



### Market Summary

#### Trying to catch a falling knife!

RIP crude flat price. Markets suffered a steep correction into the close of the European window today - tough day to be long! Sep Brent futures tumbled from \$81.73/bbl to \$79.58/bbl, before retracing to close at \$80/bbl, the lowest European close since 13 June. But front spreads remain backwardated, at 82c, albeit 10c lower than the monthly average of 92c.

In the North Sea window today, three Midland cargoes traded for mid-August. Equinor bought two, while Glencore picked up the third. Surprise, those cargoes were all gracefully provided by Trafigura at between \$1.90 and \$2.00 over Dated. What goes around comes around!

The mood in markets has definitely soured from the \$90/bbl price targets from some analysts only a couple of weeks ago. In the week to 23 June, hedge funds and money managers sold the equivalent of 103mbbls in the six major futures and options contracts, according to ICE and CFTC. The broad-based selling hit Brent (-38mbbls), WTI (-31mbbls), European gas oil (-21mbbls), US gasoline (-9mbbls) and US diesel (-5mbbls).

Funds seem to have drifted to a very bearish stance on products and Brent, who saw that coming? Many, including us, have been projecting a market correction, as outlooks appear awful. Macro data, although shows signs of isolated and limited improvement, remains very weak. Summer driving season has seen only a modest depletion of inventories. Gasoline price at the pump in the US averaged \$3.505/gal, 24c cheaper than the same time last year, hardly a sign of a market with strong demand.

See details overleaf

## Summary

### Physical and Futures

		29-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	80.010	-0.420	-2.020
WTI Sep (fut)	(\$/bbl)	75.990	-0.350	-2.030
Dubai Sep (phys)	(\$/bbl)	78.775	-0.850	-2.785

### Crude Swaps Aug

Brent	(\$/bbl)	79.170	-0.340	-1.840
DFL	(\$/bbl)	0.780	-0.050	-0.150
WTI	(\$/bbl)	75.590	-0.370	-2.020
Dubai	(\$/bbl)	78.190	-0.340	-2.280

### Tenor

		Sep-24	Oct-24	Nov-24
<b>Crude Futures</b>				
Brent (fut)	(\$/bbl)	80.010	79.190	78.520
WTI (fut)	(\$/bbl)	75.990	74.870	74.150



## In detail

Crude crumpled, with Brent falling by 42c to against Friday to \$80.01/bbl. Sep WTI fell 35c to \$75.99/bbl having met resistance at \$75.60/bbl. The M1/M2 spreads for Brent fell 8c against the close on Friday at \$0.82/bbl of backwardation.

As Dangote offloads unused crude, Nigeria is facing mounting fuel shortages. Headline annual inflation is skyrocketing, at over 34% in June, the highest since March 1996. The local currency is plummeting in value, and government subsidies for fuel have been removed. To make things worse, the government raised the minimum wage. Ever hear of the wage-price spiral?

Lagos, Nigeria's commercial epicenter, and Abuja have struggled with particularly acute fuel market tightness. Nigerian National Petroleum Co. has said the supply chain issues are due to "discharge operations of a couple of vessels." Dangote has maintained a vision of enabling Nigerian self-sufficiency in domestic oil markets... How selfless of Mr Dangote, so gracious, or visionary, in building a quasi-monopoly in the supply of products.

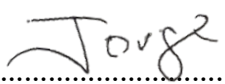
But there has been a hiccup. On Friday, the refinery was heard selling Nigerian crude and WTI, but the market is much lower now than when he bought those cargoes. He must be taking a big hit. Reportedly one of Dangote's ships recently docked at an ICO export terminal and loaded crude but has been unable to produce a Letter of Credit (LOC) and is currently being charged demurrage. Dangote has asked for an additional \$6/bbl discount and requested to pay in naira. No one would accept the naira; the currency is getting crushed.

