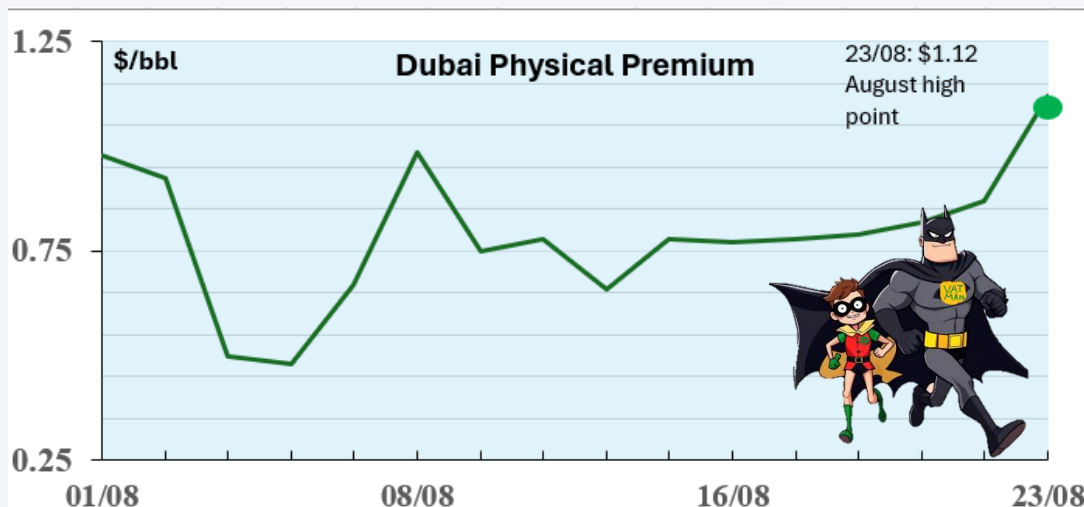




Dubai Here We Come



Vatman and Gobin coming for more!

Dynamic duo Vitol and Gunvor's avid purchasing is having a discernible impact on the physical premiums which have now risen to \$1.12/bbl, the highest level of the month. The aggressive bidding has boosted physical premiums by 25cts ahead of a long London market holiday. Remember, Asian markets will be trading normally but London will be rejoicing in the remnants of August warmth. Vitol has been sucking in those Dubai lookalike babies, including Oman, Upper Zakum and Al Shaheen. The average physical premium prior to date is 79 cents and rising. The dynamic duo obviously bought and converged at lower implied premiums/ Vitol and Gunvor appear to be in control, with further gains in the physical premiums expected as they continue to bid and lift. Time will tell as the question is, what is Vitol doing with all those cargoes?

We are looking forward to upcoming APPEC where everything will be revealed. Should you have any questions please contact us by linkedin, by email or phone as we promise to try to find out what tickles your fancy.

In this morning's window, BP and Trafigura converged a Dubai and an Oman cargo into Vitol, respectively. Meanwhile, Gunvor collected two Upper Zakums – one from Exxon and the other from Trafigura. Gunvor is now at 6 convergences, just over half of Vitol's 11 – according to our maths.

In a move that caught us completely by surprise... not... Kamala Harris formally accepted the Democratic Party's nomination to become the party's official nominee to the presidential elections in November!

Summary

Physical and Futures		23-Aug-24	1-Day Change	7-Day Change
Brent Oct (fut)	(\$/bbl)	77.550	+1.480	-3.000
WTI Oct (fut)	(\$/bbl)	73.320	+1.480	-3.120
Dubai Oct (phys)	(\$/bbl)	76.690	+1.540	-2.350
Crude Swaps Sep				
Brent	(\$/bbl)	76.780	+1.310	-2.930
DFL	(\$/bbl)	0.780	+0.190	+0.040
WTI	(\$/bbl)	73.090	+1.440	-3.100
Dubai	(\$/bbl)	76.440	+1.340	-2.610
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	77.550	76.800	76.220
WTI (fut)	(\$/bbl)	73.320	72.550	71.910



In detail

The Asian market closed strongly heading into the long weekend in Europe, with all three of Brent, WTI, and Dubai recovering yesterday's losses and more! Dubai is the real winner of the trio, having surged up by \$1.54/bbl, while Oct Brent futures and Oct WTI futures gained \$1.48/bbl each, although all three remain significantly down from a week ago. The Brent front spread stands at 75c, up 17c from yesterday. A lot of Brent spread and CFD buying seen.

