



Market Summary

Brent cools but Freddie is back!

Gunvor returned for the second day bidding North Sea grades. Did June's spending spree not quite satisfy? Surely not, so the gov'nor is back for seconds. Gunvor bid for a prompt Midland cargo July 23-27 and we are surprised someone had it. It would be even more surprising if India were pricing in some Midland cargoes. Well, Reliance happily sold it at dated Brent plus \$2.25/bbl, this transactions is lifting the published values by another 20c or so. Gunvor also bid for Forties and BP accommodated at Dated plus \$1.00/bbl. Traders also reported "heavy CFD buying from Gunvor". But where's the other half of the North Sea double trouble?

Europe is heating up. 36°C in Rome, 39°C Bucharest, 35°C in Madrid. Extreme high temperature warnings across Europe and on the US west coast will be leaving refineries sweating. Reportedly temperatures in Poland could reach temperatures capable of disrupting refining operations. Gasoline would be one of the impacted products. Watch out.

Amidst high temperatures in Europe, US inflation is ice cold beer, mostly driven by tempered energy prices, gasoline really. Gasoline prices falling ahead of a supposedly record setting driving season? Biden's cooling efforts have paid off! M-o-M consumer prices fell by 0.1% in June. The first fall in consumer prices since May 2020 and below a market consensus of 0.2% increase. The index for gasoline fell by 3.8% following declines of 3.6% in May. Decreases across a number of subindices were partially offset by small increases across food and shelter. Core inflation printed at +0.2%, in line with consensus.

The print will reassure the FOMC, and markets, that the inflation trajectory is cooling, and a Fed cut for September is now fully priced in. Markets are expecting The Fed to cut a full 25bps in September, and 50 bps of cuts before the end of the year. However, the labor market has shown some improvement. Initial jobless claims for week ending July 6 came out below expected, down 17k from the week prior at 222k. Continued labor market strengthening, although currently not inflationary, could limit the Fed's room to cut rates.

Summary

Physical and Futures

		11-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	85.370	-0.080	-2.130
WTI Sep (fut)	(\$/bbl)	81.310	-0.070	-1.800
Dubai Sep (phys)	(\$/bbl)	85.270	-0.075	-2.310

Crude Swaps Aug

Brent	(\$/bbl)	84.395	-0.120	-2.235
DFL	(\$/bbl)	1.030	+0.140	+0.180
WTI	(\$/bbl)	80.950	-0.095	-1.835
Dubai	(\$/bbl)	84.310	-0.160	-2.420

Tenor

		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	85.370	84.430	83.610
WTI (fut)	(\$/bbl)	81.310	80.270	79.370



In detail

As at 16:30 BST, September WTI and Brent futures marginally weaker at \$81.31/bbl and \$85.37/bbl, respectively. Against the same yesterday, the Brent front month futures contract eased by \$0.08/bbl, the WTI contract fell by slightly less, down only \$0.07/bbl over the same period. The M1/M2 spreads for Brent futures strengthened, up 4c against yesterday, at 94c/bbl.

The UK government has officially denied rumours that they would banning new North Sea drilling. But confusion remained over what new drilling means as the current drilling licensing round is yet to be finalised. The North Sea Transition Authority is still yet to vet bids for 35 areas of the North Sea. The ongoing review process is disruptive and will ensure higher costs to consumers at the end not the day.

The Dangote refinery in Nigeria has been quenching its thirst for US crude. The refinery has bought more than 16mbbls of WTI throughout the year to date, and are currently seeking 6mbbls more of the grade. The refinery mostly runs on Nigerian crude, but throughout the first half of the year, around a quarter of feedstock has been WTI. I wonder where one might look if they're in the market for Midlands?

Macron really can't catch a break. Saudi's are threatening to sell French debt, the political extremes are gaining strength, and now, the French, allegedly, will need to pay the EU an extra 15bn euros after breaching fiscal rules. So how will France manage to come up with the 15bn? With both far left and far right strengthening, neither a dramatic fiscal spending reduction, nor aggressive taxation will come easily.

But Le Maire, the French Finance Minister, said the next government must adhere to the EU's fiscal rules. They don't really have a choice after all. The next government is expected to play ball, requiring an estimated fiscal balance adjustment of 0.94% of GDP over the next four years. France, along with many countries in the West, are becoming increasingly burned by debt, with French national debt exceeding 110% of GDP. However, economic growth, which is taxed to repay the debt, remains lacklustre. GDP growth was a mere 0.2% q-o-q for the first quarter of 2024. Higher frequency indicators provide little indication of improvement.

