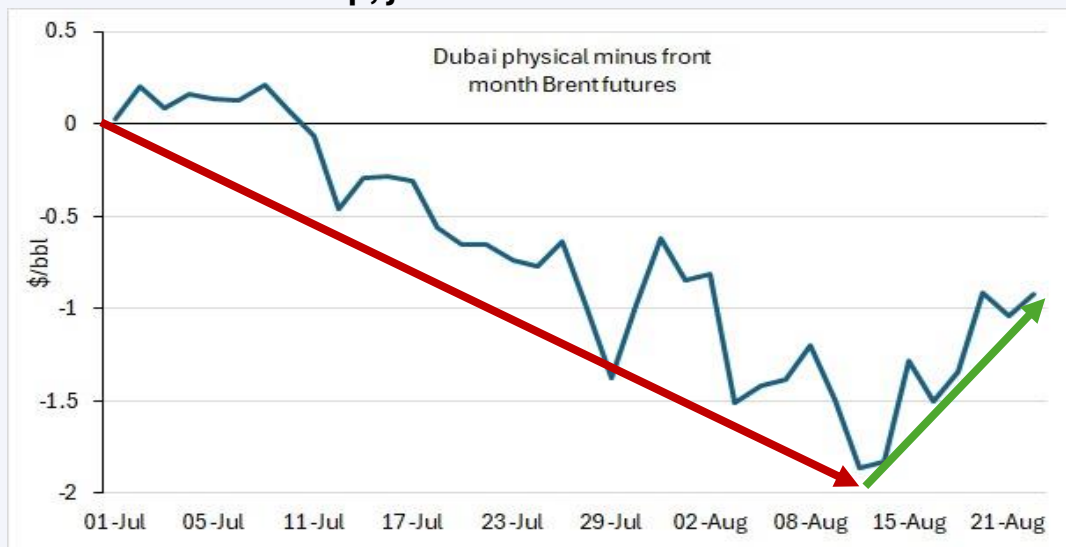




Dubai holds up, just don't look at the Asian macros



Vitol doesn't just set the floor in Dubai; they lift it. The Dubai physical premium (Physical minus M+2) rose 5c to 87c, while the Dubai physical discount relative to October Brent futures continued to narrow from -\$1.86/bbl on August 13 to as tight as -\$0.92c today. Dubai has outperformed and kept its cool, while Brent has absolutely cratered. Vitol kept on picking up cargoes in the rather sparse window this morning. Gunvor was, of course, close by lifting cargoes alongside their BFF.

But Asia looks systemically weak: India is slowing, and Japan and China remain in a dark, dingy hole. Chinese refiners are starting to take note; they've begun to revise down their 2024 expectations for growth in demand. One large refiner, at the start of the year expected growth around the 500 kb/d level but this is now being revised down to as low as 200 kb/d. One trader is "bearish from the root" on China's economic outlook. According to sources, petrochemical indicators are also wobbly; the paraxylene-mopj spread has collapsed to only \$265/mt, down in the basement after its \$340/mt level three weeks ago. Petchem demand = GDP growth.

Chinese refining sources also raised concerns over EV penetration and the rise of new energy vehicles. Tariffs and weak demand in Europe are forcing Chinese car manufacturers to redeploy their output domestically. Sources remain very concerned even though Chinese refiners, due to cheaper labour, are better able to sustain thin margins than their western counterparts. Watch out for increased cheap product exports from China!

Summary		22-Aug-24	1-Day Change	7-Day Change
Physical and Futures				
Brent Oct (fut)	(\$/bbl)	76.070	-1.140	-3.870
WTI Oct (fut)	(\$/bbl)	71.840	-1.270	-4.160
Dubai Oct (phys)	(\$/bbl)	75.150	-1.000	-3.510
Crude Swaps Sep				
Brent	(\$/bbl)	75.470	-1.120	-3.670
DFL	(\$/bbl)	0.590	+0.110	-0.060
WTI	(\$/bbl)	71.650	-1.250	-4.100
Dubai	(\$/bbl)	75.100	-1.040	-3.570
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	76.070	75.490	75.050
WTI (fut)	(\$/bbl)	71.840	71.220	70.740



In detail

Brent, WTI and Dubai all fell through the trapdoor last night, reaching today's close way down on yesterday's value. Oct Brent futures tumbled \$1.14/bbl to \$76.07/bbl, while Oct WTI futures felt the burn even harder, losing \$1.27/bbl, down to \$71.84/bbl. Dubai emerged least battered at \$75.15/bbl, having lost exactly \$1/bbl. Its physical premiums rose steadily again today, up 5c to 87c.