Regardless of presidential politics, US shale production is growing, while OPEC continues to face idle capacity with a tendency to quietly leak out more supply. Bloomberg's forecasters expect total US shale production to reach almost 14mb/d by 2025, a 4.5% increase. With China flat on its back, the market concern could turn into a bearish outlook as a global oil balance surplus may be on the horizon. Forecasters are also taking note – and somebody had better tell OPEC. But are they willing to listen?

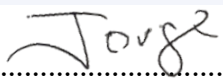
Morgan Stanely is the latest coming out with a minor downward revision by pruning the 2024 global demand growth down by 100 kb/d to 1.1 million b/d. Meanwhile, OPEC's head-in-the-clouds fairy tale outlook still left their projected demand growth at over 2mb/d, albeit with a minor downward revision. As we keep saying, Chinese data is looking bad, far worse even than what the fundamental analysts and forecasters had initially expected.

Morgan Stanley also said oil balances are "likely as tight as they will be for some time" but then anticipates a surplus in 2025. This time next year MS are expecting Brent in the mid \$70's. Goldman take an even more bearish view, noting that risks to their \$75-90 range for Brent in 2025 "skew to the downside with Brent falling to \$68/bbl. Goldman also cite the elephant in the China shop: and yes, you guessed who. GS sees a sharp deceleration in China's oil demand growth to 0.2 mb/d on a y/y basis in 1H 2024 and contraction over the summer. And we can't help but agree with a caveat, we are about more bearish than most as we think China is actually contracting. All the signs are very negative, as we have been documenting here.

Meanwhile, in the US the party time continues with coy presidential candidates, accepting the nominations one after the other. 'Yes, I accept, if you push me,' they both almost seem to say. We may glean more insights about Democrat nominee Harris in the next few weeks about what she really thinks about oil. But her VP nominee Tim Walz has provided more clarity as he has been relatively aggressive in his own policy towards energy production. Last year, in his capacity as Governor of Minnesota, he signed into law some new legislation requiring all electricity production to be 100% carbon-free by 2040. Sure, no sweat! Economic advisor to the campaign, Brian Deese, has also endorsed a program of loans to US allies to bulk up their lacking green energy production. Technically this isn't related to his role advising Harris, but let's be honest, it's going to leak through, isn't it?

VP Harris seems to be playing the field, keeping her options open. It's not like she would go back on what she's said during the campaign if elected, is it? As Big Donny T keeps reminding us, during Harris' brief 2019 presidential candidacy, she did oppose fracking but now the underground vibrations seem to resonate better with her.

Across the East China Sea, the BoJ still looks poised to continue its tightening. Japanese inflation stayed put at 2.8% for July, but core inflation ticked up to 2.7% from 2.6%, implying that underlying inflationary pressures may persist. BoJ chair Ueda has also communicated that if the Japanese economy remains on course, "there will be a phase where we can adjust interest rates a little further". Clearly he's been taking notes from the Jerome Powell playbook of allusion and vagueness. The unwind of the yen carry trade has sent funds racing to find other arbitrage opportunities. Hedge funds are now turning to a new flavour of carry trade. As the dollar gets smacked down by expectations of aggressive Fed easing, they've been swapping dollars for high yielding emerging-market currency such as the Turkish lira and the Brazilian real, seeking to make some bang for their buck.

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Front Month Outrights					
September Swaps			23-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)		76.780	+1.310	-2.930
WTI	(\$/bbl)		73.090	+1.440	-3.100
Dubai	(\$/bbl)		76.440	+1.340	-2.610
Distillates					
Gasoil 0.1 NWE	(\$/mt)		700.950	+11.090	-28.660
NWE Jet	(\$/mt)		744.450	+9.940	-29.660
Singapore 10ppm	(\$/bbl)		90.500	+1.300	-4.230
Sing Kero	(\$/bbl)		90.100	+1.270	-3.780
Gasoline					
RBOB	(c/gal)		208.990	+4.730	-9.250
EBOB	(\$/mt)		736.420	+15.500	-39.850
Singapore 92	(\$/bbl)		82.750	+1.300	-3.340
Singapore 95	(\$/bbl)		86.750	+1.300	-3.340
Naphtha					
US C5 ENT	(c/gal)		148.180	+1.280	-3.580
NWE Naphtha	(\$/mt)		642.400	+4.000	-10.860
MOPJ Naphtha	(\$/mt)		664.900	+4.910	-6.860
Fuel Oil					
3.5% barges	(\$/mt)		426.720	+9.590	-16.570
Singapore 380	(\$/mt)		435.470	+7.780	-15.390
Singapore 180	(\$/mt)		442.030	+7.590	-17.510
0.5% barges	(\$/mt)		520.380	+8.060	-10.480
Singapore 0.5%	(\$/mt)		575.880	+8.510	+1.210
NGLs					
US Propane LST	(c/gal)		77.880	+0.277	+0.640
NWE Propane	(\$/mt)		577.250	+6.940	+5.330
Saudi Propane CP	(\$/mt)		598.250	+3.940	-0.220
Asian Propane FEI	(\$/mt)		644.750	+6.440	+3.780
US Butane ENT	(c/gal)		99.880	+0.160	+1.380
Saudi Butane CP	(\$/mt)		586.750	+2.440	-1.720



