



Market Summary

America dumps crude

America's fleeting rescue mission to save flat price seems to have been short-lived. Team America was driven back by a fifth column, almost making the 24-hour price chart nearly resemble the face of a sleeping Buddha. Others said it was the classic head and shoulders formation. Despite structure remaining bullishly backwardated, especially in WTI, markets sold off into the close. At the close of European trading, WTI front-spreads were \$1.16/bbl. In the window today, four Midlands cargoes ran in chains for late August, with Chevron, BP and Total each keeping one.

Some rumours were circulating that Dangote was offering Midland WTI back around the window time while denying that it had any operational issues at the refinery. You choose, but the price behaviour suggests crude is being backed out. The refiner has been importing a bunch of WTI so far this year and has recently extended several tenders for Midlands for delivery later in the year, having struggled to procure enough domestic crude to ramp up production. Refineries are full of teething problems, so in probability, something is going on. More importantly, the WTI/Brent spread widened as WTI fell faster than its counterparts. The same has happened to Dubai, suggesting that the market strength is held by Brent alone while the other two legs of the stool are cut off. WTI closed at -\$4.08/bbl, versus yesterday at -\$3.89/bbl.

The market was running up yesterday based on ONE good macro print. However, the death by a thousand cuts continues, and one key indicator was the large inventory builds. This implies supply is exceeding demand and may have contributed to the constructive GDP print yesterday. So cooler heads prevailed today. This wasn't helped by consumer sentiment data released this afternoon, which fell to an 8-month low in July. Core PCE prices, which the Fed targets, remained tame at 0.2%. The release will reinforce the chances of a September rate cut in the US.

Summary

Physical and Futures

		26-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	80.430	-1.220	-3.590
WTI Sep (fut)	(\$/bbl)	76.350	-1.410	-3.690
Dubai Sep (phys)	(\$/bbl)	79.625	-1.390	-3.900
Crude Swaps Aug				
Brent	(\$/bbl)	79.510	-1.210	-3.360
DFL	(\$/bbl)	0.830	-0.080	-0.320
WTI	(\$/bbl)	75.960	-1.360	-3.630
Dubai	(\$/bbl)	78.530	-1.390	-3.950
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	80.430	79.530	78.790
WTI (fut)	(\$/bbl)	76.350	75.190	74.370



In detail

Crude dumped into the close after easing throughout the afternoon. The force of gravity is a great thing, and what goes up has to go down, more so if the rise is based on fluff. Sept Brent lost \$1.22/bbl against the close of Europe yesterday to close the window at \$80.43/bbl. Meanwhile, September WTI fell even further, down \$1.41/bbl compared to yesterday at \$76.35/bbl. The M1/M2 spreads for Brent futures were unchanged from yesterday at \$0.90/bbl of backwardation.

The Canadian government will likely delay its planned divestment from the trans mountain pipeline until after the 2025 election. Canada purchased the pipeline which connects the Alberta oil fields with Vancouver for \$34 billion. After becoming operational on 1 May, the expanded pipeline tripled the export capacity of Alberta oil to 890kb/d.

But, as most government-led projects do, the project costs have ballooned to almost five times the budget estimate in 2017. Canada will have to pump a lot of oil to make the investment worthwhile. Luckily for them, they have some of the largest oil sands deposits in the world. Unluckily for them, the margins on oil sands are skinny. Some estimates suggest oil sands constitute 97% of total Canadian oil reserves, which according to EIA estimates, will be in excess of 155 billion barrels. As weakness across Asia and Europe persists throughout the second half of this year, the failure of OPEC to fully adhere to cuts could exert downward pressure on oil prices for comparable grades, further eroding oil sands margins.

But not everything is gloomy for Canada, or maybe it is, depending on how you frame it. A spell of wet weather is expected to dampen the progress of wildfires racing through the Alberta oil sands region. The rapidly moving and largely uncontrolled burns swept throughout the area, leading to several oil sand operations temporarily reducing operations. The town of Jasper was also particularly severely hit, with up to 50% of structures damaged.