From a macro perspective, India has long stood out as the one bright spot in Asia. But as we discussed in Asia 1.54, vulnerabilities are starting to emerge. In India, on a y/y basis, key indicators are beginning to slow. Today we received a fresh set of preliminary HSBC PMIs for India, which all remained firmly expansionary but were consistent with the slowing. The manufacturing index softened a little in August, from 58.1 to 57.9, after peaking at almost 59 in March, but remained above the long-term average. Manufacturers reported the first decline in outstanding business volumes in nearly a year.

Japan manufacturing PMIs remained in contraction for the second month but slowed a little to 49.5 in August from their drop to 49.1 in July. New orders shrank for the sixth consecutive month, driven by foreign sales as the yen strengthened relative to lows earlier in the year.

The Saudis are feeling the pinch of lowering exports, which fell to a 3-year low in June, down to \$17.7 billion, a 9% y/y decrease as the petrodollar slumps. Plans to fund major infrastructural developments depend on the oil revenue the Kingdom brings in – read Asia 1.53 to see where the cracks are already forming in this plan. This is just one of OPEC's many woes...

How many times will OPEC+ countries tell us they haven't quite managed to cut production by how much they promised they would? This time it's Iraq who's been telling fibs. On July 13 they said they had exceeded the OPEC+ 4 mb/d quota in June by 184 kb/d and pinky promised to compensate for this by September 2025 by even more swinging cuts. Let us know if you're gullible enough to believe them this time. OPEC+ member Kazakhstan is also looking sheepish, having exceeded its quota by 669 kb/d from January to July 2024. We are waiting for the sandal to drop, as Saudi Arabia is short on dollars versus all its expansionary plans. We expect KSA to boost exports to generate some cash.

Iran's empty promises are starting to get old, but they've been up to more sabre-rattling antics – we're just surprised it hasn't rattled so much as to fall out of its sheath. Yesterday, it issued a NOTAM, warning aircraft not to fly due to planned missile launches but it seems to prefer to send the Yemeni Houthis to do its dirty work. A Greek tanker was attacked yesterday morning and was (maybe still is) burning, although it is now at anchor, according to Operation Aspides, but it remains not under control of the crew – 29 of whom have reportedly been rescued by a French destroyer. We are, of course, very happy that no lives have been lost!

It's not only in the Red Sea that oil transport logistics are under attack: an imminent Canadian rail dispute will throw up some potholes for its exported crude. Data from the Canada Energy Regulator showed that, in 2023, 97% of crude exported from Canada was destined for the US. 87.4% of this, primarily heavy and bitumen crude, originated from Alberta – the origin of the new Trans Mountain pipeline, which began operation in May this year. The pipeline promised to expand export capacity to Asia and US West Coast refineries. The former certainly seems to have worked, as Canada exported 602 kb to China, 262 kb to India, and 187 kb to Hong Kong in 1H 2024. The rail dispute threatens to derail the logistical operation behind the exports of the world's 4th biggest oil producer.

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					
September Swaps			22-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	75.470		-1.120	-3.670
WTI	(\$/bbl)	71.650		-1.250	-4.100
Dubai	(\$/bbl)	75.100		-1.040	-3.570
Distillates					
Gasoil 0.1 NWE	(\$/mt)	689.860		-10.590	-40.590
NWE Jet	(\$/mt)	734.510		-9.440	-40.440
Singapore 10ppm	(\$/bbl)	89.200		-1.500	-5.490
Sing Kero	(\$/bbl)	88.830		-1.380	-4.930
Gasoline					
RBOB	(c/gal)	204.260		-3.630	-10.730
EBOB	(\$/mt)	720.920		-16.370	-43.700
Singapore 92	(\$/bbl)	81.450		-1.360	-3.090
Singapore 95	(\$/bbl)	85.450		-1.350	-3.090
Naphtha					
US C5 ENT	(c/gal)	146.900		-1.280	-4.250
NWE Naphtha	(\$/mt)	638.400		-2.580	-15.570
MOPJ Naphtha	(\$/mt)	659.990		-1.990	-11.730
Fuel Oil					
3.5% barges	(\$/mt)	417.130		-7.490	-22.230
Singapore 380	(\$/mt)	427.690		-5.930	-20.920
Singapore 180	(\$/mt)	434.440		-5.930	-23.420
0.5% barges	(\$/mt)	512.320		-5.330	-15.300
Singapore 0.5%	(\$/mt)	567.370		-0.130	-3.690
NGLs					
US Propane LST	(c/gal)	77.603		-1.404	+0.000
NWE Propane	(\$/mt)	570.310		-0.220	+5.000
Saudi Propane CP	(\$/mt)	594.310		-1.220	+1.500
Asian Propane FEI	(\$/mt)	638.310		+0.780	+5.500
US Butane ENT	(c/gal)	99.720		-0.770	+3.370
Saudi Butane CP	(\$/mt)	584.310		-1.220	+2.000



