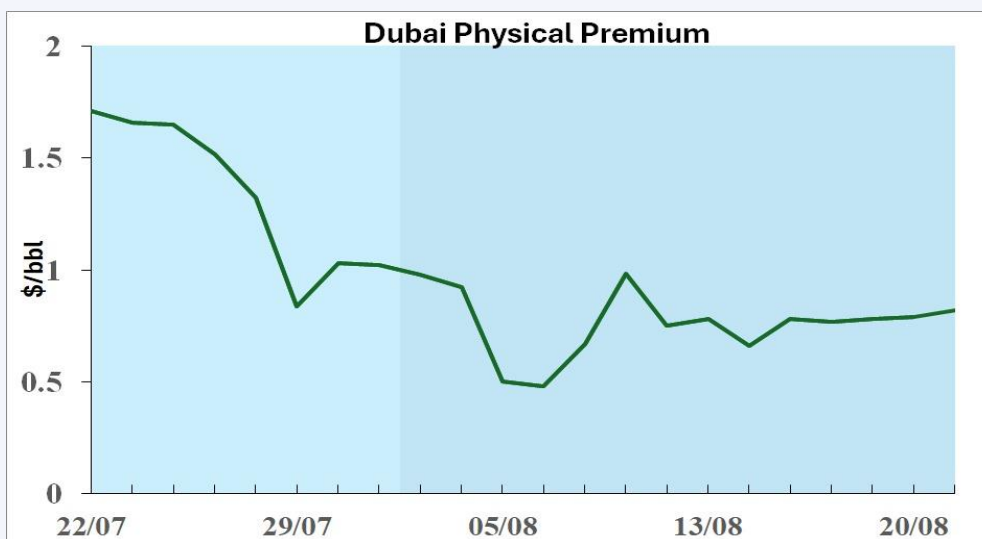




Vitol keeps Dubai premiums afloat



The only ceasefire today was in the market, which took a breather after yesterday's bloodbath. Crude consolidated somewhat as the bears took some profit. In Dubai, however, it was business as usual. Vitol kept on spamming the buy button. \$76.15/bbl, \$76.20/bbl, it's all the same to them as they continue to set a hard floor in Dubai. Their pals Gunvor were never too far away, also scooping up a lot of cargoes. Vitol's aggressive purchasing policy gave them two more convergences, both Upper Zakums, one from Reliance and the other from Exxon. And the spending spree saw physical premiums up 3c against yesterday at 82c. Yesterday October Brent premium over Dubai collapsed but reversed today, widening by 15c as Brent outperformed yet again. Of the 464 traded partials, Vitol has bought 266... they're really keen to get their hands on as much as possible, even more than Gunvor, who 'only' bought 171.

Expectation that the big wigs will announce interest rate cuts has seen relentless dollar selling, sending the greenback fall to the lowest level since January as measured by the DXY at 101.44. Dollar weakness sent Euro and Sterling soaring. Euro was trading at \$1.113, the strongest this year, whilst Sterling was the strongest since July. The yen also strengthened from the dark depths it has been inhabiting again to 146.13 against the dollar. All eyes are on Powell's Jackson Hole speech, but the outcome is predestined. A cut is coming, regardless of the funding needs and impact on inflation as the US will enter money printing territory. UK is also facing a runaway growth in debt despite rising tax receipts. Poor taxpayer.

Summary				
Physical and Futures		21-Aug-24	1-Day Change	7-Day Change
Brent Oct (fut)	(\$/bbl)	77.210	+0.610	-3.830
WTI Oct (fut)	(\$/bbl)	73.110	+0.520	-4.030
Dubai Oct (phys)	(\$/bbl)	76.150	+0.470	-3.060
Crude Swaps Sep				
Brent	(\$/bbl)	76.590	+0.480	-3.620
DFL	(\$/bbl)	0.480	+0.140	-0.140
WTI	(\$/bbl)	72.900	+0.490	-3.970
Dubai	(\$/bbl)	76.140	+0.480	-3.150
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	77.210	76.610	76.140
WTI (fut)	(\$/bbl)	73.110	72.410	71.870



All our favourite grades recovered somewhat from their collapse yesterday, with Brent faring best at a 61c rise to \$77.21/bbl. Dead cat bounce in progress! Meanwhile, WTI's regathered itself to \$73.11/bbl, a recovery of 52c and Dubai took the slimmest pickings, up by 47c to \$76.15. Dubai physical premiums remain robust at 82c, courtesy of Vitol and Gunvor's relentless spending spree.

