



Market Summary

Chinese dragon gets zinged, Dubai tanks

As we enter expiry week, oil prices are hammered on the day and relative to the start of the month. For any flat price, long has been wrong, with the price down more than \$5.00/bbl since 1 July when the story was summer demand growth. The reality has been more supply, end-user resales (Dangote and other refiners) and negative macro data. Keep your eye on it; the 'Macros' are awful. Dubai is getting hit on all fronts. Physical Middle Eastern premiums have gotten pounded, and Dubai has fallen to almost \$1.40/bbl below Brent. Big moves as we enter expiry.

And one thing is clear, PetroChina has overpaid. By all measures, Dubai backwardation (August minus September) is currently at 21c versus 73c at the start of the month, or physical premium is now at 83.5c versus \$1.42 on 1 July, or the Dubai price versus Brent. All are down. So, the 13 cargoes PetroChina pulled out are all worth less. The only saving grace is if they sold them on the average premium of the month - \$1.65/bbl - which is naturally trailing the spot market, which is now below 84c. What a pounding.

PetroChina still remained bidding for partials but didn't manage to pocket any cargoes as the physical long continued to fire away. After filling up on 13 cargoes so far this month, their thirst seems to have been quenched with two more days to go before expiration. Mitsui did, however, take an Upper Zakum off Exxon.

Maduro claims to have won the Venezuela elections, despite opposition disputing his victory. The incumbent claims to have won 51.2% of the vote, and Unidad in second with 44.2%. Results for various other parties led to some total amounting to 132 pct. We say vote early and be counted at least once, if not twice. Several Latin Americans do not recognize the results. Surely, Maduro cares. A fair election was an evident prerequisite for easing sanctions from the US. Blinken is concerned, but the US has challenges of its own.

Chinese teapots are big fans of the cheaper sanctioned crude, leveraging private traders in Singapore.

Summary

Physical and Futures		29-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	81.170	-1.170	-1.860
WTI Sep (fut)	(\$/bbl)	77.140	-1.080	-1.800
Dubai Sep (phys)	(\$/bbl)	79.795	-1.550	-2.585
Crude Swaps Aug				
Brent	(\$/bbl)	80.310	-1.020	-1.620
DFL	(\$/bbl)	0.820	-0.070	-0.280
WTI	(\$/bbl)	76.720	-1.080	-1.810
Dubai	(\$/bbl)	79.170	-1.220	-2.200
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	81.170	80.320	79.610
WTI (fut)	(\$/bbl)	77.140	75.970	75.190



In detail

Big old smack hits Dubai! Why aren't we surprised? When you see one primary buyer -PetroChina- bidding, refiners -Eastern and Western- and Aramco Trading is selling Dubai instruments, a normal buyer would take the hint.

Markets sold off, but Dubai got whacked compared to Friday. Sep Brent and WTI both fell by more than a buck, down to \$81.17/bbl and \$77.14/bbl, respectively. Physical Dubai lost \$1.55, underperforming against Western counterparts to \$79.795/bbl. Physical premiums for Dubai tanked by 49c to \$0.835/bbl, over a dollar below the peak earlier this month. Sept Brent premium over Dubai jumped by 38c to \$1.375/bbl.

Tensions are mounting in the Middle East. Saturday, a rocket struck a football pitch in Golan Heights. Twelve children were killed. Israel quickly pointed fingers at the Iranian-backed Hezbollah group. The inhabitants of the Israeli-occupied Golan Heights are pro-Assad and consider themselves Syrian and pointed the other way. Blaming Hezbollah would be one way to defend a greater war with Lebanon. War is a nasty business, and those who suffer the most are often those with the least to gain: innocent civilians.

There is a very exciting week ahead in monetary policy, with interest rate decisions from the Fed and BoJ on Wednesday and BoE on Thursday. In the US, economic data has shown some improvement, but annualized PCE still 0.5% over target, the Fed does seem to have time on its side. But the difference between soft and hard landing is all in the timing. The Fed was widely criticized for being too slow to hike; will they prove too apprehensive again?

The BoJ is likely looking to tighten policy by slowing JGB purchases. Option markets priced up the probability of a rate hike from 40% to 90% last week, but that has retraced. Latest data points to weakness in consumer activity, but inflation is rising. The Nikkei has been strengthening, gaining 2.3% since Friday.