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	75.980	75.470	75.040	74.680	74.360	74.693	73.893
WTI	(\$/bbl)	71.840	71.650	71.060	70.610	70.220	70.630	69.620
Dubai	(\$/bbl)	75.100	75.100	74.280	73.790	73.420	73.830	72.987
Distillates								
Gasoil 0.1 NWE	(\$/mt)	688.000	689.860	690.300	688.170	687.400	688.623	686.663
NWE Jet	(\$/mt)	729.000	734.510	737.210	736.920	738.150	737.427	739.423
Singapore 10ppm	(\$/bbl)	88.950	89.200	89.370	89.230	89.100	89.233	89.407
Sing Kero	(\$/bbl)	88.510	88.830	88.780	88.860	88.910	88.850	89.150
Gasoline								
RBOB	(c/gal)	219.950	204.260	200.410	197.520	196.400	198.110	204.303
EBOB	(\$/mt)	722.920	720.920	685.420	671.420	662.920	673.253	665.670
Singapore 92	(\$/bbl)	81.650	81.450	80.690	80.040	79.730	80.153	79.697
Singapore 95	(\$/bbl)	85.750	85.450	84.390	83.540	83.230	83.720	83.263
Naphtha								
US C5 ENT	(c/gal)	145.780	146.900	147.280	147.160	147.040	147.160	146.707
NWE Naphtha	(\$/mt)	644.150	638.400	632.900	626.150	620.650	626.567	612.400
MOP-Japan Naphtha	(\$/mt)	665.740	659.990	652.490	645.740	640.240	646.157	629.490
Fuel Oil								
3.5% barges	(\$/mt)	427.130	417.130	407.630	401.130	397.380	402.047	395.317
Singapore 380	(\$/mt)	431.940	427.690	418.190	410.940	406.940	412.023	403.523
Singapore 180	(\$/mt)	437.440	434.440	426.940	420.690	417.690	421.773	415.690
0.5% barges	(\$/mt)	516.320	512.320	503.320	496.320	490.820	496.820	484.403
Singapore 0.5%	(\$/mt)	576.620	567.370	552.870	543.370	536.370	544.203	527.203
NGLs								
US Propane LST	(c/gal)	77.223	77.603	78.853	79.233	79.233	79.106	77.403
NWE Propane	(\$/mt)	589.310	570.310	558.310	553.310	548.810	553.477	528.977
Saudi Propane CP	(\$/mt)	594.310	594.310	595.810	598.310	601.810	598.643	586.643
Asian Propane FEI	(\$/mt)	641.310	638.310	636.810	636.810	634.310	635.977	609.810
US Butane ENT	(c/gal)	99.720	99.720	99.970	99.850	99.470	99.763	95.803
Saudi Butane CP	(\$/mt)	584.310	584.310	587.810	592.310	597.810	592.643	583.810



Front Month Spreads				
Sep/Oct		22-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.430	-0.040	-0.100
WTI	(\$/bbl)	0.590	-0.060	-0.220
Dubai	(\$/bbl)	0.820	+0.010	+0.030
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.440	-0.260	-1.650
NWE Jet	(\$/mt)	-2.700	-0.020	-1.410
Singapore 10ppm	(\$/bbl)	-0.170	-0.030	-0.210
Sing Kero	(\$/bbl)	0.050	+0.080	+0.110
Gasoline				
RBOB	(c/gal)	3.850	-0.090	-0.710
EBOB	(\$/mt)	35.500	-1.570	-3.000
Singapore 92	(\$/bbl)	0.760	+0.000	+0.360
Singapore 95	(\$/bbl)	1.060	+0.000	+0.660
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.240
NWE Naphtha	(\$/mt)	5.500	+1.000	+0.000
MOP-Japan Naphtha	(\$/mt)	7.500	+1.000	+1.750
Fuel Oil				
3.5% barges	(\$/mt)	9.500	-0.250	+0.000
Singapore 380	(\$/mt)	9.500	+0.500	+0.250
Singapore 180	(\$/mt)	7.500	+0.500	-0.750
0.5% barges	(\$/mt)	9.000	+0.250	+2.250
Singapore 0.5%	(\$/mt)	14.500	+3.000	+7.250
NGLs				
US Propane LST	(c/gal)	-1.250	-0.130	-0.130
NWE Propane	(\$/mt)	12.000	+0.500	+4.500
Saudi Propane CP	(\$/mt)	-1.500	+0.500	+0.500
Asian Propane FEI	(\$/mt)	1.500	+0.750	+2.000
US Butane ENT	(c/gal)	-0.250	-0.130	+0.000
Saudi Butane CP	(\$/mt)	-3.500	+0.500	+0.000