The US dollar has slumped over the last month few months, with the DXY falling from 106.05 at the end to June to 101.44 yesterday, as markets position for the widely expected initiation of cuts to the Federal Funds Rate. Markets are expecting a 25 basis point cut in September. Of course, the expectation of future monetary easing will weigh on dollar crosses as the interest rate differentials, which have been supported by heterogeneity across central bank easing cycles, come in. There is a queue of traders waiting for things to happen from the Iranians to the FEDs. Our analysis points out to the Feds pulling the trigger while the Iranians will huff and puff but do nothing. We are anticipating a 25 basis point cut and are very open to the surprised to the upside.

At the last FOMC meeting, the committee didn't pull a handbrake turn like a desperate teenager hoping to impress the ladies, but it did pivot slightly, emphasising they were beginning to consider risks to their second objective: full employment. NFPs three weeks ago were weak, and we expect a large revision this week. This will strengthen the narrative for a large decrease in interest rates. Nevertheless, the FOMC did reiterate their concern over inflationary pressures, which remain above their 2% target. Our CPI implied PCE inflation rate came out at 2.5% for July, unchanged from June. Although the focus at the Fed is shifting, and labour market factors are beginning to drive a bigger portion of policy, Chair Powell has provided little indication of his ambitions for the September meeting. That may be about to change as central bankers across the world flock to Jackson Hole for this year's central banking symposium. Powell is set to speak on Friday where he is likely to indicate that cuts are on the horizon, although he's likely to play his cards close to his chest on any guidance over the magnitude or pace of easing.

The weaker dollar might offer some momentary relief for Mr Dangote's currency crisis. The Dangote refinery has been shouting itself hoarse that it will be offering its products to domestic clients in the national naira currency, with international prices denominated in USD, but to be settled domestically in naira. Dangote has been beating its chest yet again, prophesising "significant production increases" from September. They've already cried wolf so many times we've given up on listening - we're certainly getting fed up with their hollow words. If they do, finally, start delivering with more consistency than a drink-driving postman, it will lead to exports to Europe. But money is a problem and running a refinery at a time that margins are on a downtrend is, unfortunately, poor timing!

In the shipping sector, things are creaking, yet Saudi national shipping company, Bahri, splashed out one cool billion dollars for 9 VLCCs. They are modernising their elderly fleet of 40 ships with primarily South Korean builds. Watch out folks, KSA needs some dollah! And we expect rising production and extra cargoes to start leaking imminently. It is bearish we know, so first a dead cat bounce and then 75 bucks 😞

Something that hasn't been making such big waves is the product shipping situation. Think back to The Officials Euro 1.55 Issue, where we mentioned that Middle Eastern VLCCs were being used to transport diesel, rather than crude oil, to the European market. Well guess what: Norwegian analysts Steem1960 Shipbrokers' figures show that 65 million tonnes of petroleum products have been transported by uncoated tankers usually used to transport crude oil in July and August (so far). That's 15% of cargoes, the highest share the broker has seen in its 25 years of records, being transported by the biggest vessels rather than the cutely named, mini size Handysize ships. But VLCCs holds aren't typically coated with the protective layer required to defend the steel walls from the nasty, corrosive stuff pumped out by refineries.

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Front Month Outrights					
September Swaps			21-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	76.590	+0.480	-3.620	
WTI	(\$/bbl)	72.900	+0.490	-3.970	
Dubai	(\$/bbl)	76.140	+0.480	-3.150	
Distillates					
Gasoil 0.1 NWE	(\$/mt)	700.450	+10.690	-37.600	
NWE Jet	(\$/mt)	743.950	+12.190	-40.100	
Singapore 10ppm	(\$/bbl)	90.700	+1.000	-4.880	
Sing Kero	(\$/bbl)	90.210	+1.090	-4.480	
Gasoline					
RBOB	(c/gal)	207.890	+1.350	-12.950	
EBOB	(\$/mt)	737.290	+1.780	-48.990	
Singapore 92	(\$/bbl)	82.810	+0.510	-3.680	
Singapore 95	(\$/bbl)	86.800	+0.500	-3.690	
Naphtha					
US C5 ENT	(c/gal)	148.180	+1.540	-4.820	
NWE Naphtha	(\$/mt)	640.980	+7.120	-21.450	
MOPJ Naphtha	(\$/mt)	661.980	+8.120	-18.290	
Fuel Oil					
3.5% barges	(\$/mt)	424.620	-0.320	-19.500	
Singapore 380	(\$/mt)	433.620	+3.930	-19.810	
Singapore 180	(\$/mt)	440.370	+2.960	-21.810	
0.5% barges	(\$/mt)	517.650	+4.190	-17.650	
Singapore 0.5%	(\$/mt)	567.500	+5.330	-10.670	
NGLs					
US Propane LST	(c/gal)	79.007	+1.958	+0.253	
NWE Propane	(\$/mt)	570.530	+10.060	-4.180	
Saudi Propane CP	(\$/mt)	595.530	+5.060	-2.730	
Asian Propane FEI	(\$/mt)	637.530	+11.520	+0.770	
US Butane ENT	(c/gal)	100.490	+1.670	+5.250	
Saudi Butane CP	(\$/mt)	585.530	+5.560	-2.730	