Wildfires are raging across Canada around Fort McMurray, a key oil sands hub. 8 fires, roaring uninhibited and fuelled by very hot and very dry weather. The city has already been partially evacuated in May this year due to wildfires. The wildfire season in Alberta has, however, been more mild than last year, seeing 690 fires year to date, compared with 840 in the same period last year. So far most oil sands operations have been relatively unscathed.

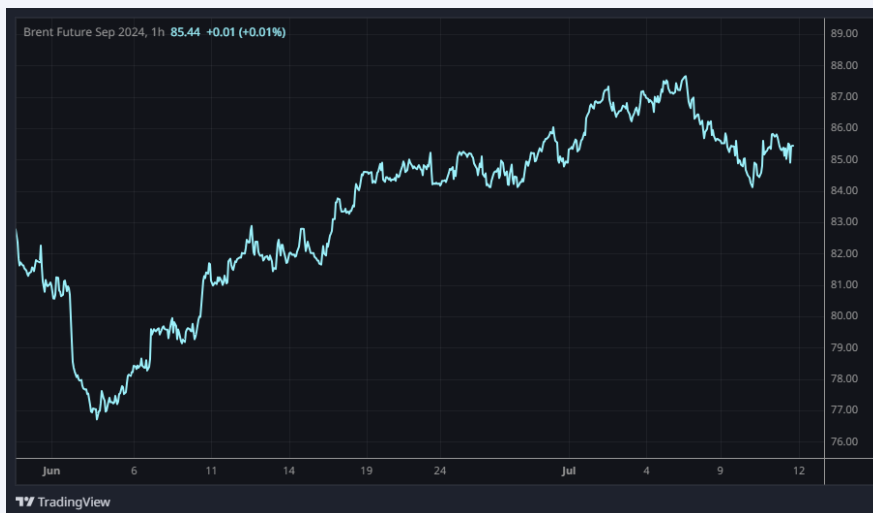



Figure 1: September Brent futures, Onyx Flux

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Front Month Outrights					
August Swaps			11-Jul-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	84.395		-0.120	-2.235
WTI	(\$/bbl)	80.950		-0.095	-1.835
Dubai	(\$/bbl)	84.310		-0.160	-2.420
Distillates					
Gasoil 0.1 NWE	(\$/mt)	778.220		+1.740	-25.590
NWE Jet	(\$/mt)	831.220		+1.740	-29.090
Singapore 10ppm	(\$/bbl)	100.770		+0.100	-3.390
Sing Kero	(\$/bbl)	99.800		+0.080	-3.360
Gasoline					
RBOB	(c/gal)	248.770		-0.645	-6.130
EBOB	(\$/mt)	834.310		-0.180	-21.730
Singapore 92	(\$/bbl)	91.610		+0.430	-2.250
Singapore 95	(\$/bbl)	95.950		+0.410	-2.250
Naphtha					
US C5 ENT	(c/gal)	157.100		+1.300	-4.840
NWE Naphtha	(\$/mt)	676.760		+3.920	-17.620
MOPJ Naphtha	(\$/mt)	693.420		+4.080	-17.460
Fuel Oil					
3.5% barges	(\$/mt)	480.250		-3.300	-15.180
Singapore 380	(\$/mt)	501.500		-3.550	-10.110
Singapore 180	(\$/mt)	508.500		-1.550	-8.430
0.5% barges	(\$/mt)	558.360		-0.760	-18.030
Singapore 0.5%	(\$/mt)	600.650		-2.280	-19.870
NGLs					
US Propane LST	(c/gal)	80.950		-1.710	-4.730
NWE Propane	(\$/mt)	570.750		+4.590	-4.640
Saudi Propane CP	(\$/mt)	586.800		+1.640	-5.590
Asian Propane FEI	(\$/mt)	636.850		+0.190	-11.540
US Butane ENT	(c/gal)	97.580		-1.460	-3.850
Saudi Butane CP	(\$/mt)	570.800		+0.640	-6.590



