



If you think Brent ran hard, focus on dated!



In one of the quickest run ups in recent history, Brent gained nearly 10% in five trading days, peaking at \$82.36. But what goes up in fluff soon gets picked and corrects down. Nothing was driving the price up other than the expectation, hope even, of an Iranian confrontation with Israel and the West. The Iranians, from what we know, are good chess players and were not going to act rashly but in a very calculating manner.

With each passing day, the prospects of an out-of-line retaliation fade and give more time for the US to deploy more equipment and people and spend more of a budget that is generating over \$1.1 trillion in interest payments annually. Interest outlays have already surpassed Defense Spending and are on their way to exceeding even Social Security.

Vitol kept up the North Sea benchmark in a tight grip, squeezing hard, hoping a cargo would pop out. The naughty boys bid +\$3.25 over dated for an early Sep Midland, above even Gunvor's +\$2.70. And also way above Trafi's bids, we almost miss them. Vitol backed this up with a bid at +\$2.90 for a mid-September Midland. When asked to define the situation, a trader said "it's probably a squeeze", we responded "you think?". But more importantly, what do you think? Let us know. Email details are over leaf.

North Sea Forties crude diffs jumped by almost \$2 within a week, though traders see this as a flash in the pan -with traders taking turns to fan the flames- before cooler demand macros rain on this parade.

Summary				
Physical and Futures			13-Aug-24	1-Day Change
				7-Day Change
Brent Oct (fut)	(\$/bbl)	80.780	-0.080	+4.200
WTI Oct (fut)	(\$/bbl)	76.850	-0.110	+4.400
Dubai Oct (phys)	(\$/bbl)	79.020	-0.210	+3.930
Crude Swaps Sep				
Brent	(\$/bbl)	79.950	-0.040	+3.770
DFL	(\$/bbl)	0.610	-0.030	+0.700
WTI	(\$/bbl)	76.570	-0.100	+4.300
Dubai	(\$/bbl)	78.950	-0.210	+3.910
Tenor			Oct-24	Nov-24
Crude Futures				Dec-24
Brent (fut)	(\$/bbl)	80.780	79.980	79.380
WTI (fut)	(\$/bbl)	76.850	75.890	75.150



In detail

Brent flat price increased by almost 10% in a week, fuelled by growing expectations of a retaliatory attack from Iran. The driver is clearly not the economy folks. The European macro landscape continues to paint a very sombre picture; the Euro Area ZEW Economic Sentiment Index fell to just 19.9 in August, down from 43.7 in July, highlighting the Europeans' pessimism despite the toasty summer weather. In fact, it's as low as it's been since gloomy November, and we can't even blame this on seasonal depression!

Brent descended from its peak through the afternoon, falling back to \$80.78/bbl. Oct WTI futures continued to move further, dropping \$0.11 back down to \$76.85/bbl. Brent's front spreads slipped to 80c, a slight drawback by 4c from Monday.

Many people, including Kennie the long trader, have been strategically positioning for a direct retaliation by Iran. We are relieved that reality has disappointed their expectations. Iran is playing a cat-and-mouse game, which is paying off. With each passing day, Israeli and US resources are being consumed. Any retaliation at all is now looking likely.

While there is no official data on the number of Israelis who have left since the beginning of the war on the Gaza Strip in October 2023, the Hebrew news website the Times of Israel said on Sunday that more than half a million Israelis left and did not return in the first six months of the war.

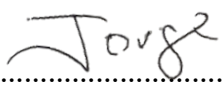
The economic repercussions of war are already taking their toll. Just today, Fitch downgraded Israel's credit rating from A+ to A, despite Netanyahu insisting that the economy is "functioning well." War is costly, and the cut to credit ratings reflects this.

Just days after reports emerged of production cuts from the 270kb/d Sharara field, Libya is now reportedly facing pipeline fires, apparently threatening over 100kb/d of capacity. Waha Oil have reportedly extinguished a fire along a pipeline connecting the Es Sider port's storage tanks to oil fields in the Sirte Basin. According to ship tracking data the Es Sider port still appears to be running as per usual.