The Bank of England is set to split the committee. Inflation has returned to the 2% target, supporting a cut, but perma-hawk Haskell worries, "The labour market continues to be tight." Catherine Mann worries about services inflation. On the balance of probability, we believe 25 bps of cuts remain likely at Threadneedle Street this week.

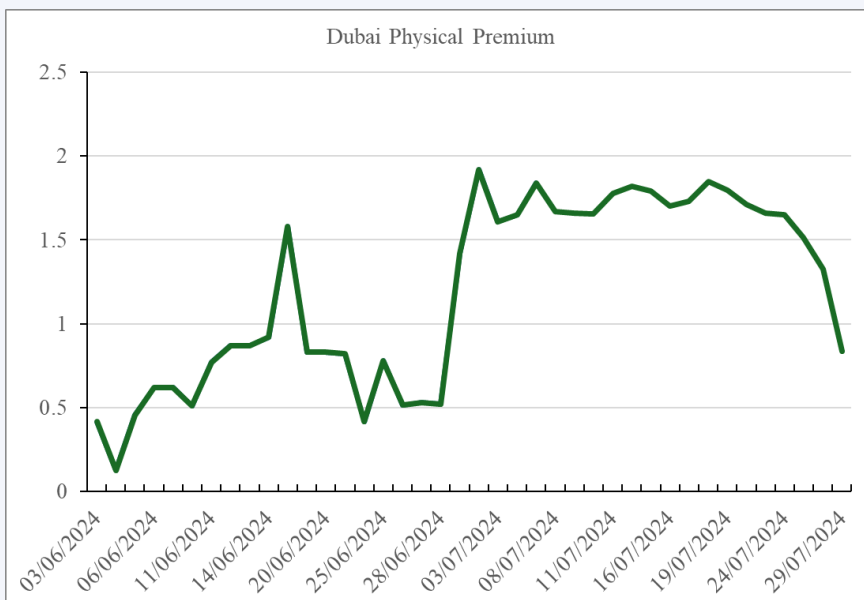
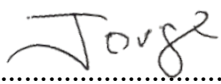



Figure 1: Dubai Physical Premium

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			29-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	80.310	-1.020	-1.620
WTI	(\$/bbl)	76.720	-1.080	-1.810
Dubai	(\$/bbl)	79.170	-1.220	-2.200
Distillates				
Gasoil 0.1 NWE	(\$/mt)	746.360	-10.160	-1.500
NWE Jet	(\$/mt)	798.360	-10.160	+0.000
Singapore 10ppm	(\$/bbl)	96.740	-1.280	-0.320
Sing Kero	(\$/bbl)	95.840	-1.230	-0.080
Gasoline				
RBOB	(c/gal)	241.940	-1.520	-0.200
EBOB	(\$/mt)	807.440	-3.400	-0.630
Singapore 92	(\$/bbl)	89.730	-0.310	+0.300
Singapore 95	(\$/bbl)	94.230	-0.310	+0.300
Naphtha				
US C5 ENT	(c/gal)	147.720	-3.020	-4.090
NWE Naphtha	(\$/mt)	654.680	-10.420	-9.260
MOPJ Naphtha	(\$/mt)	668.450	-11.740	-10.990
Fuel Oil				
3.5% barges	(\$/mt)	452.180	-5.210	-7.240
Singapore 380	(\$/mt)	476.180	-4.710	-0.990
Singapore 180	(\$/mt)	484.310	-4.640	+0.640
0.5% barges	(\$/mt)	538.990	-3.430	-5.710
Singapore 0.5%	(\$/mt)	581.410	-3.300	-2.980
NGLs				
US Propane LST	(c/gal)	77.604	-0.434	-0.715
NWE Propane	(\$/mt)	564.820	-1.760	+2.780
Saudi Propane CP	(\$/mt)	585.320	-0.260	+5.280
Asian Propane FEI	(\$/mt)	635.320	-3.260	+9.280
US Butane ENT	(c/gal)	96.600	-0.820	-0.340
Saudi Butane CP	(\$/mt)	577.320	-0.760	+7.280