Long Tenor Swaps			Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude									
Brent	(\$/bbl)	85.310	84.395	83.580	82.895	82.295	82.317	80.880	
WTI	(\$/bbl)	81.940	80.950	80.015	79.155	78.415	78.440	76.637	
Dubai	(\$/bbl)	85.080	84.310	83.490	82.750	82.100	82.123	80.540	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	777.875	778.220	778.680	776.440	771.375	772.062	763.103	
NWE Jet	(\$/mt)	830.880	831.220	832.680	832.440	828.120	828.717	821.160	
Singapore 10ppm	(\$/bbl)	100.590	100.770	100.870	100.680	100.260	100.267	99.380	
Sing Kero	(\$/bbl)	99.500	99.800	99.950	99.860	99.590	99.597	98.880	
Gasoline									
RBOB	(c/gal)	251.975	248.770	229.890	223.930	219.945	220.705	225.610	
EBOB	(\$/mt)	837.310	834.310	820.060	774.560	752.810	754.893	736.977	
Singapore 92	(\$/bbl)	92.010	91.610	90.610	89.610	88.660	88.777	87.467	
Singapore 95	(\$/bbl)	96.500	95.950	94.850	93.800	92.650	92.800	91.057	
Naphtha									
US C5 ENT	(c/gal)	156.600	157.100	157.480	157.860	157.980	157.857	157.230	
NWE Naphtha	(\$/mt)	688.760	676.760	669.260	665.010	660.260	660.260	646.593	
MOP-Japan Naphtha	(\$/mt)	698.920	693.420	686.920	681.670	676.420	676.503	660.587	
Fuel Oil									
3.5% barges	(\$/mt)	487.750	480.250	472.000	461.750	455.250	456.083	448.333	
Singapore 380	(\$/mt)	509.750	501.500	486.000	473.000	465.350	466.617	456.667	
Singapore 180	(\$/mt)	515.750	508.500	494.000	483.750	477.100	478.283	470.167	
0.5% barges	(\$/mt)	561.110	558.360	553.110	547.360	542.110	542.277	530.777	
Singapore 0.5%	(\$/mt)	606.150	600.650	594.400	588.650	583.650	583.733	570.793	
NGLs									
US Propane LST	(c/gal)	79.950	80.950	81.830	83.080	83.700	83.533	82.403	
NWE Propane	(\$/mt)	576.250	570.750	565.750	564.250	564.750	564.583	546.583	
Saudi Propane CP	(\$/mt)	586.800	586.800	588.300	597.800	606.300	604.967	598.967	
Asian Propane FEI	(\$/mt)	641.850	636.850	637.350	642.350	646.350	644.183	621.350	
US Butane ENT	(c/gal)	96.830	97.580	98.200	99.590	100.210	100.043	97.830	
Saudi Butane CP	(\$/mt)	570.800	570.800	582.300	592.800	601.800	600.300	592.967	



Front Month Spreads

Aug/Sep		11-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.815	+0.050	+0.080
WTI	(\$/bbl)	0.935	+0.060	+0.135
Dubai	(\$/bbl)	0.820	+0.040	+0.020
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.460	+0.710	+0.320
NWE Jet	(\$/mt)	-1.460	+0.710	-0.760
Singapore 10ppm	(\$/bbl)	-0.100	+0.010	+0.000
Sing Kero	(\$/bbl)	-0.150	+0.000	-0.070
Gasoline				
RBOB	(c/gal)	18.880	-0.165	-0.145
EBOB	(\$/mt)	14.250	+0.000	-1.000
Singapore 92	(\$/bbl)	1.000	+0.240	+0.000
Singapore 95	(\$/bbl)	1.100	+0.240	+0.000
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.000
NWE Naphtha	(\$/mt)	7.500	+1.750	+0.250
MOP-Japan Naphtha	(\$/mt)	6.500	+1.250	-1.000
Fuel Oil				
3.5% barges	(\$/mt)	8.250	-1.000	-1.250
Singapore 380	(\$/mt)	15.500	-1.750	+0.000
Singapore 180	(\$/mt)	14.500	-0.500	+2.000
0.5% barges	(\$/mt)	5.250	+0.500	-0.250
Singapore 0.5%	(\$/mt)	6.250	-0.500	-1.250
NGLs				
US Propane LST	(c/gal)	-0.880	+0.000	-0.260
NWE Propane	(\$/mt)	5.000	+1.000	+4.000
Saudi Propane CP	(\$/mt)	-1.500	+2.000	+6.000
Asian Propane FEI	(\$/mt)	-0.500	+0.500	+2.000
US Butane ENT	(c/gal)	-0.620	+0.000	-0.240
Saudi Butane CP	(\$/mt)	-11.500	+0.500	+3.500