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	77.140	76.590	76.120	75.730	75.400	75.750	74.897
WTI	(\$/bbl)	73.110	72.900	72.250	71.740	71.310	71.767	70.657
Dubai	(\$/bbl)	76.120	76.140	75.330	74.830	74.450	74.870	74.003
Distillates								
Gasoil 0.1 NWE	(\$/mt)	698.750	700.450	700.630	698.250	697.250	698.710	696.230
NWE Jet	(\$/mt)	738.750	743.950	746.630	746.750	748.250	747.210	750.230
Singapore 10ppm	(\$/bbl)	90.500	90.700	90.840	90.750	90.630	90.740	90.807
Sing Kero	(\$/bbl)	89.910	90.210	90.240	90.310	90.360	90.303	90.457
Gasoline								
RBOB	(c/gal)	225.030	207.890	203.950	200.970	199.690	201.537	207.293
EBOB	(\$/mt)	742.290	737.290	700.220	684.290	675.290	686.600	677.660
Singapore 92	(\$/bbl)	83.010	82.810	82.050	81.330	80.920	81.433	80.857
Singapore 95	(\$/bbl)	87.100	86.800	85.740	84.820	84.410	84.990	84.413
Naphtha								
US C5 ENT	(c/gal)	147.060	148.180	148.560	148.440	148.320	148.440	147.987
NWE Naphtha	(\$/mt)	646.480	640.980	636.480	630.730	625.730	630.980	617.397
MOP-Japan Naphtha	(\$/mt)	666.980	661.980	655.480	649.480	644.230	649.730	633.647
Fuel Oil								
3.5% barges	(\$/mt)	435.620	424.620	414.870	407.870	404.120	408.953	401.787
Singapore 380	(\$/mt)	437.870	433.620	424.620	417.620	413.620	418.620	409.953
Singapore 180	(\$/mt)	443.870	440.370	433.370	427.120	423.620	428.037	421.370
0.5% barges	(\$/mt)	521.650	517.650	508.900	502.400	497.400	502.900	491.233
Singapore 0.5%	(\$/mt)	576.500	567.500	556.000	547.750	541.500	548.417	532.917
NGLs								
US Propane LST	(c/gal)	78.627	79.007	80.127	80.507	80.387	80.340	78.554
NWE Propane	(\$/mt)	589.530	570.530	559.030	554.530	550.030	554.530	530.197
Saudi Propane CP	(\$/mt)	595.530	595.530	597.530	600.530	604.530	600.863	589.197
Asian Propane FEI	(\$/mt)	640.530	637.530	636.780	637.030	635.030	636.280	610.363
US Butane ENT	(c/gal)	100.490	100.490	100.610	100.610	100.230	100.483	96.603
Saudi Butane CP	(\$/mt)	585.530	585.530	589.530	594.530	600.530	594.863	586.530



Front Month Spreads				
Sep/Oct		21-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.470	+0.100	-0.120
WTI	(\$/bbl)	0.650	+0.090	-0.270
Dubai	(\$/bbl)	0.810	+0.040	+0.070
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.180	+0.890	-1.320
NWE Jet	(\$/mt)	-2.680	+1.390	-1.320
Singapore 10ppm	(\$/bbl)	-0.140	+0.010	-0.150
Sing Kero	(\$/bbl)	-0.030	+0.030	+0.030
Gasoline				
RBOB	(c/gal)	3.940	+0.070	-1.370
EBOB	(\$/mt)	37.070	-0.680	-5.430
Singapore 92	(\$/bbl)	0.760	+0.070	+0.260
Singapore 95	(\$/bbl)	1.060	+0.070	+0.560
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.240	+0.240
NWE Naphtha	(\$/mt)	4.500	+0.250	-1.250
MOP-Japan Naphtha	(\$/mt)	6.500	+1.000	+0.750
Fuel Oil				
3.5% barges	(\$/mt)	9.750	-1.250	+1.500
Singapore 380	(\$/mt)	9.000	+1.350	+0.500
Singapore 180	(\$/mt)	7.000	+0.700	-0.250
0.5% barges	(\$/mt)	8.750	+1.500	+1.750
Singapore 0.5%	(\$/mt)	11.500	+1.500	+4.250
NGLs				
US Propane LST	(c/gal)	-1.120	+0.000	+0.000
NWE Propane	(\$/mt)	11.500	+1.500	+3.000
Saudi Propane CP	(\$/mt)	-2.000	-3.500	+1.500
Asian Propane FEI	(\$/mt)	0.750	+1.750	+2.750
US Butane ENT	(c/gal)	-0.120	+0.130	+0.880
Saudi Butane CP	(\$/mt)	-4.000	-2.500	-0.500