A senior official from Dangote held discussions with a Libyan crude seller, according to sources close to the negotiations. Some negotiations involve product for crude swaps, because Dangote has no money. 💰

It is clear Dangote is facing serious difficulties in financing day-to-day operations, made worse by a deteriorating domestic currency. The cash-constrained Federal Government that would usually come to his rescue can no longer offer assistance. Is it time to consider some divestiture?




Figure 1: September WTI futures, Onyx Flux

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<b>Front Month Outrights</b>				
<b>August Swaps</b>		<b>29-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>				
Brent	(\$/bbl)	79.170	-0.340	-1.840
WTI	(\$/bbl)	75.590	-0.370	-2.020
Dubai	(\$/bbl)	78.190	-0.340	-2.280
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	734.360	-4.000	-10.660
NWE Jet	(\$/mt)	785.860	-4.500	-9.160
Singapore 10ppm	(\$/bbl)	95.150	-0.540	-1.500
Sing Kero	(\$/bbl)	94.230	-0.570	-1.320
<b>Gasoline</b>				
RBOB	(c/gal)	238.380	-1.410	-1.500
EBOB	(\$/mt)	795.510	-3.190	-4.550
Singapore 92	(\$/bbl)	88.500	+0.130	-0.200
Singapore 95	(\$/bbl)	93.000	+0.140	-0.200
<b>Naphtha</b>				
US C5 ENT	(c/gal)	146.980	+0.520	-2.690
NWE Naphtha	(\$/mt)	640.710	-7.740	-17.980
MOPJ Naphtha	(\$/mt)	655.030	-8.010	-18.910
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	445.390	-0.380	-10.290
Singapore 380	(\$/mt)	469.010	-0.200	-5.170
Singapore 180	(\$/mt)	477.080	-0.440	-3.600
0.5% barges	(\$/mt)	530.670	-1.520	-8.190
Singapore 0.5%	(\$/mt)	574.870	+0.830	-4.950
<b>NGLs</b>				
US Propane LST	(c/gal)	77.609	+0.718	+0.238
NWE Propane	(\$/mt)	563.340	+2.240	+5.240
Saudi Propane CP	(\$/mt)	583.340	+4.240	+8.240
Asian Propane FEI	(\$/mt)	632.340	+1.780	+10.240
US Butane ENT	(c/gal)	96.730	+0.470	+0.240
Saudi Butane CP	(\$/mt)	574.340	+3.280	+9.240



## Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>								
Brent	(\$/bbl)	79.750	79.170	78.510	77.990	77.570	77.597	76.670
WTI	(\$/bbl)	76.000	75.590	74.660	73.990	73.460	73.487	72.297
Dubai	(\$/bbl)	78.990	78.190	77.940	77.440	76.960	76.980	75.950
<b>Distillates</b>								
Gasoil 0.1 NWE	(\$/mt)	733.000	734.360	735.930	733.720	728.830	729.643	722.677
NWE Jet	(\$/mt)	789.000	785.860	786.930	786.220	782.830	783.643	780.177
Singapore 10ppm	(\$/bbl)	94.850	95.150	95.270	95.140	94.720	94.750	94.140
Sing Kero	(\$/bbl)	93.980	94.230	94.340	94.350	94.120	94.130	93.660
<b>Gasoline</b>								
RBOB	(c/gal)	242.740	238.380	219.720	213.130	208.860	209.697	214.790
EBOB	(\$/mt)	798.510	795.510	782.010	735.010	713.760	716.010	700.343
Singapore 92	(\$/bbl)	89.450	88.500	86.870	85.540	84.420	84.577	83.387
Singapore 95	(\$/bbl)	93.950	93.000	91.320	89.840	88.620	88.710	86.987
<b>Naphtha</b>								
US C5 ENT	(c/gal)	146.100	146.980	147.600	148.100	148.050	147.983	147.593
NWE Naphtha	(\$/mt)	653.210	640.710	634.960	632.210	628.460	628.460	617.293
MOP-Japan Naphtha	(\$/mt)	660.030	655.030	652.030	648.030	644.030	644.030	631.113
<b>Fuel Oil</b>								
3.5% barges	(\$/mt)	448.890	445.390	439.040	430.290	423.790	424.707	417.207
Singapore 380	(\$/mt)	474.760	469.010	457.010	444.010	435.010	436.510	425.677
Singapore 180	(\$/mt)	481.830	477.080	465.580	453.830	445.580	447.080	438.413
0.5% barges	(\$/mt)	534.670	530.670	523.170	516.670	511.170	511.377	499.373
Singapore 0.5%	(\$/mt)	581.120	574.870	566.870	559.870	553.870	554.120	540.247
<b>NGLs</b>								
US Propane LST	(c/gal)	76.729	77.609	78.359	79.359	79.979	79.732	78.279
NWE Propane	(\$/mt)	568.840	563.340	556.340	548.840	546.340	546.507	523.173
Saudi Propane CP	(\$/mt)	583.340	583.340	583.340	589.840	595.840	595.173	584.173
Asian Propane FEI	(\$/mt)	637.340	632.340	629.340	630.340	631.340	630.173	603.673
US Butane ENT	(c/gal)	96.230	96.730	97.230	97.610	97.860	97.693	94.820
Saudi Butane CP	(\$/mt)	574.340	574.340	580.340	588.340	594.840	593.840	582.340