Just last week, Libya's prosecutor general ordered the arrest of their oil minister. The minister and his director were accused of behaviour "inconsistent with their job duties." Oil production in Libya has been volatile, where barrels act as pawns in the political conflict between Tripoli and the East. Earlier in the year, the previous Oil Minister was suspended for two months after violations "led to neglecting the rights of the Libyan state." Volatility in Libyan crude output is nothing new, whether driven by infrastructure failures or geopolitics.


In more positive news, the UK's unemployment fell by 0.2% to 4.2%, the lowest level since February. While encouraging, this is undermined by many of the additional jobs being part-time or self-employed, as the number of full-time employees actually fell. Proud of this unemployment decrease, the pound jumped by over 0.6% on the day, and the FTSE 250 bounced its way up 0.32%.

US PPI was also encouraging, lowering to 0.1% m-o-m, half the level of last month. Energy is providing the fire to keep costs up against falling trade costs, while food is also responsible for disinflationary pressure this minor increase, hurting the waistslines of hungry Americans.

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Front Month Outrights					
September Swaps			13-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	79.950		-0.040	+3.770
WTI	(\$/bbl)	76.570		-0.100	+4.300
Dubai	(\$/bbl)	78.950		-0.210	+3.910
Distillates					
Gasoil 0.1 NWE	(\$/mt)	735.360		+2.500	+27.310
NWE Jet	(\$/mt)	780.360		+2.500	+25.810
Singapore 10ppm	(\$/bbl)	95.180		+0.370	+3.660
Sing Kero	(\$/bbl)	94.290		+0.370	+3.580
Gasoline					
RBOB	(c/gal)	220.830		-2.000	+6.410
EBOB	(\$/mt)	786.940		-7.000	+25.920
Singapore 92	(\$/bbl)	86.570		-0.540	+3.210
Singapore 95	(\$/bbl)	90.670		-0.530	+3.110
Naphtha					
US C5 ENT	(c/gal)	152.590		+0.090	+5.610
NWE Naphtha	(\$/mt)	659.050		+1.870	+25.100
MOPJ Naphtha	(\$/mt)	677.550		+1.550	+22.440
Fuel Oil					
3.5% barges	(\$/mt)	442.530		-1.140	+21.970
Singapore 380	(\$/mt)	452.280		-5.640	+14.720
Singapore 180	(\$/mt)	460.030		-5.390	+14.840
0.5% barges	(\$/mt)	533.970		+1.080	+27.370
Singapore 0.5%	(\$/mt)	578.100		+1.710	+28.000
NGLs					
US Propane LST	(c/gal)	78.196		+0.403	+4.530
NWE Propane	(\$/mt)	574.450		+1.150	+16.150
Saudi Propane CP	(\$/mt)	597.450		+0.150	+7.190
Asian Propane FEI	(\$/mt)	635.950		-2.390	+6.690
US Butane ENT	(c/gal)	94.700		+0.650	+3.800
Saudi Butane CP	(\$/mt)	587.450		+2.060	+8.240