Front Month Cracks and Diffs			
September	22-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.350	-0.090	-0.120
WTI/Brent (\$/bbl)	-3.810	-0.140	-0.410
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.140	-0.310	-1.710
NWE Jet crack (\$/bbl)	17.730	-0.100	-1.420
NWE Jet Diff (\$/mt)	44.500	+1.000	+0.000
Gasoil E/W (\$/bbl)	-25.500	-0.750	-0.600
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.370	+0.130	+0.530
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-1.800	+1.050	+1.750
EBOB crack (\$/mt)	11.090	-0.830	-1.560
Singapore 92 crack (\$/bbl)	5.990	-0.210	+0.590
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.100	+0.620	+2.150
European Gasnaph (EBOB vs Naphtha) (\$/mt)	82.300	-14.260	-28.220
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	18.320	-9.590	-14.090
Naphtha			
US C5 ENT vs WTI Crack	-9.920	+0.800	+2.340
NWE Naphtha Crack (\$/bbl)	-3.700	+0.900	+1.950
MOPJ Naphtha Crack (\$/bbl)	-1.280	+0.960	+2.380
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.500	+0.500	+3.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.750	+0.000	+0.200
Singapore 380 crack (\$/bbl)	-8.100	+0.230	+0.390
Singapore 180 crack (\$/bbl)	-7.030	+0.240	+0.010
Visco (180-380) (\$/mt)	6.750	+0.000	-2.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	10.500	+1.500	+1.250
0.5% barges crack (\$/bbl)	5.230	+0.330	+1.280
Singapore 0.5% crack (\$/bbl)	13.900	+1.150	+3.100
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	55.060	+5.210	+11.560
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	95.120	+2.090	+6.850
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	139.680	+5.800	+17.160
0.5% barges/gasoil (\$/mt)	-177.480	+5.670	+25.350
Sing 0.5% vs Sing 10ppm (\$/mt)	-96.950	+11.560	+37.440
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-166.000	-7.000	-5.000
US Propane LST vs Asian Propane FEI (\$/mt)	-234.000	-8.000	-5.500
Asian Propane FEI vs NWE Propane (\$/mt)	68.000	+1.000	+0.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	44.000	+2.000	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-68.260	+2.010	+20.490
Asian Pronap (FEI vs MOPJ) (\$/mt)	-65.760	+0.510	+13.240