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	77.430	76.780	76.210	75.750	75.390	75.783	74.883
WTI	(\$/bbl)	73.320	73.090	72.360	71.770	71.290	71.807	70.627
Dubai	(\$/bbl)	76.640	76.440	75.570	75.010	74.560	75.047	74.037
Distillates								
Gasoil 0.1 NWE	(\$/mt)	699.250	700.950	700.960	698.500	697.190	698.883	695.617
NWE Jet	(\$/mt)	739.250	744.450	746.960	746.500	747.190	746.883	748.617
Singapore 10ppm	(\$/bbl)	90.250	90.500	90.680	90.610	90.520	90.603	90.687
Sing Kero	(\$/bbl)	89.950	90.100	90.040	90.140	90.230	90.137	90.347
Gasoline								
RBOB	(c/gal)	225.530	208.990	204.780	201.580	200.250	202.203	207.903
EBOB	(\$/mt)	742.420	736.420	699.420	684.170	674.670	686.087	676.920
Singapore 92	(\$/bbl)	82.950	82.750	81.950	81.300	80.970	81.407	80.923
Singapore 95	(\$/bbl)	87.050	86.750	85.650	84.800	84.470	84.973	84.490
Naphtha								
US C5 ENT	(c/gal)	147.060	148.180	148.560	148.440	148.320	148.440	147.987
NWE Naphtha	(\$/mt)	648.900	642.400	637.900	631.400	625.900	631.733	617.817
MOP-Japan Naphtha	(\$/mt)	669.400	664.900	657.900	651.150	645.650	651.567	634.900
Fuel Oil								
3.5% barges	(\$/mt)	436.470	426.720	415.720	408.470	404.220	409.470	402.137
Singapore 380	(\$/mt)	439.720	435.470	424.470	416.820	412.570	417.953	409.737
Singapore 180	(\$/mt)	445.280	442.030	433.280	426.880	423.380	427.847	422.047
0.5% barges	(\$/mt)	524.380	520.380	511.130	504.130	498.630	504.630	492.463
Singapore 0.5%	(\$/mt)	585.880	575.880	560.130	550.630	543.630	551.463	534.713
NGLs								
US Propane LST	(c/gal)	77.260	77.880	79.130	79.750	79.750	79.543	77.920
NWE Propane	(\$/mt)	596.250	577.250	563.250	556.750	551.750	557.250	531.917
Saudi Propane CP	(\$/mt)	598.250	598.250	600.250	601.750	605.250	602.417	590.917
Asian Propane FEI	(\$/mt)	649.250	644.750	642.000	640.750	637.750	640.167	613.083
US Butane ENT	(c/gal)	99.880	99.880	100.260	100.260	99.880	100.133	95.963
Saudi Butane CP	(\$/mt)	586.750	586.750	591.750	595.750	601.250	596.250	587.583



Front Month Spreads				
Sep/Oct		23-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.570	+0.140	+0.040
WTI	(\$/bbl)	0.730	+0.140	-0.030
Dubai	(\$/bbl)	0.870	+0.050	+0.090
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.010	+0.430	-0.260
NWE Jet	(\$/mt)	-2.510	+0.190	-0.260
Singapore 10ppm	(\$/bbl)	-0.180	-0.010	-0.220
Sing Kero	(\$/bbl)	0.060	+0.010	+0.060
Gasoline				
RBOB	(c/gal)	4.210	+0.360	-0.680
EBOB	(\$/mt)	37.000	+1.500	-3.250
Singapore 92	(\$/bbl)	0.800	+0.040	+0.200
Singapore 95	(\$/bbl)	1.100	+0.040	+0.400
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.120
NWE Naphtha	(\$/mt)	4.500	-1.000	+0.250
MOP-Japan Naphtha	(\$/mt)	7.000	-0.500	+2.000
Fuel Oil				
3.5% barges	(\$/mt)	11.000	+1.500	+1.000
Singapore 380	(\$/mt)	11.000	+1.500	+2.310
Singapore 180	(\$/mt)	8.750	+1.250	+1.570
0.5% barges	(\$/mt)	9.250	+0.250	+2.500
Singapore 0.5%	(\$/mt)	15.750	+1.250	+8.380
NGLs				
US Propane LST	(c/gal)	-1.250	+0.000	-0.130
NWE Propane	(\$/mt)	14.000	+2.000	+4.000
Saudi Propane CP	(\$/mt)	-2.000	-0.500	-2.000
Asian Propane FEI	(\$/mt)	2.750	+1.250	+2.250
US Butane ENT	(c/gal)	-0.380	-0.130	-0.380
Saudi Butane CP	(\$/mt)	-5.000	-1.500	-3.500