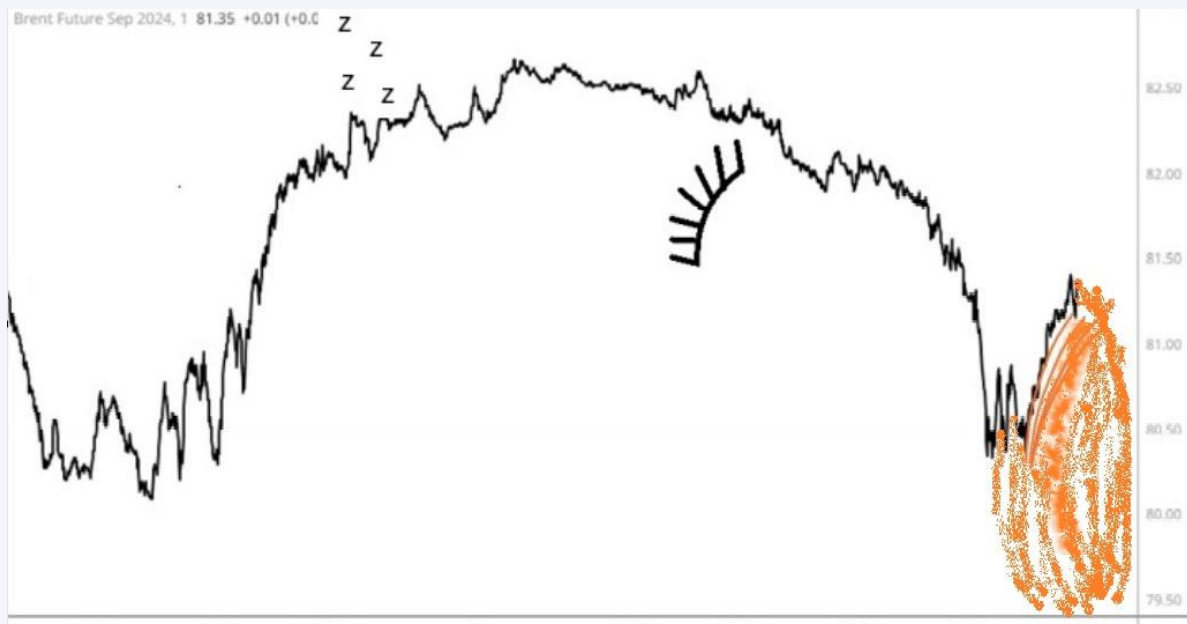
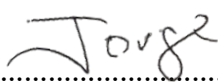
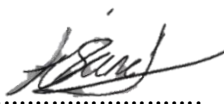



Figure 1: ONYX Sleeping Beauty, September Brent futures

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Front Month Outrights					
August Swaps			26-Jul-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	79.510		-1.210	-3.360
WTI	(\$/bbl)	75.960		-1.360	-3.630
Dubai	(\$/bbl)	78.530		-1.390	-3.950
Distillates					
Gasoil 0.1 NWE	(\$/mt)	738.360		-14.160	-17.500
NWE Jet	(\$/mt)	790.360		-13.660	-15.500
Singapore 10ppm	(\$/bbl)	95.690		-1.930	-2.450
Sing Kero	(\$/bbl)	94.800		-1.870	-2.190
Gasoline					
RBOB	(c/gal)	239.790		-0.590	-5.280
EBOB	(\$/mt)	798.700		-0.840	-17.940
Singapore 92	(\$/bbl)	88.370		-0.560	-1.720
Singapore 95	(\$/bbl)	92.860		-0.570	-1.590
Naphtha					
US C5 ENT	(c/gal)	146.460		-2.560	-6.890
NWE Naphtha	(\$/mt)	648.450		-9.880	-21.630
MOPJ Naphtha	(\$/mt)	663.040		-10.290	-22.540
Fuel Oil					
3.5% barges	(\$/mt)	445.770		-8.060	-20.570
Singapore 380	(\$/mt)	469.210		-7.120	-16.630
Singapore 180	(\$/mt)	477.520		-6.810	-14.820
0.5% barges	(\$/mt)	532.190		-6.350	-18.860
Singapore 0.5%	(\$/mt)	574.040		-6.030	-17.650
NGLs					
US Propane LST	(c/gal)	76.891		-0.595	-1.242
NWE Propane	(\$/mt)	561.100		-0.150	-2.970
Saudi Propane CP	(\$/mt)	579.100		-6.650	+1.030
Asian Propane FEI	(\$/mt)	630.560		-3.690	+3.490
US Butane ENT	(c/gal)	96.260		-0.360	-0.620
Saudi Butane CP	(\$/mt)	571.060		-6.690	+3.990