<b>Front Month Spreads</b>				
<b>Aug/Sep</b>		<b>29-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>				
Brent	(\$/bbl)	0.660	-0.080	-0.090
WTI	(\$/bbl)	0.930	-0.060	-0.030
Dubai	(\$/bbl)	0.250	+0.020	-0.370
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	-1.570	+0.310	-0.160
NWE Jet	(\$/mt)	-1.070	+0.310	+0.340
Singapore 10ppm	(\$/bbl)	-0.120	+0.010	+0.010
Sing Kero	(\$/bbl)	-0.110	+0.010	+0.150
<b>Gasoline</b>				
RBOB	(c/gal)	18.660	-0.340	-0.140
EBOB	(\$/mt)	13.500	-0.250	+0.750
Singapore 92	(\$/bbl)	1.630	+0.050	+0.350
Singapore 95	(\$/bbl)	1.680	+0.050	+0.350
<b>Naphtha</b>				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	5.750	-2.750	-3.000
MOP-Japan Naphtha	(\$/mt)	3.000	-2.250	-3.750
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	6.350	+0.100	+0.850
Singapore 380	(\$/mt)	12.000	-1.000	+0.500
Singapore 180	(\$/mt)	11.500	-1.000	+1.500
0.5% barges	(\$/mt)	7.500	+0.000	+0.250
Singapore 0.5%	(\$/mt)	8.000	+0.250	+1.750
<b>NGLs</b>				
US Propane LST	(c/gal)	-0.750	+0.000	+0.130
NWE Propane	(\$/mt)	7.000	+0.500	+2.500
Saudi Propane CP	(\$/mt)	0.000	+1.500	+1.500
Asian Propane FEI	(\$/mt)	3.000	+1.000	+3.500
US Butane ENT	(c/gal)	-0.500	+0.000	+0.000
Saudi Butane CP	(\$/mt)	-6.000	+1.000	+0.500