Front Month Cracks and Diffs			
September	23-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.330	-0.020	-0.320
WTI/Brent (\$/bbl)	-3.680	+0.130	-0.170
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.310	+0.170	-0.920
NWE Jet crack (\$/bbl)	17.700	-0.030	-0.840
NWE Jet Diff (\$/mt)	43.500	-1.000	-1.000
Gasoil E/W (\$/bbl)	-26.750	-1.250	-3.050
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.400	-0.030	+0.450
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-1.500	+0.300	+2.150
EBOB crack (\$/mt)	11.650	+0.560	-1.820
Singapore 92 crack (\$/bbl)	5.990	+0.000	-0.400
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.660	-0.560	+1.440
European Gasnaph (EBOB vs Naphtha) (\$/mt)	93.950	+11.650	-29.090
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	24.310	+5.990	-21.060
Naphtha			
US C5 ENT vs WTI Crack	-10.850	-0.930	+1.600
NWE Naphtha Crack (\$/bbl)	-4.570	-0.870	+1.730
MOPJ Naphtha Crack (\$/bbl)	-2.040	-0.760	+2.180
Naphtha E/W (NWE vs MOPJ) (\$/mt)	22.500	+1.000	+4.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.550	+0.200	+0.340
Singapore 380 crack (\$/bbl)	-8.170	-0.070	+0.540
Singapore 180 crack (\$/bbl)	-7.150	-0.120	+0.180
Visco (180-380) (\$/mt)	6.500	-0.250	-2.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	8.750	-1.750	+1.250
0.5% barges crack (\$/bbl)	5.200	-0.030	+1.300
Singapore 0.5% crack (\$/bbl)	13.940	+0.040	+3.140
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	55.500	+0.440	+11.690
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	93.660	-1.460	+6.090
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	140.410	+0.730	+16.530
0.5% barges/gasoil (\$/mt)	-180.440	-2.960	+18.310
Sing 0.5% vs Sing 10ppm (\$/mt)	-98.210	-1.260	+33.010
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-171.500	-5.500	-2.000
US Propane LST vs Asian Propane FEI (\$/mt)	-239.000	-5.000	-0.500
Asian Propane FEI vs NWE Propane (\$/mt)	67.500	-0.500	-1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	46.500	+2.500	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-65.150	+3.110	+16.190
Asian Pronap (FEI vs MOPJ) (\$/mt)	-66.650	-0.890	+6.690