Long Tenor Swaps			Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude									
Brent	(\$/bbl)	80.210	79.510	78.770	78.190	77.720	77.747	76.713	
WTI	(\$/bbl)	76.380	75.960	74.970	74.200	73.590	73.620	72.270	
Dubai	(\$/bbl)	79.380	78.530	78.300	77.740	77.220	77.250	76.110	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	737.000	738.360	740.240	737.870	733.170	733.870	726.487	
NWE Jet	(\$/mt)	793.500	790.360	791.740	790.870	787.500	788.283	784.487	
Singapore 10ppm	(\$/bbl)	95.390	95.690	95.820	95.680	95.260	95.283	94.633	
Sing Kero	(\$/bbl)	94.550	94.800	94.920	94.940	94.680	94.700	94.173	
Gasoline									
RBOB	(c/gal)	243.880	239.790	220.790	214.220	209.880	210.713	215.623	
EBOB	(\$/mt)	801.700	798.700	784.950	737.950	716.450	718.783	702.700	
Singapore 92	(\$/bbl)	89.320	88.370	86.790	85.540	84.540	84.647	83.470	
Singapore 95	(\$/bbl)	93.810	92.860	91.230	89.830	88.730	88.770	87.060	
Naphtha									
US C5 ENT	(c/gal)	145.580	146.460	147.080	147.580	147.700	147.660	147.200	
NWE Naphtha	(\$/mt)	660.950	648.450	639.950	636.200	631.450	631.450	618.617	
MOP-Japan Naphtha	(\$/mt)	669.040	663.040	657.790	653.040	647.790	647.790	632.707	
Fuel Oil									
3.5% barges	(\$/mt)	449.270	445.770	439.520	430.770	424.270	425.020	417.103	
Singapore 380	(\$/mt)	475.960	469.210	456.210	442.960	433.710	435.210	424.127	
Singapore 180	(\$/mt)	483.020	477.520	465.020	453.020	444.520	446.020	437.103	
0.5% barges	(\$/mt)	536.190	532.190	524.690	518.320	512.950	513.113	501.070	
Singapore 0.5%	(\$/mt)	580.040	574.040	566.290	559.540	553.790	554.040	540.373	
NGLs									
US Propane LST	(c/gal)	76.011	76.891	77.641	78.761	79.381	79.134	77.801	
NWE Propane	(\$/mt)	566.600	561.100	554.600	547.600	545.600	545.933	523.933	
Saudi Propane CP	(\$/mt)	579.100	579.100	580.600	588.100	594.600	593.767	582.933	
Asian Propane FEI	(\$/mt)	635.560	630.560	628.560	630.060	631.560	630.227	603.560	
US Butane ENT	(c/gal)	95.760	96.260	96.760	97.140	97.520	97.267	94.263	
Saudi Butane CP	(\$/mt)	571.060	571.060	578.060	586.060	592.560	591.560	580.060	



Front Month Spreads				
Aug/Sep		26-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.740	-0.030	-0.090
WTI	(\$/bbl)	0.990	-0.030	-0.080
Dubai	(\$/bbl)	0.230	-0.190	-0.520
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.880	-0.780	+0.000
NWE Jet	(\$/mt)	-1.380	-0.780	+0.500
Singapore 10ppm	(\$/bbl)	-0.130	-0.030	+0.020
Sing Kero	(\$/bbl)	-0.120	+0.040	+0.140
Gasoline				
RBOB	(c/gal)	19.000	+0.410	-0.110
EBOB	(\$/mt)	13.750	+0.750	+0.750
Singapore 92	(\$/bbl)	1.580	+0.240	+0.430
Singapore 95	(\$/bbl)	1.630	+0.240	+0.380
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	8.500	-1.000	+0.000
MOP-Japan Naphtha	(\$/mt)	5.250	-1.250	-1.250
Fuel Oil				
3.5% barges	(\$/mt)	6.250	+0.500	+0.250
Singapore 380	(\$/mt)	13.000	+0.250	+1.000
Singapore 180	(\$/mt)	12.500	+0.500	+2.000
0.5% barges	(\$/mt)	7.500	-0.250	+0.500
Singapore 0.5%	(\$/mt)	7.750	+0.250	+1.250
NGLs				
US Propane LST	(c/gal)	-0.750	+0.130	+0.130
NWE Propane	(\$/mt)	6.500	+2.000	+2.000
Saudi Propane CP	(\$/mt)	-1.500	-0.500	+1.500
Asian Propane FEI	(\$/mt)	2.000	+0.000	+3.500
US Butane ENT	(c/gal)	-0.500	-0.120	+0.000
Saudi Butane CP	(\$/mt)	-7.000	+0.000	+1.000