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	80.720	79.950	79.360	78.900	78.480	78.913	77.847
WTI	(\$/bbl)	77.550	76.570	75.670	74.980	74.410	75.020	73.573
Dubai	(\$/bbl)	78.950	78.950	78.240	77.700	77.290	77.743	76.743
Distillates								
Gasoil 0.1 NWE	(\$/mt)	733.500	735.360	734.410	730.500	728.380	731.097	725.243
NWE Jet	(\$/mt)	778.500	780.360	781.910	780.500	780.880	781.097	780.243
Singapore 10ppm	(\$/bbl)	95.060	95.180	95.180	94.910	94.700	94.930	94.580
Sing Kero	(\$/bbl)	94.040	94.290	94.400	94.290	94.240	94.310	94.110
Gasoline								
RBOB	(c/gal)	238.460	220.830	215.290	211.560	209.920	212.257	217.480
EBOB	(\$/mt)	793.940	786.940	743.440	722.440	708.690	724.857	708.940
Singapore 92	(\$/bbl)	86.920	86.570	85.970	85.340	84.920	85.410	84.483
Singapore 95	(\$/bbl)	91.020	90.670	90.020	89.490	89.070	89.527	88.317
Naphtha								
US C5 ENT	(c/gal)	151.340	152.590	153.210	153.210	152.960	153.127	152.747
NWE Naphtha	(\$/mt)	669.050	659.050	653.550	647.800	642.300	647.883	633.383
MOP-Japan Naphtha	(\$/mt)	681.550	677.550	671.550	665.300	659.550	665.467	648.383
Fuel Oil								
3.5% barges	(\$/mt)	450.780	442.530	434.030	427.530	423.840	428.467	420.757
Singapore 380	(\$/mt)	459.280	452.280	443.530	436.780	432.530	437.613	427.863
Singapore 180	(\$/mt)	465.530	460.030	452.780	447.030	443.530	447.780	440.280
0.5% barges	(\$/mt)	540.720	533.970	526.970	521.470	516.720	521.720	510.387
Singapore 0.5%	(\$/mt)	584.350	578.100	570.350	563.850	558.600	564.267	550.313
NGLs								
US Propane LST	(c/gal)	77.696	78.196	79.446	80.196	80.076	79.906	78.416
NWE Propane	(\$/mt)	590.450	574.450	565.450	561.450	557.450	561.450	537.950
Saudi Propane CP	(\$/mt)	597.450	597.450	599.950	603.950	607.950	603.950	592.117
Asian Propane FEI	(\$/mt)	638.950	635.950	637.450	639.950	637.950	638.450	614.617
US Butane ENT	(c/gal)	94.200	94.700	95.820	96.570	96.450	96.280	93.950
Saudi Butane CP	(\$/mt)	587.450	587.450	589.950	596.450	602.950	596.450	588.450



Front Month Spreads				
Sep/Oct		13-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.590	-0.010	+0.220
WTI	(\$/bbl)	0.900	-0.020	+0.320
Dubai	(\$/bbl)	0.710	+0.030	+0.280
Distillates				
Gasoil 0.1 NWE	(\$/mt)	0.950	+0.350	-0.190
NWE Jet	(\$/mt)	-1.550	+0.350	-0.190
Singapore 10ppm	(\$/bbl)	0.000	+0.060	+0.060
Sing Kero	(\$/bbl)	-0.110	+0.060	+0.010
Gasoline				
RBOB	(c/gal)	5.540	-0.610	-1.270
EBOB	(\$/mt)	43.500	-1.750	-0.250
Singapore 92	(\$/bbl)	0.600	-0.080	+0.100
Singapore 95	(\$/bbl)	0.650	-0.080	+0.100
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	5.500	-0.250	+0.250
MOP-Japan Naphtha	(\$/mt)	6.000	-0.500	-0.500
Fuel Oil				
3.5% barges	(\$/mt)	8.500	-0.500	+1.150
Singapore 380	(\$/mt)	8.750	-1.750	-1.250
Singapore 180	(\$/mt)	7.250	-1.500	-0.750
0.5% barges	(\$/mt)	7.000	+0.500	+1.500
Singapore 0.5%	(\$/mt)	7.750	+0.500	+1.500
NGLs				
US Propane LST	(c/gal)	-1.250	+0.000	+0.370
NWE Propane	(\$/mt)	9.000	+0.500	+1.000
Saudi Propane CP	(\$/mt)	-2.500	-0.500	-1.500
Asian Propane FEI	(\$/mt)	-1.500	-1.500	-2.500
US Butane ENT	(c/gal)	-1.120	+0.130	-0.240
Saudi Butane CP	(\$/mt)	-2.500	+0.000	+5.500