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.870	0.350	0.740	0.870	0.930	0.847	0.893
WTI/Brent (\$/bbl)	-4.150	-3.810	-3.960	-4.060	-4.130	-4.050	-4.270
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	16.37	17.14	17.63	17.69	17.87	17.73	18.29
NWE Jet crack (\$/bbl)	16.53	17.73	18.54	18.86	19.32	18.91	19.98
NWE Jet Diff (\$/mt)	41.00	44.50	47.00	49.00	51.00	49.00	53.00
Gasoil E/W (\$/bbl)	-25.47	-25.50	-24.82	-23.17	-23.17	-23.72	-20.38
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.42	-0.37	-0.57	-0.40	-0.23	-0.40	-0.29
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.300	-1.800	4.500	5.590	6.920	5.670	14.020
EBOB crack (\$/mt)	10.800	11.090	7.260	5.940	5.240	6.147	6.030
Singapore 92 crack (\$/bbl)	5.670	5.990	5.670	5.380	5.380	5.477	5.807
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.140	-5.100	-1.600	-0.570	0.140	-0.677	-0.223
European Gasnaph (EBOB vs Naphtha) (\$/mt)	78.550	82.300	52.300	45.050	42.050	46.467	53.050
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	14.230	18.320	19.490	20.820	23.740	21.350	34.213
Naphtha							
US C5 ENT vs WTI Crack	-10.570	-9.920	-9.180	-8.770	-8.430	-8.793	-7.970
NWE Naphtha Crack (\$/bbl)	-3.570	-3.700	-3.890	-4.290	-4.580	-4.253	-5.053
MOPJ Naphtha Crack (\$/bbl)	-1.160	-1.280	-1.700	-2.100	-2.390	-2.063	-3.140
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.500	21.500	19.500	19.500	19.500	19.500	17.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.700	-9.750	-10.820	-11.480	-11.750	-11.350	-11.617
Singapore 380 crack (\$/bbl)	-7.950	-8.100	-9.160	-9.940	-10.250	-9.783	-10.333
Singapore 180 crack (\$/bbl)	-7.080	-7.030	-7.780	-8.410	-8.560	-8.250	-8.417
Visco (180-380) (\$/mt)	5.500	6.750	8.750	9.750	10.750	9.750	12.167
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	4.750	10.500	10.500	9.750	9.500	9.917	8.167
0.5% bgs crack (\$/bbl)	5.340	5.230	4.240	3.500	2.950	3.563	2.407
Singapore 0.5% crack (\$/bbl)	14.840	13.900	12.050	10.910	10.130	11.030	9.147
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	60.310	55.060	49.560	47.060	45.560	47.393	42.810
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	89.120	95.120	95.620	95.120	93.370	94.703	89.037
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	144.680	139.680	134.680	132.430	129.430	132.180	123.680
0.5% bgs/gasoil (\$/mt)	-171.620	-177.480	-187.040	-191.980	-196.460	-191.827	-202.160
Sing 0.5% vs Sing 10ppm (\$/mt)	-85.840	-96.950	-112.720	-121.490	-127.740	-120.650	-138.943
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-186.98	-166	-147.49	-140.51	-136.01	-141.337	-125.71
US Propane LST vs Asian Propane FEI (\$/mt)	-238.98	-234	-225.99	-224.01	-221.51	-223.837	-206.543
Asian Propane FEI vs NWE Propane (\$/mt)	52	68	78.5	83.5	85.5	82.5	80.833
Asian Propane FEI vs Saudi Propane CP (\$/mt)	47	44	41	38.5	32.5	37.333	23.167
European Pronap (\$/mt)	-55.01	-68.26	-74.76	-73.01	-72.01	-73.26	-83.593
Asian Pronap (FEI vs MOPJ) (\$/mt)	-71.51	-65.76	-56.76	-47.51	-38.51	-47.593	-42.927



Inter-month Crack Spreads			
Sep/Oct	22-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.390	-0.050	-0.120
WTI/Brent (\$/bbl)	0.150	-0.050	-0.130
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.490	+0.000	-0.060
NWE Jet crack (\$/bbl)	-0.810	+0.000	-0.060
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-0.680	+0.250	-0.270
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.200	+0.090	+0.300
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.300	+0.390	+0.140
EBOB crack (\$/mt)	3.830	-0.180	-0.270
Singapore 92 crack (\$/bbl)	0.320	+0.030	+0.450
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-3.500	+0.210	+0.720
European Gasnaph (EBOB vs Naphtha) (\$/mt)	30.000	-2.750	-3.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-1.170	-1.000	+1.250
Naphtha			
US C5 ENT vs WTI Crack	-0.740	+0.080	+0.320
NWE Naphtha Crack (\$/bbl)	0.190	+0.150	+0.090
MOPJ Naphtha Crack (\$/bbl)	0.420	+0.160	+0.300
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.000	+0.000	+1.750
Fuel Oil			
3.5% barges crack (\$/bbl)	1.070	+0.000	+0.090
Singapore 380 crack (\$/bbl)	1.060	+0.110	+0.120
Singapore 180 crack (\$/bbl)	0.750	+0.120	-0.030
Visco (180-380) (\$/mt)	-2.000	+0.000	-1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	0.000	+0.750	+0.250
0.5% barges crack (\$/bbl)	0.990	+0.080	+0.450
Singapore 0.5% crack (\$/bbl)	1.850	+0.510	+1.230
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	5.500	+2.750	+5.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-0.500	+0.500	+2.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	5.000	+2.500	+7.000
0.5% barges/gasoil (\$/mt)	9.560	+0.730	+4.100
Sing 0.5% vs Sing 10ppm (\$/mt)	15.770	+3.220	+8.810
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-18.510	-1.180	-5.170
US Propane LST vs Asian Propane FEI (\$/mt)	-8.010	-1.430	-2.670
Asian Propane FEI vs NWE Propane (\$/mt)	-10.500	+0.250	-2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	+0.250	+1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	6.500	-0.500	+4.500