



Brent's on the rebound



Vitol made Equinor's dreams come true in the North Sea, with the Nordics finally selling a Sep 11-13 Johan Sverdrup at Dated -95c. They've been trying to shift the medium sour for days. One could say they had no light streams to placate benchmark fires but at least tried to sell some oil and Vitol obliged. The only other action came from Shell's offering of a Sep 22-26 Midland at Dated +\$2.95 but they found no takers, just below Total's most recent purchase two days ago. So, the fizz is coming off the balloon.

But flat price saw some recovery following consecutive days of decline. Traders breathed in relief.

Surprise, surprise, manufacturing in the Euro Area is falling as fast as its economic hopes and dreams. The HCOB Eurozone Manufacturing PMI declined at the fastest rate since last year, down to 45.6. What a great time to not be bullish diesel. It was ugly all over the place: new orders saw the largest reduction since last year, workforce in manufacturing declined, the purchasing of inputs declined by the most in four months. Delivery times fell for the seventh month as demand remains weak. Manufacturing cost inflation remains at an 18-month high, and output prices increased for the first time since April 2023. The double whammy, weak demand and rising inflation. Good luck to the ECB. There was however a lonely ray of sunshine for the European area this month, France's Olympic high jump in August put the service PMI up to 55, but this looks to be little more than a temporary blip. Almost everything we see points to European demand being more feeble than an asthmatic duck's pulmonary system. Manufacturing in Asia is also in trouble.

Summary

Physical and Futures

		22-Aug-24	1-Day Change	7-Day Change
Brent Oct (fut)	(\$/bbl)	77.300	+0.000	-4.070
WTI Oct (fut)	(\$/bbl)	73.140	-0.010	-4.190
Dubai Oct (phys)	(\$/bbl)	76.300	+0.090	-3.030

Crude Swaps Sep

Brent	(\$/bbl)	76.620	-0.030	-3.860
DFL	(\$/bbl)	0.650	+0.090	-0.190
WTI	(\$/bbl)	72.910	-0.040	-4.140
Dubai	(\$/bbl)	76.270	+0.070	-3.550

Tenor

Crude Futures

		Oct-24	Nov-24	Dec-24
Brent (fut)	(\$/bbl)	77.300	76.640	76.140
WTI (fut)	(\$/bbl)	73.140	72.400	71.820



In detail

Brent saw a significant reversal throughout the afternoon after yesterday's post window dump, rising gradually in the morning, before shooting up from around \$76.30/bbl at 13:00 BST to reach \$77.40/bbl by 16:18 BST, then slipped slightly to close at \$77.30/bbl, exactly the same as yesterday. What a big fuss over nothing! WTI also climbed back towards its price of yesterday's close, coming up 1c short to finish at \$73.14/bbl. Brent's front spreads climbed 4c since yesterday to reach 66c, while WTI doubled that gain to jump by 8c up to 74c.

Among the bedraggled European economic data, Germany was the worst performer with their Manufacturing PMI falling to 42.1 in August, an acceleration in contraction, from 43.2 in July. That's 26 consecutive months of contraction in the manufacturing sector in Germany! Between the virtuous signalling Russian sanctions and trade wars, Germany looks structurally in trouble.

In 2022, the year of the invasion of Ukraine, Hungary imported \$754 million worth of oil from Russia. The rate of import even increased around the time of invasion and following months, from 350kt in January 2022 to a peak of 620kt in July that year. It even threatened its all-time high of 635kt in May 2014, 2 months after the annexation of Crimea. Bottom line, Russia can export its stuff and flat prices responds accordingly.

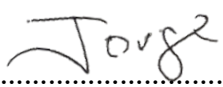
The Hungarian authorities keep banging the drum that there is no comparable alternative in terms of volume, price, and reliability to using Russian-sourced oil. However, Lukoil, the company sending the oil in Hungary's direction, fell victim to Ukrainian sanctions, blocking passage of its oil through Ukrainian territory from June and casting this most dependable of sources into doubt. Let's not be too hard on the Hungarians, though, as they have begun to import more via Croatia, who have, according to Hungary, failed to ensure sufficient capacity, making it "not a reliable country for transit" according to Hungarian Foreign Minister, Péter Szijjártó. There are lots of people playing the blame game here: Ukraine and the EU blame Hungary for lapping up Russian oil, Hungary blames Croatia for failing to expand pipeline capacity, and Croatia says: don't look at me! Maybe they'll all act their ages and sort this with more decorum than a playground argument.

