.250
Singapore 180	(\$/mt)	14.500	+0.000	+2.500
0.5% barges	(\$/mt)	4.750	-0.250	-1.000
Singapore 0.5%	(\$/mt)	6.250	-0.750	-1.000
NGLs				
US Propane LST	(c/gal)	-1.000	-0.250	-0.380
NWE Propane	(\$/mt)	4.000	+0.500	+4.000
Saudi Propane CP	(\$/mt)	-3.000	+0.500	+2.500
Asian Propane FEI	(\$/mt)	-1.000	-0.500	+1.500
US Butane ENT	(c/gal)	-0.620	-0.120	-0.240
Saudi Butane CP	(\$/mt)	-12.000	-1.000	+1.500



Front Month Cracks and Diffs			
August	11-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.070	+0.070	+0.200
WTI/Brent (\$/bbl)	-3.480	+0.080	+0.300
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.830	+0.110	-1.230
NWE Jet crack (\$/bbl)	20.850	-0.080	-1.290
NWE Jet Diff (\$/mt)	53.000	-1.000	-1.500
Gasoil E/W (\$/bbl)	-27.250	-0.500	+0.750
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.950	-0.030	-0.090
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.600	-0.300	+0.350
EBOB crack (\$/mt)	15.310	-0.350	-0.870
Singapore 92 crack (\$/bbl)	6.520	-0.240	-1.180
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.800	+0.100	-0.320
European Gasnaph (EBOB vs Naphtha) (\$/mt)	155.330	-3.620	-6.050
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	65.840	-2.100	-8.610
Naphtha			
US C5 ENT vs WTI Crack	-15.270	-0.170	-0.590
NWE Naphtha Crack (\$/bbl)	-8.550	+0.000	-0.070
MOPJ Naphtha Crack (\$/bbl)	-6.720	-0.050	-0.070
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.250	-0.500	+0.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.650	-0.550	-0.350
Singapore 380 crack (\$/bbl)	-5.180	-0.350	+0.840
Singapore 180 crack (\$/bbl)	-4.260	-0.180	+0.930
Visco (180-380) (\$/mt)	5.750	+1.000	+0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	22.150	+1.400	+7.650
0.5% barges crack (\$/bbl)	3.350	-0.460	-0.950
Singapore 0.5% crack (\$/bbl)	10.150	-0.450	-0.850
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.180	+0.070	+0.640
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	76.200	+0.580	-3.810
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	97.230	-0.760	-10.820
0.5% barges/gasoil (\$/mt)	-219.480	-4.540	+4.870
Sing 0.5% vs Sing 10ppm (\$/mt)	-149.040	-3.970	+4.770
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-138.500	-8.500	-10.000
US Propane LST vs Asian Propane FEI (\$/mt)	-210.000	-5.000	-6.500
Asian Propane FEI vs NWE Propane (\$/mt)	71.500	-3.500	-3.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	51.500	-0.500	-3.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-109.600	-1.860	+7.030
Asian Pronap (FEI vs MOPJ) (\$/mt)	-105.850	-4.270	+7.030