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	80.910	80.310	79.590	79.050	78.600	78.627	77.640
WTI	(\$/bbl)	77.140	76.720	75.750	75.020	74.460	74.487	73.220
Dubai	(\$/bbl)	80.020	79.170	78.960	78.430	77.940	77.953	76.877
Distillates								
Gasoil 0.1 NWE	(\$/mt)	745.000	746.360	747.930	745.720	740.830	741.540	733.790
NWE Jet	(\$/mt)	801.500	798.360	799.430	798.720	795.330	796.040	791.790
Singapore 10ppm	(\$/bbl)	96.440	96.740	96.860	96.720	96.300	96.317	95.600
Sing Kero	(\$/bbl)	95.590	95.840	95.960	95.980	95.730	95.740	95.150
Gasoline								
RBOB	(c/gal)	246.220	241.940	223.100	216.430	211.990	212.853	217.760
EBOB	(\$/mt)	810.440	807.440	793.440	745.690	723.690	726.107	709.440
Singapore 92	(\$/bbl)	90.680	89.730	88.030	86.640	85.460	85.620	84.347
Singapore 95	(\$/bbl)	95.180	94.230	92.480	90.940	89.660	89.753	87.947
Naphtha								
US C5 ENT	(c/gal)	146.840	147.720	148.340	148.840	148.960	148.920	148.460
NWE Naphtha	(\$/mt)	667.180	654.680	646.430	642.680	638.180	638.097	625.763
MOP-Japan Naphtha	(\$/mt)	673.450	668.450	663.950	659.200	654.450	654.450	640.033
Fuel Oil								
3.5% barges	(\$/mt)	455.680	452.180	445.930	436.930	430.180	431.013	423.013
Singapore 380	(\$/mt)	482.180	476.180	463.680	450.680	441.430	442.930	431.847
Singapore 180	(\$/mt)	489.310	484.310	472.310	460.560	452.060	453.560	444.643
0.5% barges	(\$/mt)	542.990	538.990	531.240	524.740	519.240	519.447	507.443
Singapore 0.5%	(\$/mt)	587.410	581.410	573.660	566.910	560.910	561.243	547.493
NGLs								
US Propane LST	(c/gal)	76.724	77.604	78.354	79.474	80.094	79.847	78.514
NWE Propane	(\$/mt)	570.320	564.820	558.360	551.360	549.360	549.693	527.693
Saudi Propane CP	(\$/mt)	585.320	585.320	585.320	592.320	598.820	597.987	587.153
Asian Propane FEI	(\$/mt)	640.320	635.320	632.820	634.320	635.820	634.487	608.153
US Butane ENT	(c/gal)	96.100	96.600	97.100	97.600	97.980	97.770	94.940
Saudi Butane CP	(\$/mt)	577.320	577.320	582.820	590.320	596.820	595.820	584.320



Front Month Spreads				
Aug/Sep		29-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.720	-0.070	-0.090
WTI	(\$/bbl)	0.970	-0.030	+0.000
Dubai	(\$/bbl)	0.210	-0.160	-0.490
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.570	-0.470	+0.310
NWE Jet	(\$/mt)	-1.070	-0.470	+0.810
Singapore 10ppm	(\$/bbl)	-0.120	-0.020	+0.020
Sing Kero	(\$/bbl)	-0.120	-0.020	+0.140
Gasoline				
RBOB	(c/gal)	18.840	-0.020	-0.200
EBOB	(\$/mt)	14.000	+0.000	+1.000
Singapore 92	(\$/bbl)	1.700	+0.220	+0.430
Singapore 95	(\$/bbl)	1.750	+0.220	+0.430
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	8.250	-1.250	-0.500
MOP-Japan Naphtha	(\$/mt)	4.500	-1.750	-2.500
Fuel Oil				
3.5% barges	(\$/mt)	6.250	+0.500	+0.750
Singapore 380	(\$/mt)	12.500	-1.000	+1.500
Singapore 180	(\$/mt)	12.000	-0.750	+2.500
0.5% barges	(\$/mt)	7.750	+0.250	+1.000
Singapore 0.5%	(\$/mt)	7.750	+0.250	+1.750
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	+0.130
NWE Propane	(\$/mt)	6.460	+0.960	+1.960
Saudi Propane CP	(\$/mt)	0.000	+2.500	+1.500
Asian Propane FEI	(\$/mt)	2.500	+0.500	+3.000
US Butane ENT	(c/gal)	-0.500	-0.120	+0.000
Saudi Butane CP	(\$/mt)	-5.500	+3.000	+1.000