Hungary's rebelliousness isn't the only issue for central Europe's oil situation: Orlen has had to shut down its production and energy units in the Litvinov plant after finding a WWII bomb, although it is continuing to process petrochemicals. Let's hope there is no unintended boom boom in Central Europe.

There was no bombshell in the August initial jobless claims figures published this afternoon from the US showed marginally higher levels than expected, coming in at 232k, above the forecast 230k. Existing home sales also came in more or less as expected, at a 1.3% recovery m/m, recovering somewhat from last month's weak showing at a loss of 5.1% m/m. These two factors leave the Fed in essentially the same position in the lead up to the highly anticipated Jackson Hole symposium tomorrow. I don't know about you, but I'm on the edge of my seat waiting for this foregone conclusion to play out.


However, August's S&P Global Manufacturing PMI in the US appeared weaker than expected, down to 48 from their 49.6 level in July to show their fastest decline so far this year. This continued the downward trajectory since June. Maybe the Yanks have been making the most of the good summer weather to get out and sunbathe rather than closing themselves in factories building stuff.

Whatever the content of today's economic data, the whole US economy seems to be holding its breath, seeking clues about Jerome Powell's speech tomorrow like playing a massive game of financial Cluedo.

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Front Month Outrights					
September Swaps			22-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)		76.620	-0.030	-3.860
WTI	(\$/bbl)		72.910	-0.040	-4.140
Dubai	(\$/bbl)		76.270	+0.070	-3.550
Distillates					
Gasoil 0.1 NWE	(\$/mt)		699.450	-2.810	-39.750
NWE Jet	(\$/mt)		743.950	-2.810	-39.750
Singapore 10ppm	(\$/bbl)		90.400	-0.510	-5.530
Sing Kero	(\$/bbl)		90.030	-0.400	-5.000
Gasoline					
RBOB	(c/gal)		207.430	+1.460	-12.390
EBOB	(\$/mt)		732.960	+2.630	-48.000
Singapore 92	(\$/bbl)		82.840	+0.370	-3.660
Singapore 95	(\$/bbl)		86.840	+0.380	-3.660
Naphtha					
US C5 ENT	(c/gal)		147.520	-0.610	-5.910
NWE Naphtha	(\$/mt)		640.530	-3.120	-20.120
MOPJ Naphtha	(\$/mt)		662.280	-2.620	-16.120
Fuel Oil					
3.5% barges	(\$/mt)		425.010	+0.890	-22.540
Singapore 380	(\$/mt)		434.260	+1.020	-21.290
Singapore 180	(\$/mt)		440.630	+0.640	-23.980
0.5% barges	(\$/mt)		520.760	+3.680	-14.480
Singapore 0.5%	(\$/mt)		577.410	+7.940	-1.710
NGLs					
US Propane LST	(c/gal)		77.989	-0.009	+0.120
NWE Propane	(\$/mt)		576.820	+4.950	+2.580
Saudi Propane CP	(\$/mt)		596.820	-0.050	-2.920
Asian Propane FEI	(\$/mt)		642.820	+3.540	+1.080
US Butane ENT	(c/gal)		99.990	+0.250	+0.600
Saudi Butane CP	(\$/mt)		586.820	-0.500	-2.970