Front Month Cracks and Diffs			
September	21-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.440	+0.000	-0.490
WTI/Brent (\$/bbl)	-3.670	+0.030	-0.320
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.450	+0.950	-1.380
NWE Jet crack (\$/bbl)	17.830	+1.060	-1.440
NWE Jet Diff (\$/mt)	43.500	+1.500	-2.500
Gasoil E/W (\$/bbl)	-24.750	-3.250	+1.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.500	+0.080	+0.390
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-2.850	+0.850	+1.050
EBOB crack (\$/mt)	11.920	-0.260	-2.230
Singapore 92 crack (\$/bbl)	6.200	+0.010	-0.050
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.720	+0.280	+2.180
European Gasnaph (EBOB vs Naphtha) (\$/mt)	96.560	-5.170	-27.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	27.910	-3.800	-12.320
Naphtha			
US C5 ENT vs WTI Crack	-10.720	+0.110	+1.900
NWE Naphtha Crack (\$/bbl)	-4.600	+0.300	+1.200
MOPJ Naphtha Crack (\$/bbl)	-2.240	+0.410	+1.570
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.000	+1.000	+3.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.750	-0.550	+0.550
Singapore 380 crack (\$/bbl)	-8.330	+0.120	+0.510
Singapore 180 crack (\$/bbl)	-7.270	-0.020	+0.200
Visco (180-380) (\$/mt)	6.750	-0.900	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	9.000	+4.250	-0.250
0.5% barges crack (\$/bbl)	4.900	+0.170	+0.850
Singapore 0.5% crack (\$/bbl)	12.750	+0.350	+1.950
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	49.850	+1.150	+6.990
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	93.030	+4.570	+1.910
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	133.880	+1.470	+9.140
0.5% barges/gasoil (\$/mt)	-183.150	-6.660	+19.600
Sing 0.5% vs Sing 10ppm (\$/mt)	-108.510	-2.220	+25.380
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-159.000	+0.000	+5.500
US Propane LST vs Asian Propane FEI (\$/mt)	-226.000	-1.500	+0.500
Asian Propane FEI vs NWE Propane (\$/mt)	67.000	+1.500	+5.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	42.000	+6.500	+3.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-70.270	+3.080	+17.450
Asian Pronap (FEI vs MOPJ) (\$/mt)	-66.270	-2.920	+15.700