Front Month Cracks and Diffs			
August	26-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.990	+0.200	+0.590
WTI/Brent (\$/bbl)	-3.580	-0.200	-0.300
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.540	-0.770	+0.950
NWE Jet crack (\$/bbl)	20.770	-0.550	+1.370
NWE Jet Diff (\$/mt)	52.000	+0.500	+2.000
Gasoil E/W (\$/bbl)	-25.500	-0.250	-0.750
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.890	+0.060	+0.260
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.500	-0.350	-0.150
EBOB crack (\$/mt)	16.380	+1.120	+1.200
Singapore 92 crack (\$/bbl)	8.860	+0.650	+1.630
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.500	-0.450	+0.450
European Gasnaph (EBOB vs Naphtha) (\$/mt)	149.890	+8.680	+3.100
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	73.010	+5.550	+7.890
Naphtha			
US C5 ENT vs WTI Crack	-14.430	+0.310	+0.770
NWE Naphtha Crack (\$/bbl)	-6.630	+0.120	+0.960
MOPJ Naphtha Crack (\$/bbl)	-5.000	+0.060	+0.850
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.500	-0.500	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.300	-0.050	+0.140
Singapore 380 crack (\$/bbl)	-5.600	+0.110	+0.770
Singapore 180 crack (\$/bbl)	-4.300	+0.150	+1.050
Visco (180-380) (\$/mt)	8.250	+0.250	+1.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	23.500	+1.000	+4.000
0.5% barges crack (\$/bbl)	4.300	+0.200	+0.400
Singapore 0.5% crack (\$/bbl)	10.900	+0.250	+0.600
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	41.910	+0.320	+1.270
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	86.360	+1.580	+1.650
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	104.770	+0.900	-1.080
0.5% barges/gasoil (\$/mt)	-205.870	+7.770	-1.190
Sing 0.5% vs Sing 10ppm (\$/mt)	-138.460	+8.240	+0.860
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-160.500	-3.000	-3.500
US Propane LST vs Asian Propane FEI (\$/mt)	-230.000	+0.500	-10.000
Asian Propane FEI vs NWE Propane (\$/mt)	69.500	-3.500	+6.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	51.500	+3.000	+2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-87.390	+9.600	+18.620
Asian Pronap (FEI vs MOPJ) (\$/mt)	-83.890	+3.600	+23.620