Long Tenor Swaps			Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude									
Brent	(\$/bbl)	77.210	76.620	76.120	75.690	75.370	75.727	74.887	
WTI	(\$/bbl)	73.130	72.910	72.220	71.680	71.240	71.713	70.597	
Dubai	(\$/bbl)	76.270	76.270	75.430	74.920	74.530	74.960	74.047	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	697.750	699.450	699.630	697.250	696.100	697.660	695.287	
NWE Jet	(\$/mt)	738.750	743.950	746.630	746.250	747.100	746.660	748.287	
Singapore 10ppm	(\$/bbl)	90.150	90.400	90.580	90.480	90.430	90.497	90.707	
Sing Kero	(\$/bbl)	89.830	90.030	89.930	90.000	90.130	90.020	90.350	
Gasoline									
RBOB	(c/gal)	222.790	207.430	203.420	200.530	199.440	201.130	207.177	
EBOB	(\$/mt)	738.960	732.960	696.460	681.710	672.710	683.627	675.210	
Singapore 92	(\$/bbl)	83.040	82.840	82.070	81.420	81.100	81.530	81.047	
Singapore 95	(\$/bbl)	87.140	86.840	85.770	84.920	84.600	85.097	84.613	
Naphtha									
US C5 ENT	(c/gal)	146.400	147.520	147.900	147.780	147.660	147.780	147.327	
NWE Naphtha	(\$/mt)	647.030	640.530	636.280	630.030	624.530	630.280	616.447	
MOP-Japan Naphtha	(\$/mt)	666.870	662.280	655.870	649.620	644.120	649.870	633.370	
Fuel Oil									
3.5% barges	(\$/mt)	434.760	425.010	415.260	408.510	404.510	409.427	402.427	
Singapore 380	(\$/mt)	438.510	434.260	424.510	417.260	413.160	418.310	409.827	
Singapore 180	(\$/mt)	443.880	440.630	433.380	427.380	424.030	428.263	421.697	
0.5% barges	(\$/mt)	524.890	520.760	511.640	504.890	499.390	505.307	493.093	
Singapore 0.5%	(\$/mt)	587.410	577.410	561.660	551.910	544.910	552.827	535.743	
NGLs									
US Propane LST	(c/gal)	77.369	77.989	79.239	79.859	79.859	79.652	78.029	
NWE Propane	(\$/mt)	595.820	576.820	563.320	557.320	552.320	557.653	532.487	
Saudi Propane CP	(\$/mt)	596.820	596.820	599.320	601.320	604.820	601.820	590.820	
Asian Propane FEI	(\$/mt)	646.820	642.820	641.070	640.320	637.820	639.737	612.653	
US Butane ENT	(c/gal)	99.990	99.990	100.370	100.370	99.990	100.243	96.240	
Saudi Butane CP	(\$/mt)	586.820	586.820	591.320	595.320	600.820	595.820	587.487	



Front Month Spreads				
Sep/Oct		22-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.500	+0.030	-0.080
WTI	(\$/bbl)	0.690	+0.070	-0.180
Dubai	(\$/bbl)	0.840	+0.030	+0.040
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.180	-0.330	-1.040
NWE Jet	(\$/mt)	-2.680	-0.330	-1.040
Singapore 10ppm	(\$/bbl)	-0.180	-0.070	-0.220
Sing Kero	(\$/bbl)	0.100	+0.050	+0.140
Gasoline				
RBOB	(c/gal)	4.010	+0.400	-0.940
EBOB	(\$/mt)	36.500	+0.500	-3.750
Singapore 92	(\$/bbl)	0.770	-0.010	+0.220
Singapore 95	(\$/bbl)	1.070	+0.000	+0.520
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.120
NWE Naphtha	(\$/mt)	4.250	-1.000	-0.750
MOP-Japan Naphtha	(\$/mt)	6.410	-1.090	+1.160
Fuel Oil				
3.5% barges	(\$/mt)	9.750	+0.000	+0.000
Singapore 380	(\$/mt)	9.750	+0.500	+0.750
Singapore 180	(\$/mt)	7.250	+0.000	-0.500
0.5% barges	(\$/mt)	9.120	+0.620	+2.370
Singapore 0.5%	(\$/mt)	15.750	+3.500	+8.500
NGLs				
US Propane LST	(c/gal)	-1.250	+0.000	-0.130
NWE Propane	(\$/mt)	13.500	+1.500	+4.460
Saudi Propane CP	(\$/mt)	-2.500	-0.500	-1.000
Asian Propane FEI	(\$/mt)	1.750	+1.250	+1.750
US Butane ENT	(c/gal)	-0.380	-0.130	-0.380
Saudi Butane CP	(\$/mt)	-4.500	-1.000	-1.500