Front Month Cracks and Diffs			
August	29-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	1.120	+0.180	+0.570
WTI/Brent (\$/bbl)	-3.590	-0.060	-0.200
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.890	-0.330	+1.440
NWE Jet crack (\$/bbl)	21.020	-0.250	+1.630
NWE Jet Diff (\$/mt)	52.000	+0.000	+1.500
Gasoil E/W (\$/bbl)	-25.650	+0.600	-0.900
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.900	+0.050	+0.240
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.150	-0.550	-0.050
EBOB crack (\$/mt)	16.630	+0.630	+1.550
Singapore 92 crack (\$/bbl)	9.430	+0.730	+1.930
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.200	+0.100	+0.380
European Gasnaph (EBOB vs Naphtha) (\$/mt)	152.670	+6.990	+8.680
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	79.180	+9.340	+13.850
Naphtha			
US C5 ENT vs WTI Crack	-14.660	-0.170	+0.110
NWE Naphtha Crack (\$/bbl)	-6.720	-0.120	+0.600
MOPJ Naphtha Crack (\$/bbl)	-5.200	-0.290	+0.380
Naphtha E/W (NWE vs MOPJ) (\$/mt)	13.500	-1.500	-2.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.100	+0.200	+0.470
Singapore 380 crack (\$/bbl)	-5.320	+0.280	+1.460
Singapore 180 crack (\$/bbl)	-4.060	+0.280	+1.690
Visco (180-380) (\$/mt)	8.000	+0.000	+1.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	24.000	+0.500	+6.250
0.5% barges crack (\$/bbl)	4.550	+0.460	+0.700
Singapore 0.5% crack (\$/bbl)	11.250	+0.500	+1.150
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.550	+0.260	+2.860
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	86.680	+1.650	+1.460
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	105.230	+1.410	-1.920
0.5% barges/gasoil (\$/mt)	-207.660	+6.380	-4.500
Sing 0.5% vs Sing 10ppm (\$/mt)	-139.450	+6.090	-0.680
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-160.500	-0.500	-6.500
US Propane LST vs Asian Propane FEI (\$/mt)	-231.000	+1.000	-13.000
Asian Propane FEI vs NWE Propane (\$/mt)	70.500	-1.500	+6.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50.000	-3.000	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-90.220	+8.350	+11.680
Asian Pronap (FEI vs MOPJ) (\$/mt)	-83.270	+11.340	+16.170