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.150	0.070	0.080	0.140	0.200	0.197	0.350
WTI/Brent (\$/bbl)	-3.430	-3.480	-3.580	-3.750	-3.900	-3.897	-4.280
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	18.87	19.83	20.74	21.13	21.05	21.11	21.33
NWE Jet crack (\$/bbl)	19.90	20.85	21.88	22.42	22.44	22.50	22.98
NWE Jet Diff (\$/mt)	53.00	53.00	54.00	55.00	55.50	55.50	57.00
Gasoil E/W (\$/bbl)	-27.84	-27.25	-27.16	-26.41	-24.66	-25.28	-22.96
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.04	-0.95	-0.92	-0.82	-0.68	-0.68	-0.53
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.890	10.600	-4.170	2.650	4.860	5.027	15.003
EBOB crack (\$/mt)	14.790	15.310	14.440	9.790	7.840	8.070	7.473
Singapore 92 crack (\$/bbl)	6.040	6.520	6.530	6.400	6.200	6.263	6.543
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.760	-8.800	-7.910	-3.390	-1.640	-1.807	-0.923
European Gasnaph (EBOB vs Naphtha) (\$/mt)	147.330	155.330	148.330	108.080	91.580	93.663	90.497
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	63.920	65.840	65.430	63.850	62.180	62.877	69.327
Naphtha							
US C5 ENT vs WTI Crack	-16.420	-15.270	-14.200	-13.180	-12.380	-12.453	-11.030
NWE Naphtha Crack (\$/bbl)	-8.190	-8.550	-8.520	-8.310	-8.250	-8.267	-8.373
MOPJ Naphtha Crack (\$/bbl)	-7.010	-6.720	-6.610	-6.520	-6.480	-6.500	-6.857
Naphtha E/W (NWE vs MOPJ) (\$/mt)	10.500	16.250	17.000	16.000	15.750	15.750	13.500
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.160	-8.650	-9.230	-10.140	-10.570	-10.460	-10.260
Singapore 380 crack (\$/bbl)	-4.750	-5.180	-6.920	-8.320	-8.930	-8.757	-8.923
Singapore 180 crack (\$/bbl)	-3.870	-4.260	-5.720	-6.640	-7.060	-6.917	-6.777
Visco (180-380) (\$/mt)	5.500	5.750	7.500	10.500	11.750	11.583	13.500
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	21.650	22.150	14.650	11.650	10.400	10.817	8.483
0.5% bgs crack (\$/bbl)	2.830	3.350	3.420	3.220	2.990	2.997	2.603
Singapore 0.5% crack (\$/bbl)	10.230	10.150	9.990	9.780	9.590	9.587	8.970
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	46.930	43.180	41.680	41.680	41.930	41.847	40.430
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	69.700	76.200	80.200	84.700	85.950	85.283	81.533
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	94.980	97.230	107.230	114.730	117.480	116.313	113.480
0.5% bgs/gasoil (\$/mt)	-216.890	-219.480	-225.000	-228.350	-228.720	-229.157	-231.557
Sing 0.5% vs Sing 10ppm (\$/mt)	-141.850	-149.040	-156.030	-160.150	-162.020	-161.910	-168.047
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-149.21	-138.5	-129.29	-124.46	-123.35	-123.72	-112.567
US Propane LST vs Asian Propane FEI (\$/mt)	-220.21	-210	-205.79	-204.96	-206.35	-205.053	-188.733
Asian Propane FEI vs NWE Propane (\$/mt)	71	71.5	76.5	80.5	83	81.333	76.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	56.5	51.5	49.5	44.5	40	39.167	22.333
European Pronap (\$/mt)	-115.1	-109.6	-106.6	-101.35	-95.1	-95.6	-99.6
Asian Pronap (FEI vs MOPJ) (\$/mt)	-111.1	-105.85	-96.6	-81.35	-67.85	-69.183	-59.267



Inter-month Crack Spreads			
Aug/Sep	11-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.010	+0.050	+0.080
WTI/Brent (\$/bbl)	0.100	+0.020	+0.020
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.910	-0.050	-0.060
NWE Jet crack (\$/bbl)	-1.030	-0.050	-0.060
NWE Jet Diff (\$/mt)	-1.000	+0.000	+0.000
Gasoil E/W (\$/bbl)	-0.090	-0.410	-0.100
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.030	+0.000	-0.080
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.770	-0.320	-0.100
EBOB crack (\$/mt)	0.870	-0.140	-0.230
Singapore 92 crack (\$/bbl)	-0.010	-0.100	-0.470
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.890	+0.040	-0.240
European Gasnaph (EBOB vs Naphtha) (\$/mt)	7.000	-1.000	-1.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.410	-0.420	-2.410
Naphtha			
US C5 ENT vs WTI Crack	-1.070	-0.130	-0.130
NWE Naphtha Crack (\$/bbl)	-0.030	-0.030	-0.100
MOPJ Naphtha Crack (\$/bbl)	-0.110	-0.040	-0.180
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.750	-0.250	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	0.580	-0.130	-0.380
Singapore 380 crack (\$/bbl)	1.740	-0.200	+0.070
Singapore 180 crack (\$/bbl)	1.460	-0.130	+0.270
Visco (180-380) (\$/mt)	-1.750	+0.500	+1.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.500	-0.250	+3.000
0.5% barges crack (\$/bbl)	-0.070	-0.160	-0.300
Singapore 0.5% crack (\$/bbl)	0.160	-0.240	-0.300
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	1.500	-0.500	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-4.000	+0.000	+0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-10.000	-0.250	-2.250
0.5% barges/gasoil (\$/mt)	5.520	-0.570	-1.400
Sing 0.5% vs Sing 10ppm (\$/mt)	6.990	-0.900	-1.380
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-9.210	-1.800	-5.980
US Propane LST vs Asian Propane FEI (\$/mt)	-4.210	-0.800	-3.480
Asian Propane FEI vs NWE Propane (\$/mt)	-5.000	-1.000	-2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.000	-1.000	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-3.000	-0.250	+3.750