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.880	0.330	0.640	0.740	0.820	0.733	0.847
WTI/Brent (\$/bbl)	-4.100	-3.680	-3.840	-3.980	-4.100	-3.973	-4.260
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	16.43	17.31	17.89	18.00	18.16	18.02	18.48
NWE Jet crack (\$/bbl)	16.38	17.70	18.59	18.98	19.40	18.99	20.11
NWE Jet Diff (\$/mt)	40.00	43.50	46.00	48.00	50.00	48.00	53.00
Gasoil E/W (\$/bbl)	-26.79	-26.75	-25.52	-23.44	-22.84	-23.93	-20.02
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.30	-0.40	-0.64	-0.47	-0.29	-0.47	-0.34
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.300	-1.500	4.850	6.010	7.410	6.090	14.413
EBOB crack (\$/mt)	11.720	11.650	7.770	6.410	5.610	6.597	6.383
Singapore 92 crack (\$/bbl)	5.530	5.990	5.750	5.560	5.590	5.633	6.043
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.180	-5.660	-2.020	-0.840	-0.030	-0.963	-0.347
European Gasnaph (EBOB vs Naphtha) (\$/mt)	93.450	93.950	61.450	52.700	48.700	54.283	59.033
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	21.480	24.310	24.650	25.980	28.730	26.453	39.093
Naphtha							
US C5 ENT vs WTI Crack	-11.550	-10.850	-9.960	-9.410	-8.990	-9.453	-8.457
NWE Naphtha Crack (\$/bbl)	-4.490	-4.570	-4.510	-4.790	-5.040	-4.780	-5.447
MOPJ Naphtha Crack (\$/bbl)	-2.190	-2.040	-2.270	-2.570	-2.820	-2.553	-3.523
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.500	22.500	20.000	19.750	19.750	19.833	17.083
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.660	-9.550	-10.710	-11.400	-11.710	-11.273	-11.537
Singapore 380 crack (\$/bbl)	-8.150	-8.170	-9.340	-10.090	-10.400	-9.943	-10.337
Singapore 180 crack (\$/bbl)	-7.290	-7.150	-7.970	-8.510	-8.710	-8.397	-8.407
Visco (180-380) (\$/mt)	5.500	6.500	8.750	10.000	10.750	9.833	12.250
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	3.250	8.750	8.750	8.350	8.350	8.483	7.600
0.5% bgs crack (\$/bbl)	5.180	5.200	4.300	3.660	3.160	3.707	2.690
Singapore 0.5% crack (\$/bbl)	14.870	13.940	12.020	10.980	10.240	11.080	9.340
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	61.500	55.500	49.000	46.500	45.000	46.833	42.250
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	87.910	93.660	95.410	95.660	94.410	95.160	90.327
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	146.160	140.410	135.660	133.810	131.060	133.510	124.977
0.5% bgs/gasoil (\$/mt)	-174.740	-180.440	-189.700	-194.240	-198.430	-194.123	-203.023
Sing 0.5% vs Sing 10ppm (\$/mt)	-86.350	-98.210	-115.310	-124.140	-130.610	-123.353	-140.770
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-193.73	-171.5	-150.99	-141.26	-136.26	-142.837	-125.957
US Propane LST vs Asian Propane FEI (\$/mt)	-246.73	-239	-229.74	-225.26	-222.26	-225.753	-207.123
Asian Propane FEI vs NWE Propane (\$/mt)	53	67.5	78.75	84	86	82.917	81.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	51	46.5	41.75	39	32.5	37.75	22.167
European Pronap (\$/mt)	-52.65	-65.15	-74.69	-74.69	-74.15	-74.51	-85.913
Asian Pronap (FEI vs MOPJ) (\$/mt)	-71.15	-66.65	-57.65	-49.4	-40.4	-49.15	-43.983



Inter-month Crack Spreads			
Sep/Oct	23-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.310	+0.080	-0.070
WTI/Brent (\$/bbl)	0.160	+0.010	-0.070
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.580	-0.090	-0.100
NWE Jet crack (\$/bbl)	-0.890	-0.080	-0.100
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-1.230	-0.550	-1.200
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.240	+0.040	+0.280
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.350	-0.050	+0.280
EBOB crack (\$/mt)	3.880	+0.050	-0.400
Singapore 92 crack (\$/bbl)	0.240	-0.080	+0.170
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-3.640	-0.140	+0.590
European Gasnaph (EBOB vs Naphtha) (\$/mt)	32.500	+2.500	-3.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-0.340	+0.830	-0.340
Naphtha			
US C5 ENT vs WTI Crack	-0.890	-0.150	+0.090
NWE Naphtha Crack (\$/bbl)	-0.060	-0.250	-0.010
MOPJ Naphtha Crack (\$/bbl)	0.230	-0.190	+0.200
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.500	+0.500	+1.750
Fuel Oil			
3.5% barges crack (\$/bbl)	1.160	+0.090	+0.110
Singapore 380 crack (\$/bbl)	1.170	+0.110	+0.320
Singapore 180 crack (\$/bbl)	0.820	+0.070	+0.210
Visco (180-380) (\$/mt)	-2.250	-0.250	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	0.000	+0.000	+1.250
0.5% barges crack (\$/bbl)	0.900	-0.090	+0.370
Singapore 0.5% crack (\$/bbl)	1.920	+0.070	+1.290
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	6.500	+1.000	+5.880
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.750	-1.250	+1.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	4.750	-0.250	+6.130
0.5% barges/gasoil (\$/mt)	9.260	-0.300	+2.940
Sing 0.5% vs Sing 10ppm (\$/mt)	17.100	+1.330	+10.030
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-20.510	-2.000	-4.670
US Propane LST vs Asian Propane FEI (\$/mt)	-9.260	-1.250	-2.920
Asian Propane FEI vs NWE Propane (\$/mt)	-11.250	-0.750	-1.750
Asian Propane FEI vs Saudi Propane CP (\$/mt)	4.750	+1.750	+4.250
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	9.540	+3.040	+3.790