Front Month Cracks and Diffs			
September	22-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.350	-0.100	-0.320
WTI/Brent (\$/bbl)	-3.700	-0.010	-0.270
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.280	-0.270	-1.450
NWE Jet crack (\$/bbl)	17.800	-0.300	-1.170
NWE Jet Diff (\$/mt)	44.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-26.000	-1.000	-1.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.370	+0.110	+0.530
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-2.100	+0.700	+1.300
EBOB crack (\$/mt)	11.390	+0.350	-1.850
Singapore 92 crack (\$/bbl)	6.240	+0.400	+0.250
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.150	+0.050	+2.100
European Gasnaph (EBOB vs Naphtha) (\$/mt)	92.480	+5.800	-27.540
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	27.940	+5.880	-13.940
Naphtha			
US C5 ENT vs WTI Crack	-10.980	-0.260	+1.630
NWE Naphtha Crack (\$/bbl)	-4.650	-0.330	+1.600
MOPJ Naphtha Crack (\$/bbl)	-2.210	-0.280	+2.050
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.750	+0.500	+4.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.700	+0.150	+0.300
Singapore 380 crack (\$/bbl)	-8.240	+0.150	+0.500
Singapore 180 crack (\$/bbl)	-7.220	+0.110	+0.100
Visco (180-380) (\$/mt)	6.500	-0.250	-2.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	9.250	+0.000	+1.250
0.5% barges crack (\$/bbl)	5.400	+0.600	+1.600
Singapore 0.5% crack (\$/bbl)	14.300	+1.250	+3.580
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	56.520	+4.130	+12.580
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	95.880	+2.850	+8.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	143.150	+6.990	+19.580
0.5% barges/gasoil (\$/mt)	-178.870	+6.120	+25.130
Sing 0.5% vs Sing 10ppm (\$/mt)	-96.370	+11.250	+39.210
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-170.500	-5.000	-2.000
US Propane LST vs Asian Propane FEI (\$/mt)	-236.500	-3.500	-0.500
Asian Propane FEI vs NWE Propane (\$/mt)	66.000	-1.500	-1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	46.000	+3.500	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-63.710	+8.110	+22.790
Asian Pronap (FEI vs MOPJ) (\$/mt)	-65.460	+2.610	+13.290



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.940	0.350	0.680	0.780	0.840	0.767	0.833
WTI/Brent (\$/bbl)	-4.070	-3.700	-3.890	-4.020	-4.120	-4.010	-4.267
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	16.42	17.28	17.81	17.89	18.09	17.93	18.46
NWE Jet crack (\$/bbl)	16.53	17.80	18.65	19.00	19.46	19.04	20.09
NWE Jet Diff (\$/mt)	41.00	44.50	47.00	49.00	51.00	49.00	53.00
Gasoil E/W (\$/bbl)	-25.83	-26.00	-24.66	-23.16	-22.41	-23.41	-19.53
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.32	-0.37	-0.65	-0.48	-0.30	-0.48	-0.36
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	11.540	-2.100	4.290	5.670	7.160	5.707	14.163
EBOB crack (\$/mt)	11.510	11.390	7.510	6.160	5.400	6.357	6.197
Singapore 92 crack (\$/bbl)	5.850	6.240	5.970	5.740	5.740	5.817	6.187
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.670	-5.150	-1.540	-0.420	0.340	-0.540	-0.013
European Gasnaph (EBOB vs Naphtha) (\$/mt)	91.980	92.480	60.180	51.680	48.180	53.347	58.763
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	25.100	27.940	28.020	28.860	31.690	29.523	41.830
Naphtha							
US C5 ENT vs WTI Crack	-11.670	-10.980	-10.110	-9.630	-9.240	-9.660	-8.737
NWE Naphtha Crack (\$/bbl)	-4.510	-4.650	-4.630	-4.910	-5.200	-4.913	-5.617
MOPJ Naphtha Crack (\$/bbl)	-2.290	-2.210	-2.440	-2.720	-3.010	-2.723	-3.720
Naphtha E/W (NWE vs MOPJ) (\$/mt)	19.750	21.750	19.500	19.500	19.500	19.500	16.833
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.750	-9.700	-10.730	-11.380	-11.680	-11.263	-11.513
Singapore 380 crack (\$/bbl)	-8.160	-8.240	-9.280	-10.000	-10.320	-9.867	-10.353
Singapore 180 crack (\$/bbl)	-7.300	-7.220	-7.860	-8.390	-8.580	-8.277	-8.463
Visco (180-380) (\$/mt)	5.500	6.500	9.000	10.250	11.000	10.083	12.000
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	3.750	9.250	9.250	8.750	8.650	8.883	7.400
0.5% bgs crack (\$/bbl)	5.440	5.400	4.440	3.800	3.260	3.833	2.783
Singapore 0.5% crack (\$/bbl)	15.280	14.300	12.320	11.200	10.430	11.317	9.480
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	62.520	56.520	50.020	47.020	45.520	47.520	42.520
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	90.130	95.880	96.380	96.380	94.880	95.880	90.797
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	148.900	143.150	137.150	134.650	131.750	134.517	125.917
0.5% bgs/gasoil (\$/mt)	-172.860	-178.870	-188.140	-192.360	-196.710	-192.403	-202.120
Sing 0.5% vs Sing 10ppm (\$/mt)	-84.510	-96.370	-113.460	-122.310	-128.940	-121.570	-139.947
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-192.73	-170.5	-150.48	-141.25	-136.25	-142.66	-125.957
US Propane LST vs Asian Propane FEI (\$/mt)	-243.73	-236.5	-228.23	-224.25	-221.75	-224.743	-206.123
Asian Propane FEI vs NWE Propane (\$/mt)	51	66	77.75	83	85.5	82.083	80.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50	46	41.75	39	33	37.917	21.833
European Pronap (\$/mt)	-51.21	-63.71	-72.96	-72.71	-72.21	-72.627	-83.96
Asian Pronap (FEI vs MOPJ) (\$/mt)	-69.96	-65.46	-56.46	-48.21	-39.21	-47.96	-42.46