Front Month Cracks and Diffs			
September	13-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	1.000	+0.170	-0.140
WTI/Brent (\$/bbl)	-3.380	-0.060	+0.530
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.760	+0.390	-0.100
NWE Jet crack (\$/bbl)	19.080	+0.370	-0.500
NWE Jet Diff (\$/mt)	45.000	+0.000	-1.500
Gasoil E/W (\$/bbl)	-26.250	+0.250	-0.100
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.890	+0.000	-0.080
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-4.100	+0.000	-1.000
EBOB crack (\$/mt)	14.500	-0.820	-0.690
Singapore 92 crack (\$/bbl)	6.550	-0.580	-0.630
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.900	+0.300	+0.100
European Gasnaph (EBOB vs Naphtha) (\$/mt)	127.720	-9.050	+0.530
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	42.990	-6.450	+3.800
Naphtha			
US C5 ENT vs WTI Crack	-12.480	+0.140	-1.930
NWE Naphtha Crack (\$/bbl)	-5.900	+0.250	-0.950
MOPJ Naphtha Crack (\$/bbl)	-3.820	+0.190	-1.260
Naphtha E/W (NWE vs MOPJ) (\$/mt)	18.500	-0.500	-2.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-10.250	-0.150	-0.300
Singapore 380 crack (\$/bbl)	-8.720	-0.860	-1.450
Singapore 180 crack (\$/bbl)	-7.490	-0.810	-1.400
Visco (180-380) (\$/mt)	7.750	+0.250	+0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	9.750	-4.500	-7.250
0.5% barges crack (\$/bbl)	4.150	+0.200	+0.550
Singapore 0.5% crack (\$/bbl)	11.100	+0.300	+0.650
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	44.130	+0.630	+0.630
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	91.440	+2.220	+5.390
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	125.820	+7.350	+13.280
0.5% barges/gasoil (\$/mt)	-201.330	-1.550	-0.190
Sing 0.5% vs Sing 10ppm (\$/mt)	-130.920	-1.170	+0.550
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-167.000	+1.000	+7.500
US Propane LST vs Asian Propane FEI (\$/mt)	-228.500	+4.500	+17.000
Asian Propane FEI vs NWE Propane (\$/mt)	61.500	-3.500	-9.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	38.500	-2.500	-0.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-84.600	-0.720	-9.130
Asian Pronap (FEI vs MOPJ) (\$/mt)	-80.100	-1.170	-15.340