<b>Front Month Cracks and Diffs</b>			
<b>August</b>	<b>29-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	0.980	-0.010	+0.440
WTI/Brent (\$/bbl)	-3.570	+0.010	-0.180
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	19.400	-0.140	+0.410
NWE Jet crack (\$/bbl)	20.560	-0.210	+0.680
NWE Jet Diff (\$/mt)	51.500	-0.500	+1.500
Gasoil E/W (\$/bbl)	-25.500	+0.000	-0.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.930	-0.040	+0.170
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	11.000	-0.500	-0.200
EBOB crack (\$/mt)	16.320	-0.060	+1.280
Singapore 92 crack (\$/bbl)	9.330	+0.470	+1.640
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.000	+0.500	+0.350
European Gasnaph (EBOB vs Naphtha) (\$/mt)	154.980	+5.090	+13.610
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	82.170	+9.160	+17.240
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-13.860	+0.570	+0.890
NWE Naphtha Crack (\$/bbl)	-7.200	-0.570	-0.200
MOPJ Naphtha Crack (\$/bbl)	-5.570	-0.570	-0.280
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.500	+0.000	-0.750
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	-9.050	+0.250	+0.200
Singapore 380 crack (\$/bbl)	-5.310	+0.290	+1.030
Singapore 180 crack (\$/bbl)	-4.050	+0.250	+1.260
Visco (180-380) (\$/mt)	8.000	-0.250	+1.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	23.750	+0.250	+5.250
0.5% barges crack (\$/bbl)	4.400	+0.100	+0.550
Singapore 0.5% crack (\$/bbl)	11.340	+0.440	+1.040
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	44.070	+2.160	+3.110
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	85.400	-0.960	+2.220
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	105.730	+0.960	+0.090
0.5% barges/gasoil (\$/mt)	-203.720	+2.150	+2.440
Sing 0.5% vs Sing 10ppm (\$/mt)	-134.150	+4.310	+6.070
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-159.000	+1.500	-4.000
US Propane LST vs Asian Propane FEI (\$/mt)	-228.000	+2.000	-9.000
Asian Propane FEI vs NWE Propane (\$/mt)	69.000	-0.500	+5.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	49.000	-2.500	+2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-77.460	+9.930	+23.130
Asian Pronap (FEI vs MOPJ) (\$/mt)	-71.960	+11.930	+26.880



<b>Long Tenor Cracks / Diffs</b>							
	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>							
Brent/Dubai (\$/bbl)	0.760	0.980	0.570	0.550	0.610	0.613	0.710
WTI/Brent (\$/bbl)	-3.740	-3.570	-3.840	-4.000	-4.090	-4.097	-4.353
<b>Distillates</b>							
Gasoil 0.1 NWE crack (\$/bbl)	18.64	19.40	20.27	20.50	20.26	20.34	20.33
NWE Jet crack (\$/bbl)	20.38	20.56	21.35	21.78	21.77	21.85	22.34
NWE Jet Diff (\$/mt)	56.00	51.50	51.00	52.50	54.00	54.00	57.50
Gasoil E/W (\$/bbl)	-26.37	-25.50	-26.17	-24.92	-23.17	-23.75	-21.32
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.88	-0.93	-0.94	-0.80	-0.63	-0.64	-0.49
<b>Gasoline</b>							
TA Arb (RBOB vs EBOB) (c/gal)	14.510	11.000	-3.790	3.060	4.870	5.060	14.630
EBOB crack (\$/mt)	16.100	16.320	15.370	10.250	8.120	8.367	7.420
Singapore 92 crack (\$/bbl)	9.700	9.330	8.360	7.550	6.850	6.983	6.717
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.410	-7.000	-7.010	-2.700	-1.270	-1.380	-0.683
European Gasnaph (EBOB vs Naphtha) (\$/mt)	145.480	154.980	147.230	102.980	85.480	87.730	83.230
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	85.090	82.170	71.600	64.520	59.190	60.493	63.500
<b>Naphtha</b>							
US C5 ENT vs WTI Crack	-14.640	-13.860	-12.670	-11.790	-11.260	-11.323	-10.290
NWE Naphtha Crack (\$/bbl)	-6.380	-7.200	-7.190	-6.980	-6.970	-7.003	-7.333
MOPJ Naphtha Crack (\$/bbl)	-5.570	-5.570	-5.230	-5.170	-5.200	-5.223	-5.740
Naphtha E/W (NWE vs MOPJ) (\$/mt)	7.000	14.500	17.250	16.000	15.750	15.750	14.000
<b>Fuel Oil</b>							
3.5% bgs crack (\$/bbl)	-9.080	-9.050	-9.390	-10.250	-10.850	-10.737	-10.987
Singapore 380 crack (\$/bbl)	-4.970	-5.310	-6.540	-8.070	-9.060	-8.850	-9.627
Singapore 180 crack (\$/bbl)	-3.880	-4.050	-5.200	-6.530	-7.400	-7.193	-7.633
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)	26.000	23.750	18.100	13.850	11.350	11.933	8.600
0.5% bgs crack (\$/bbl)	4.450	4.400	3.890	3.390	2.940	2.947	1.980
Singapore 0.5% crack (\$/bbl)	11.750	11.340	10.760	10.180	9.660	9.677	8.420
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	46.320	44.070	43.570	43.070	42.570	42.613	40.743
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	85.900	85.400	84.250	86.500	87.500	86.790	82.287
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	106.230	105.730	109.730	115.730	118.730	117.480	114.440
0.5% bgs/gasoil (\$/mt)	-198.700	-203.720	-212.780	-216.990	-217.870	-218.390	-223.513
Sing 0.5% vs Sing 10ppm (\$/mt)	-125.660	-134.150	-143.040	-148.920	-151.940	-151.890	-161.370
<b>NGLs</b>							
US Propane LST vs NWE Propane (\$/mt)	-169.08	-159	-148.09	-135.38	-129.65	-131.1	-115.34
US Propane LST vs Asian Propane FEI (\$/mt)	-237.58	-228	-221.09	-216.88	-214.65	-214.767	-195.84
Asian Propane FEI vs NWE Propane (\$/mt)	68.5	69	73	81.5	85	83.667	80.5
Asian Propane FEI vs Saudi Propane CP (\$/mt)	54	49	46	40.5	35.5	35	19.5
European Pronap (\$/mt)	-84.46	-77.46	-78.71	-83.46	-82.21	-82.043	-94.21
Asian Pronap (FEI vs MOPJ) (\$/mt)	-76.96	-71.96	-68.96	-58.46	-48.46	-49.127	-47.21