Inter-month Crack Spreads			
Sep/Oct	22-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.330	+0.020	-0.110
WTI/Brent (\$/bbl)	0.190	+0.020	-0.100
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.530	-0.040	-0.040
NWE Jet crack (\$/bbl)	-0.850	-0.090	-0.050
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-1.340	-0.430	-1.020
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.280	+0.120	+0.360
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.390	+0.270	+0.180
EBOB crack (\$/mt)	3.880	+0.010	-0.370
Singapore 92 crack (\$/bbl)	0.270	-0.040	+0.300
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-3.610	-0.060	+0.670
European Gasnaph (EBOB vs Naphtha) (\$/mt)	32.300	+1.550	-2.950
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-0.080	+1.000	+0.590
Naphtha			
US C5 ENT vs WTI Crack	-0.870	-0.090	+0.210
NWE Naphtha Crack (\$/bbl)	-0.020	-0.150	+0.010
MOPJ Naphtha Crack (\$/bbl)	0.230	-0.150	+0.240
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.250	+0.000	+2.000
Fuel Oil			
3.5% barges crack (\$/bbl)	1.030	-0.050	+0.080
Singapore 380 crack (\$/bbl)	1.040	+0.040	+0.210
Singapore 180 crack (\$/bbl)	0.640	-0.040	+0.010
Visco (180-380) (\$/mt)	-2.500	-0.500	-1.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	0.000	+0.500	+0.750
0.5% barges crack (\$/bbl)	0.960	+0.080	+0.490
Singapore 0.5% crack (\$/bbl)	1.980	+0.510	+1.430
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	6.500	+2.750	+6.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-0.500	+0.750	+2.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	6.000	+3.000	+7.750
0.5% barges/gasoil (\$/mt)	9.270	+0.920	+3.310
Sing 0.5% vs Sing 10ppm (\$/mt)	17.090	+4.020	+10.140
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-20.020	-1.510	-5.190
US Propane LST vs Asian Propane FEI (\$/mt)	-8.270	-1.260	-2.440
Asian Propane FEI vs NWE Propane (\$/mt)	-11.750	-0.250	-2.750
Asian Propane FEI vs Saudi Propane CP (\$/mt)	4.250	+1.750	+2.750
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	9.250	+2.500	+5.250