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.790	1.000	1.120	1.180	1.180	1.160	1.090
WTI/Brent (\$/bbl)	-3.180	-3.380	-3.710	-3.910	-4.070	-3.897	-4.273
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	17.72	18.76	19.22	19.15	19.29	19.22	19.51
NWE Jet crack (\$/bbl)	18.05	19.08	19.87	20.15	20.62	20.21	21.17
NWE Jet Diff (\$/mt)	45.00	45.00	47.50	50.00	52.50	50.00	55.00
Gasoil E/W (\$/bbl)	-25.45	-26.25	-25.40	-23.40	-22.90	-23.90	-20.62
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.02	-0.89	-0.78	-0.62	-0.46	-0.62	-0.47
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	11.500	-4.100	2.810	5.070	7.380	5.087	14.860
EBOB crack (\$/mt)	14.550	14.500	9.860	7.810	6.570	8.080	7.240
Singapore 92 crack (\$/bbl)	6.110	6.550	6.530	6.370	6.360	6.420	6.567
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.440	-7.900	-3.330	-1.440	-0.210	-1.660	-0.677
European Gasnaph (EBOB vs Naphtha) (\$/mt)	124.720	127.720	89.720	74.470	66.220	76.803	75.387
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	41.910	42.990	44.000	45.000	47.250	45.417	54.777
Naphtha							
US C5 ENT vs WTI Crack	-14.000	-12.480	-11.320	-10.640	-10.180	-10.713	-9.423
NWE Naphtha Crack (\$/bbl)	-5.570	-5.900	-5.930	-6.090	-6.310	-6.110	-6.673
MOPJ Naphtha Crack (\$/bbl)	-4.160	-3.820	-3.900	-4.130	-4.370	-4.133	-4.990
Naphtha E/W (NWE vs MOPJ) (\$/mt)	12.500	18.500	18.000	17.500	17.250	17.583	15.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.740	-10.250	-11.000	-11.540	-11.730	-11.423	-11.583
Singapore 380 crack (\$/bbl)	-8.400	-8.720	-9.500	-10.090	-10.360	-9.983	-10.453
Singapore 180 crack (\$/bbl)	-7.420	-7.490	-8.050	-8.470	-8.620	-8.380	-8.500
Visco (180-380) (\$/mt)	6.250	7.750	9.250	10.250	11.000	10.167	12.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	8.500	9.750	9.500	9.250	8.750	9.167	7.167
0.5% bgs crack (\$/bbl)	4.420	4.150	3.640	3.250	2.900	3.263	2.533
Singapore 0.5% crack (\$/bbl)	11.290	11.100	10.470	9.930	9.500	9.967	8.823
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.630	44.130	43.380	42.380	41.880	42.547	39.927
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	89.940	91.440	92.940	93.940	92.940	93.273	89.690
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	125.070	125.820	126.820	127.070	126.070	126.653	122.450
0.5% bgs/gasoil (\$/mt)	-192.720	-201.330	-207.380	-208.970	-211.600	-209.317	-214.797
Sing 0.5% vs Sing 10ppm (\$/mt)	-123.780	-130.920	-138.670	-143.380	-147.070	-143.040	-154.337
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-185.6	-167	-151.48	-143.58	-140.2	-145.087	-129.353
US Propane LST vs Asian Propane FEI (\$/mt)	-234.1	-228.5	-223.48	-222.08	-220.7	-222.087	-206.02
Asian Propane FEI vs NWE Propane (\$/mt)	48.5	61.5	72	78.5	80.5	77	76.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	41.5	38.5	37.5	36	30	34.5	22.5
European Pronap (\$/mt)	-78.6	-84.6	-88.1	-86.35	-84.85	-86.433	-95.433
Asian Pronap (FEI vs MOPJ) (\$/mt)	-84.1	-80.1	-71.6	-61.35	-51.6	-61.517	-56.267



Inter-month Crack Spreads			
Sep/Oct	13-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.120	-0.050	-0.080
WTI/Brent (\$/bbl)	0.330	+0.020	+0.120
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.460	+0.060	-0.240
NWE Jet crack (\$/bbl)	-0.790	+0.050	-0.250
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-0.850	+0.170	+0.660
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.110	+0.000	-0.050
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.910	-0.140	-1.220
EBOB crack (\$/mt)	4.640	-0.180	-0.240
Singapore 92 crack (\$/bbl)	0.020	-0.060	-0.100
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.570	+0.180	+0.180
European Gasnaph (EBOB vs Naphtha) (\$/mt)	38.000	-1.500	-0.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-1.010	-0.170	+1.320
Naphtha			
US C5 ENT vs WTI Crack	-1.160	+0.020	-0.320
NWE Naphtha Crack (\$/bbl)	0.030	-0.020	-0.180
MOPJ Naphtha Crack (\$/bbl)	0.080	-0.050	-0.270
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.500	-0.250	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	0.750	-0.070	-0.030
Singapore 380 crack (\$/bbl)	0.780	-0.270	-0.420
Singapore 180 crack (\$/bbl)	0.560	-0.210	-0.330
Visco (180-380) (\$/mt)	-1.500	+0.250	+0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	0.250	-1.250	-2.400
0.5% barges crack (\$/bbl)	0.510	+0.090	+0.010
Singapore 0.5% crack (\$/bbl)	0.630	+0.090	+0.010
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.750	+0.000	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.500	+1.000	+0.350
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-1.000	+2.250	+2.750
0.5% barges/gasoil (\$/mt)	6.050	+0.150	+1.690
Sing 0.5% vs Sing 10ppm (\$/mt)	7.750	+0.050	+1.060
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-15.520	-0.500	+0.920
US Propane LST vs Asian Propane FEI (\$/mt)	-5.020	+1.500	+4.420
Asian Propane FEI vs NWE Propane (\$/mt)	-10.500	-2.000	-3.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.000	-1.000	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	3.500	+0.750	+0.750