Long Tenor Cracks / Diffs							
	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.020	0.440	0.780	0.880	0.920	0.860	0.883
WTI/Brent (\$/bbl)	-4.020	-3.670	-3.870	-3.980	-4.070	-3.973	-4.227
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	16.69	17.45	17.94	18.01	18.21	18.05	18.56
NWE Jet crack (\$/bbl)	16.64	17.83	18.64	19.05	19.58	19.09	20.31
NWE Jet Diff (\$/mt)	40.00	43.50	46.00	48.50	51.00	48.50	54.00
Gasoil E/W (\$/bbl)	-24.73	-24.75	-23.82	-22.17	-22.07	-22.69	-19.72
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.60	-0.50	-0.61	-0.44	-0.27	-0.44	-0.35
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.830	-2.850	3.840	5.360	6.650	5.283	13.617
EBOB crack (\$/mt)	11.960	11.920	7.910	6.410	5.680	6.667	6.440
Singapore 92 crack (\$/bbl)	5.840	6.200	5.910	5.580	5.510	5.667	5.950
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.120	-5.720	-2.010	-0.830	-0.170	-1.003	-0.500
European Gasnaph (EBOB vs Naphtha) (\$/mt)	96.060	96.560	63.810	53.810	49.810	55.810	60.393
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	24.580	27.910	28.080	28.080	29.920	28.693	39.970
Naphtha							
US C5 ENT vs WTI Crack	-11.400	-10.720	-9.900	-9.430	-9.050	-9.460	-8.537
NWE Naphtha Crack (\$/bbl)	-4.540	-4.600	-4.640	-4.890	-5.100	-4.877	-5.543
MOPJ Naphtha Crack (\$/bbl)	-2.240	-2.240	-2.500	-2.780	-3.020	-2.767	-3.713
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.500	21.000	19.000	18.750	18.500	18.750	16.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.580	-9.750	-10.820	-11.530	-11.770	-11.373	-11.637
Singapore 380 crack (\$/bbl)	-8.220	-8.330	-9.280	-9.990	-10.270	-9.847	-10.353
Singapore 180 crack (\$/bbl)	-7.280	-7.270	-7.900	-8.500	-8.700	-8.367	-8.553
Visco (180-380) (\$/mt)	6.000	6.750	8.750	9.500	10.000	9.417	11.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	2.250	9.000	9.750	9.750	9.500	9.667	8.167
0.5% bgs crack (\$/bbl)	4.970	4.900	3.990	3.360	2.920	3.423	2.447
Singapore 0.5% crack (\$/bbl)	13.610	12.750	11.410	10.500	9.880	10.597	9.013
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	54.850	49.850	47.100	45.350	44.100	45.517	41.683
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	86.030	93.030	94.030	94.530	93.280	93.947	89.447
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	138.630	133.880	131.380	130.130	127.880	129.797	122.963
0.5% bgs/gasoil (\$/mt)	-177.600	-183.150	-191.980	-196.100	-200.100	-196.060	-205.200
Sing 0.5% vs Sing 10ppm (\$/mt)	-98.020	-108.510	-121.060	-128.690	-134.050	-127.933	-143.840
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-179.98	-159	-141.67	-135.19	-131.31	-136.057	-121
US Propane LST vs Asian Propane FEI (\$/mt)	-230.98	-226	-219.42	-217.69	-216.31	-217.807	-201.167
Asian Propane FEI vs NWE Propane (\$/mt)	51	67	77.75	82.5	85	81.75	80.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	45	42	39.25	36.5	30.5	35.417	21.167
European Pronap (\$/mt)	-56.77	-70.27	-77.27	-76.02	-75.52	-76.27	-87.02
Asian Pronap (FEI vs MOPJ) (\$/mt)	-71.27	-66.27	-57.77	-48.77	-39.52	-48.687	-44.27



Inter-month Crack Spreads			
Sep/Oct	21-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.340	+0.070	-0.190
WTI/Brent (\$/bbl)	0.200	+0.000	-0.130
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.490	+0.020	-0.050
NWE Jet crack (\$/bbl)	-0.810	+0.060	-0.050
NWE Jet Diff (\$/mt)	-2.500	+0.500	+0.000
Gasoil E/W (\$/bbl)	-0.930	-0.970	-0.050
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.110	+0.020	+0.180
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.690	+0.240	+0.130
EBOB crack (\$/mt)	4.010	-0.160	-0.510
Singapore 92 crack (\$/bbl)	0.290	-0.050	+0.380
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-3.710	+0.130	+0.890
European Gasnaph (EBOB vs Naphtha) (\$/mt)	32.750	-0.750	-4.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-0.170	-0.420	+1.410
Naphtha			
US C5 ENT vs WTI Crack	-0.820	+0.000	+0.360
NWE Naphtha Crack (\$/bbl)	0.040	-0.080	-0.020
MOPJ Naphtha Crack (\$/bbl)	0.260	+0.000	+0.210
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.000	+0.750	+2.000
Fuel Oil			
3.5% barges crack (\$/bbl)	1.070	-0.300	+0.360
Singapore 380 crack (\$/bbl)	0.950	+0.100	+0.200
Singapore 180 crack (\$/bbl)	0.630	+0.000	+0.080
Visco (180-380) (\$/mt)	-2.000	-0.650	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-0.750	+2.600	-1.000
0.5% barges crack (\$/bbl)	0.910	+0.130	+0.400
Singapore 0.5% crack (\$/bbl)	1.340	+0.120	+0.790
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.750	+0.000	+2.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.000	+2.750	+0.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	2.500	+0.150	+3.750
0.5% barges/gasoil (\$/mt)	8.830	+0.510	+2.850
Sing 0.5% vs Sing 10ppm (\$/mt)	12.550	+1.430	+5.380
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-17.330	-1.490	-2.990
US Propane LST vs Asian Propane FEI (\$/mt)	-6.580	-1.740	-2.740
Asian Propane FEI vs NWE Propane (\$/mt)	-10.750	+0.250	-0.250
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.750	+5.250	+1.250
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	7.000	+1.250	+4.250