Front Month Cracks and Diffs			
August	11-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.110	+0.060	+0.210
WTI/Brent (\$/bbl)	-3.460	+0.020	+0.370
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.970	+0.260	-1.290
NWE Jet crack (\$/bbl)	21.060	+0.320	-1.490
NWE Jet Diff (\$/mt)	53.000	+0.000	-3.500
Gasoil E/W (\$/bbl)	-27.500	-1.000	+0.350
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.970	-0.020	+0.030
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.250	-0.650	+0.050
EBOB crack (\$/mt)	15.740	+0.080	-0.400
Singapore 92 crack (\$/bbl)	7.180	+0.540	-0.060
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.550	+0.450	+0.350
European Gasnaph (EBOB vs Naphtha) (\$/mt)	157.590	-4.230	-4.050
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	69.680	-0.680	-1.380
Naphtha			
US C5 ENT vs WTI Crack	-14.990	+0.630	-0.240
NWE Naphtha Crack (\$/bbl)	-8.400	+0.540	+0.200
MOPJ Naphtha Crack (\$/bbl)	-6.520	+0.570	+0.230
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.750	+0.250	+0.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.800	-0.400	-0.200
Singapore 380 crack (\$/bbl)	-5.450	-0.440	+0.590
Singapore 180 crack (\$/bbl)	-4.350	-0.120	+0.860
Visco (180-380) (\$/mt)	7.000	+2.000	+1.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	21.250	-0.250	+5.000
0.5% barges crack (\$/bbl)	3.500	+0.000	-0.650
Singapore 0.5% crack (\$/bbl)	10.150	-0.250	-0.950
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.230	-1.580	-1.900
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	78.100	+2.530	-2.870
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	99.080	+1.200	-9.760
0.5% barges/gasoil (\$/mt)	-219.670	-2.230	+7.330
Sing 0.5% vs Sing 10ppm (\$/mt)	-149.970	-2.830	+5.050
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-149.000	-13.500	-20.000
US Propane LST vs Asian Propane FEI (\$/mt)	-215.000	-9.000	-13.000
Asian Propane FEI vs NWE Propane (\$/mt)	66.000	-4.500	-7.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50.000	-1.500	-6.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-106.080	+0.690	+12.910
Asian Pronap (FEI vs MOPJ) (\$/mt)	-106.830	-2.560	+11.660