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.840	0.990	0.490	0.470	0.530	0.530	0.623
WTI/Brent (\$/bbl)	-3.860	-3.580	-3.820	-4.010	-4.150	-4.147	-4.463
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	18.67	19.54	20.50	20.82	20.63	20.70	20.78
NWE Jet crack (\$/bbl)	20.47	20.77	21.68	22.14	22.20	22.26	22.82
NWE Jet Diff (\$/mt)	56.50	52.00	51.50	53.00	54.50	54.50	58.00
Gasoil E/W (\$/bbl)	-26.34	-25.50	-26.38	-25.23	-23.48	-24.11	-21.78
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.84	-0.89	-0.90	-0.74	-0.58	-0.58	-0.46
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.730	11.500	-3.560	3.300	5.110	5.273	14.777
EBOB crack (\$/mt)	16.030	16.380	15.470	10.390	8.290	8.540	7.637
Singapore 92 crack (\$/bbl)	9.110	8.860	8.020	7.350	6.820	6.897	6.767
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.910	-7.500	-7.430	-3.040	-1.460	-1.633	-0.880
European Gasnaph (EBOB vs Naphtha) (\$/mt)	140.390	149.890	144.640	101.390	84.640	86.973	83.723
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	74.920	73.010	65.090	59.430	56.350	57.240	62.523
Naphtha							
US C5 ENT vs WTI Crack	-15.210	-14.430	-13.190	-12.200	-11.540	-11.587	-10.433
NWE Naphtha Crack (\$/bbl)	-5.940	-6.630	-6.850	-6.700	-6.750	-6.783	-7.200
MOPJ Naphtha Crack (\$/bbl)	-5.030	-5.000	-4.860	-4.810	-4.930	-4.957	-5.620
Naphtha E/W (NWE vs MOPJ) (\$/mt)	8.000	14.500	17.750	16.750	16.250	16.250	14.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.450	-9.300	-9.530	-10.340	-10.900	-10.810	-11.010
Singapore 380 crack (\$/bbl)	-5.230	-5.600	-6.910	-8.420	-9.400	-9.193	-9.907
Singapore 180 crack (\$/bbl)	-4.130	-4.300	-5.540	-6.860	-7.720	-7.513	-7.880
Visco (180-380) (\$/mt)	7.000	8.250	8.750	10.000	10.750	10.750	12.917
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	26.750	23.500	16.750	12.250	9.500	10.250	7.083
0.5% bgs crack (\$/bbl)	4.230	4.300	3.860	3.440	3.060	3.057	2.207
Singapore 0.5% crack (\$/bbl)	11.140	10.900	10.410	9.930	9.490	9.500	8.397
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.910	41.910	41.660	41.280	40.900	40.987	39.363
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	86.860	86.360	85.110	87.490	88.620	88.033	83.907
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	104.020	104.770	110.020	116.520	120.020	118.770	116.187
0.5% bgs/gasoil (\$/mt)	-200.680	-205.870	-215.170	-219.520	-220.000	-220.547	-225.260
Sing 0.5% vs Sing 10ppm (\$/mt)	-130.230	-138.460	-147.180	-153.040	-155.660	-155.483	-164.160
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-170.59	-160.5	-150.1	-137.26	-132.03	-133.65	-118.6
US Propane LST vs Asian Propane FEI (\$/mt)	-239.59	-230	-224.1	-219.76	-218.03	-217.983	-198.267
Asian Propane FEI vs NWE Propane (\$/mt)	69	69.5	74	82.5	86	84.333	79.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	56.5	51.5	48	42	37	36.5	20.667
European Pronap (\$/mt)	-94.39	-87.39	-85.39	-88.64	-85.89	-85.557	-94.723
Asian Pronap (FEI vs MOPJ) (\$/mt)	-89.89	-83.89	-77.14	-64.89	-53.14	-53.973	-49.723



Inter-month Crack Spreads			
Aug/Sep	26-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.500	+0.150	+0.420
WTI/Brent (\$/bbl)	0.240	-0.030	+0.000
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.960	-0.050	+0.120
NWE Jet crack (\$/bbl)	-0.910	-0.060	+0.160
NWE Jet Diff (\$/mt)	0.500	+0.000	+0.500
Gasoil E/W (\$/bbl)	0.880	+0.520	+0.150
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.010	+0.070	+0.120
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	15.060	+0.180	-0.320
EBOB crack (\$/mt)	0.910	+0.120	+0.180
Singapore 92 crack (\$/bbl)	0.840	+0.270	+0.510
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.070	+0.150	+0.340
European Gasnaph (EBOB vs Naphtha) (\$/mt)	5.250	+1.750	+0.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	7.920	+3.250	+4.840
Naphtha			
US C5 ENT vs WTI Crack	-1.240	+0.050	+0.090
NWE Naphtha Crack (\$/bbl)	0.220	-0.090	+0.090
MOPJ Naphtha Crack (\$/bbl)	-0.140	-0.120	-0.040
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-3.250	-0.250	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.230	+0.090	+0.120
Singapore 380 crack (\$/bbl)	1.310	+0.070	+0.250
Singapore 180 crack (\$/bbl)	1.240	+0.120	+0.420
Visco (180-380) (\$/mt)	-0.500	+0.250	+1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.750	-0.250	+0.750
0.5% barges crack (\$/bbl)	0.440	-0.010	+0.160
Singapore 0.5% crack (\$/bbl)	0.490	+0.070	+0.290
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.250	+0.500	+0.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.250	-0.750	+0.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-5.250	+0.000	+0.250
0.5% barges/gasoil (\$/mt)	9.300	+0.300	+0.420
Sing 0.5% vs Sing 10ppm (\$/mt)	8.720	+0.480	+1.100
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-10.400	-1.320	-1.310
US Propane LST vs Asian Propane FEI (\$/mt)	-5.900	+0.680	-2.810
Asian Propane FEI vs NWE Propane (\$/mt)	-4.500	-2.000	+1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.500	+0.500	+2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-2.000	+3.000	+2.000