<b>Inter-month Crack Spreads</b>			
<b>Aug/Sep</b>	<b>29-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	0.410	-0.090	+0.290
WTI/Brent (\$/bbl)	0.270	+0.030	+0.050
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	-0.870	+0.090	+0.070
NWE Jet crack (\$/bbl)	-0.790	+0.120	+0.130
NWE Jet Diff (\$/mt)	0.500	+0.000	+0.500
Gasoil E/W (\$/bbl)	0.670	-0.210	+0.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.010	+0.000	+0.140
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	14.790	-0.270	-0.370
EBOB crack (\$/mt)	0.950	+0.040	+0.160
Singapore 92 crack (\$/bbl)	0.970	+0.130	+0.430
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	0.010	+0.080	+0.260
European Gasnaph (EBOB vs Naphtha) (\$/mt)	7.750	+2.500	+3.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	10.570	+2.650	+6.660
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-1.190	+0.050	+0.030
NWE Naphtha Crack (\$/bbl)	-0.010	-0.230	-0.240
MOPJ Naphtha Crack (\$/bbl)	-0.340	-0.200	-0.340
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-2.750	+0.500	-0.750
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	0.340	+0.110	+0.230
Singapore 380 crack (\$/bbl)	1.230	-0.080	+0.180
Singapore 180 crack (\$/bbl)	1.150	-0.090	+0.330
Visco (180-380) (\$/mt)	-0.500	+0.000	+1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	5.650	-1.100	-0.350
0.5% barges crack (\$/bbl)	0.510	+0.070	+0.130
Singapore 0.5% crack (\$/bbl)	0.580	+0.090	+0.360
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.500	+0.250	+1.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.150	-0.100	-0.600
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-4.000	+1.250	+1.250
0.5% barges/gasoil (\$/mt)	9.060	-0.240	+0.400
Sing 0.5% vs Sing 10ppm (\$/mt)	8.890	+0.170	+1.670
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-10.910	-0.510	-1.820
US Propane LST vs Asian Propane FEI (\$/mt)	-6.910	-1.010	-2.820
Asian Propane FEI vs NWE Propane (\$/mt)	-4.000	+0.500	+1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	-0.500	+2.000
European Pronap (NWE Propane vs NWE Naphtha ) (\$/mt)	1.250	+3.250	+5.500