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.250	0.110	0.110	0.170	0.220	0.220	0.360
WTI/Brent (\$/bbl)	-3.380	-3.460	-3.580	-3.760	-3.900	-3.893	-4.243
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.03	19.97	20.90	21.26	21.20	21.27	21.49
NWE Jet crack (\$/bbl)	20.11	21.06	22.07	22.72	22.74	22.79	23.30
NWE Jet Diff (\$/mt)	53.00	53.00	54.00	56.00	56.50	56.50	58.00
Gasoil E/W (\$/bbl)	-28.48	-27.50	-27.20	-26.30	-24.45	-25.07	-22.63
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.09	-0.97	-0.92	-0.82	-0.67	-0.67	-0.50
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.600	10.250	-4.560	2.490	4.710	4.880	14.910
EBOB crack (\$/mt)	15.190	15.740	14.830	10.060	8.040	8.270	7.563
Singapore 92 crack (\$/bbl)	6.670	7.180	6.990	6.670	6.320	6.417	6.550
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.510	-8.550	-7.840	-3.380	-1.710	-1.847	-1.003
European Gasnaph (EBOB vs Naphtha) (\$/mt)	148.590	157.590	150.840	109.590	92.590	94.673	90.423
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.520	69.680	67.850	64.770	62.110	62.997	68.007
Naphtha							
US C5 ENT vs WTI Crack	-16.200	-14.990	-13.890	-12.880	-12.100	-12.167	-10.633
NWE Naphtha Crack (\$/bbl)	-7.940	-8.400	-8.420	-8.210	-8.140	-8.163	-8.263
MOPJ Naphtha Crack (\$/bbl)	-6.800	-6.520	-6.430	-6.330	-6.320	-6.330	-6.687
Naphtha E/W (NWE vs MOPJ) (\$/mt)	10.250	16.750	17.750	16.750	16.250	16.333	14.083
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.520	-8.800	-9.280	-10.200	-10.630	-10.523	-10.307
Singapore 380 crack (\$/bbl)	-5.040	-5.450	-7.080	-8.430	-9.040	-8.860	-8.993
Singapore 180 crack (\$/bbl)	-4.110	-4.350	-5.820	-6.750	-7.190	-7.023	-6.853
Visco (180-380) (\$/mt)	6.000	7.000	8.000	10.750	11.750	11.667	13.500
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	22.000	21.250	14.000	11.250	10.100	10.533	8.333
0.5% bgs crack (\$/bbl)	3.040	3.500	3.490	3.280	3.050	3.053	2.687
Singapore 0.5% crack (\$/bbl)	10.120	10.150	10.000	9.770	9.580	9.567	8.983
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	44.980	42.230	41.230	41.230	41.480	41.397	39.980
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	73.350	78.100	81.100	85.600	86.850	86.183	82.433
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	96.330	99.080	108.330	115.580	118.230	117.047	114.080
0.5% bgs/gasoil (\$/mt)	-216.580	-219.670	-225.620	-229.010	-229.320	-229.790	-232.193
Sing 0.5% vs Sing 10ppm (\$/mt)	-143.130	-149.970	-156.960	-161.220	-163.170	-163.083	-169.370
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-159.71	-149	-139.41	-131.4	-128.67	-129.37	-117.257
US Propane LST vs Asian Propane FEI (\$/mt)	-225.21	-215	-210.91	-209.4	-210.17	-208.87	-191.923
Asian Propane FEI vs NWE Propane (\$/mt)	65.5	66	71.5	78	81.5	79.5	74.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	55	50	49	44.5	40	39.167	22.333
European Pronap (\$/mt)	-112.58	-106.08	-103.58	-100.83	-95.58	-95.747	-100.08
Asian Pronap (FEI vs MOPJ) (\$/mt)	-112.33	-106.83	-98.83	-84.08	-70.33	-71.747	-61.83



Inter-month Crack Spreads			
Aug/Sep	11-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.000	+0.010	+0.060
WTI/Brent (\$/bbl)	0.120	+0.020	+0.040
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.930	-0.010	-0.070
NWE Jet crack (\$/bbl)	-1.010	+0.050	-0.190
NWE Jet Diff (\$/mt)	-1.000	+0.000	-1.000
Gasoil E/W (\$/bbl)	-0.300	-0.640	-0.220
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.050	-0.010	-0.070
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.810	-0.170	+0.150
EBOB crack (\$/mt)	0.910	-0.040	-0.190
Singapore 92 crack (\$/bbl)	0.190	+0.210	-0.070
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.710	+0.240	+0.120
European Gasnaph (EBOB vs Naphtha) (\$/mt)	6.750	-1.750	-1.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	1.830	+0.750	+1.000
Naphtha			
US C5 ENT vs WTI Crack	-1.100	-0.080	-0.130
NWE Naphtha Crack (\$/bbl)	0.020	+0.140	-0.050
MOPJ Naphtha Crack (\$/bbl)	-0.090	+0.090	-0.200
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-1.000	-0.500	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.480	-0.210	-0.280
Singapore 380 crack (\$/bbl)	1.630	-0.320	-0.090
Singapore 180 crack (\$/bbl)	1.470	-0.120	+0.240
Visco (180-380) (\$/mt)	-1.000	+1.250	+2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.250	-0.750	+1.250
0.5% barges crack (\$/bbl)	0.010	+0.030	-0.120
Singapore 0.5% crack (\$/bbl)	0.150	-0.140	-0.300
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	1.000	-1.000	-1.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-3.000	+1.500	+1.000
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-9.250	+1.250	-1.250
0.5% barges/gasoil (\$/mt)	5.950	+0.110	-0.400
Sing 0.5% vs Sing 10ppm (\$/mt)	6.990	-0.580	-1.260
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-9.590	-1.010	-5.360
US Propane LST vs Asian Propane FEI (\$/mt)	-4.090	-0.510	-3.360
Asian Propane FEI vs NWE Propane (\$/mt)	-5.500	-0.500	-2.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.000	-1.500	-4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-2.500	-0.750	+3.750