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.870	1.120	0.620	0.600	0.650	0.657	0.750
WTI/Brent (\$/bbl)	-3.770	-3.590	-3.840	-4.030	-4.140	-4.140	-4.420
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.11	19.89	20.80	21.06	20.84	20.91	20.86
NWE Jet crack (\$/bbl)	20.82	21.02	21.86	22.32	22.33	22.40	22.84
NWE Jet Diff (\$/mt)	56.50	52.00	51.50	53.00	54.50	54.50	58.00
Gasoil E/W (\$/bbl)	-26.52	-25.65	-26.32	-25.17	-23.42	-24.00	-21.57
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.85	-0.90	-0.90	-0.74	-0.57	-0.58	-0.45
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.560	11.150	-3.690	3.290	5.140	5.313	14.980
EBOB crack (\$/mt)	16.390	16.630	15.660	10.470	8.280	8.543	7.537
Singapore 92 crack (\$/bbl)	9.780	9.430	8.440	7.590	6.860	6.993	6.713
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.610	-7.200	-7.220	-2.880	-1.420	-1.550	-0.823
European Gasnaph (EBOB vs Naphtha) (\$/mt)	143.170	152.670	146.920	102.920	85.420	87.920	83.587
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	82.090	79.180	69.520	62.690	57.610	58.943	62.753
Naphtha							
US C5 ENT vs WTI Crack	-15.450	-14.660	-13.430	-12.490	-11.880	-11.923	-10.847
NWE Naphtha Crack (\$/bbl)	-5.920	-6.720	-6.940	-6.810	-6.860	-6.900	-7.293
MOPJ Naphtha Crack (\$/bbl)	-5.240	-5.200	-4.990	-4.980	-5.060	-5.090	-5.727
Naphtha E/W (NWE vs MOPJ) (\$/mt)	6.000	13.500	17.250	16.250	16.000	16.083	14.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.150	-9.100	-9.370	-10.250	-10.860	-10.753	-11.027
Singapore 380 crack (\$/bbl)	-4.970	-5.320	-6.570	-8.070	-9.080	-8.863	-9.623
Singapore 180 crack (\$/bbl)	-3.870	-4.060	-5.250	-6.540	-7.430	-7.220	-7.643
Visco (180-380) (\$/mt)	7.000	8.000	8.500	9.750	10.500	10.500	12.667
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	26.500	24.000	17.750	13.750	11.250	11.917	8.833
0.5% bgs crack (\$/bbl)	4.580	4.550	4.050	3.580	3.150	3.160	2.250
Singapore 0.5% crack (\$/bbl)	11.600	11.250	10.730	10.220	9.730	9.753	8.573
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	44.550	42.550	42.550	42.300	41.800	41.927	40.180
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	87.180	86.680	85.180	87.680	88.930	88.303	84.300
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	105.230	105.230	109.980	116.230	119.480	118.313	115.647
0.5% bgs/gasoil (\$/mt)	-202.640	-207.660	-217.130	-221.260	-221.830	-222.323	-226.643
Sing 0.5% vs Sing 10ppm (\$/mt)	-131.220	-139.450	-148.100	-153.730	-156.520	-156.340	-164.850
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-170.58	-160.5	-150.09	-137.25	-132.02	-133.64	-118.59
US Propane LST vs Asian Propane FEI (\$/mt)	-240.58	-231	-224.59	-220.25	-218.52	-218.473	-199.09
Asian Propane FEI vs NWE Propane (\$/mt)	70	70.5	74.5	83	86.5	84.833	80.5
Asian Propane FEI vs Saudi Propane CP (\$/mt)	55	50	47.5	42	37	36.5	21
European Pronap (\$/mt)	-97.22	-90.22	-88.72	-91.97	-89.47	-89.053	-98.72
Asian Pronap (FEI vs MOPJ) (\$/mt)	-88.27	-83.27	-78.77	-67.02	-55.77	-56.603	-53.02



Inter-month Crack Spreads			
Aug/Sep	29-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.500	+0.080	+0.390
WTI/Brent (\$/bbl)	0.250	+0.040	+0.080
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.910	+0.010	+0.160
NWE Jet crack (\$/bbl)	-0.840	+0.030	+0.200
NWE Jet Diff (\$/mt)	0.500	+0.000	+0.500
Gasoil E/W (\$/bbl)	0.670	+0.290	-0.180
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.000	+0.000	+0.120
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.840	-0.030	-0.490
EBOB crack (\$/mt)	0.970	+0.080	+0.200
Singapore 92 crack (\$/bbl)	0.990	+0.310	+0.520
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	0.020	+0.220	+0.310
European Gasnaph (EBOB vs Naphtha) (\$/mt)	5.750	+1.250	+1.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	9.660	+3.580	+6.080
Naphtha			
US C5 ENT vs WTI Crack	-1.230	+0.020	+0.000
NWE Naphtha Crack (\$/bbl)	0.220	-0.060	+0.050
MOPJ Naphtha Crack (\$/bbl)	-0.210	-0.140	-0.180
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-3.750	-0.500	-2.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.270	+0.150	+0.210
Singapore 380 crack (\$/bbl)	1.250	-0.100	+0.330
Singapore 180 crack (\$/bbl)	1.190	-0.030	+0.510
Visco (180-380) (\$/mt)	-0.500	+0.250	+1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.250	-1.500	+0.750
0.5% barges crack (\$/bbl)	0.500	+0.100	+0.240
Singapore 0.5% crack (\$/bbl)	0.520	+0.130	+0.380
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.000	+0.000	+0.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.500	-0.250	+0.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-4.750	+1.250	+0.250
0.5% barges/gasoil (\$/mt)	9.470	+0.720	+0.530
Sing 0.5% vs Sing 10ppm (\$/mt)	8.650	+0.410	+1.610
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-10.410	-1.000	-1.320
US Propane LST vs Asian Propane FEI (\$/mt)	-6.410	-0.500	-2.320
Asian Propane FEI vs NWE Propane (\$/mt)	-4.000	-0.500	+1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.500	-2.000	+1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-1.500	+2.500	+2.750