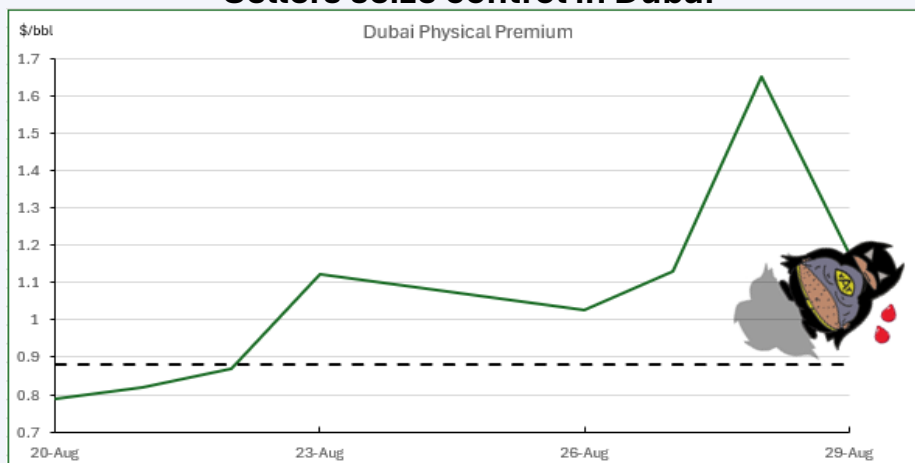




Sellers seize control in Dubai



Yesterday Vatman and Gobin were firmly in control but today the story was different. Almost all of the Dubai Duo's hard work yesterday was erased at the close of Asia on a premium basis. Relative to other benchmark grades, Dubai got slammed, with October Brent futures premium over Dubai physical cargoes widening by 88c to \$1.79. On a physical premium basis, compared to yesterday, the longs were hammered, with Dubai partials premium minus Oct swaps falling by almost 50c to \$1.17. It lost almost all it gained yesterday.

Physical premiums rose to a peak of \$1.65 Wednesday reflecting the partials Dubai buying, primarily by Gunvor and Vitol and facing primarily Trafigura and a few others, including majors such as Exxon. The sellers sold from a low of 48c at the start of the month with the duo seeming to have the upper hand until today. Tomorrow will be a bag of surprises as any remaining partials will either converge or price out.

Expiration is a vicious game, as those who fail to converge settle in cash at the expiry settlement price. As the final day of the month approaches tomorrow, will the Dubai Duo manage to hold on to their pay day? Will the sellers continue to overpower a tiring buyside? Really 'nobody knows,' the wisest words anyone can hear.

Dubai's underperformance comes as little surprise. The demand signals we are seeing show persistent weakness. On the supply side effects are a little more heterogeneous across grades, whilst mounting supply disruptions in Libya elevate lighter sweeter grades, Middle Eastern domestic crude burn is slowing, some refineries are entering maintenance, and OPEC are expected to begin unwinding production cuts in the coming months. According to industry sources "we should see quite a bit of Persian Gulf barrels" being brought to market. But our view is that, ultimately, Libya will at some point, probably soon, realize they need the money, and start releasing barrels again. There are little pockets of bullish geopolitics, plays by traders, or Typhoons in Japan, but really the market is a bear whose hibernation keeps being interrupted.

Summary		29-Aug-24	1-Day Change	7-Day Change
Physical and Futures				
Brent Oct (fut)	(\$/bbl)	78.390	-0.220	+2.320
WTI Oct (fut)	(\$/bbl)	74.330	-0.230	+2.490
Dubai Oct (phys)	(\$/bbl)	76.660	-1.040	+1.510
Crude Swaps Sep				
Brent	(\$/bbl)	77.250	-0.430	+1.780
DFL	(\$/bbl)	1.350	+0.170	+0.760
WTI	(\$/bbl)	73.970	-0.280	+2.320
Dubai	(\$/bbl)	76.640	-0.500	+1.540
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	78.390	77.300	76.510
WTI (fut)	(\$/bbl)	74.330	73.190	72.310



In detail

Brent and WTI took a breath after their losses yesterday, but still slid downwards by just over 20c each. Indeed, Brent is down by 22c on yesterday's close and finished at \$78.39/bbl, while WTI pipped this figure, losing 23c to reach \$74.33/bbl. Dubai, by contrast, took a much more significant tumble, down by \$1.04 and ended at \$76.66/bbl. Where the physical Dubai premiums surged yesterday by 52c, today they collapsed back down by 48c to \$1.17/bbl, almost back down to its level on Tuesday when it was at \$1.13/bbl.

Typhoon Shanshan has hit Japan's southern island Kyushu, forcing factories to close and damaging infrastructure. Major carmaker Toyota has closed its operations in the area, while Nissan and Honda have temporarily halted some factories' production, though this is unlikely to impact crude demand and the country's imports long-term. Flights, and other means of transportation, have also been cancelled until the storm passes. It's time to batten down the hatches and wait for this to blow over... literally.

The Japanese authorities have issued notices to over 5 million inhabitants in the storm's expected path to evacuate, as it is expected to move east onto Honshu, towards Tokyo. We certainly hope that it won't cause much more damage than it already has and that the Japanese people remain safe. Whatever the actual outcome, it seems unlikely to cause immediate problems as severe for Japan as China's economic downward spiral.

Chinese demand signals have been very weak again – we've given up being surprised at this point. In Q2 Chinese GDP growth slowed to 0.7% from 1.5% in Q1. The housing market, trade relations... it all looks dire. And the more contemporary indicators are not inspiring confidence that the downward trend has reversed, iron ore prices being down 10% in Q2. China is in a thick mire, and unable to become unstuck. After promising fiscal responsibility, expansionary government stimulus would be a little contradictory from the CCP, so they will likely try to avoid this. Aggressive monetary easing also wouldn't be popular as the PBOC need to look after the yuan. In many ways they are hamstrung and the outlook doesn't look promising. Stay tuned for further, enhanced, coverage straight from China in the coming weeks!

In more bad news for the Chinese, the world has started shooting down its growth forecasts like fish in a barrel. UBS has adopted a much more pessimistic view towards the potential growth of the second biggest global economy's GDP this year. The Swiss bank has revised its 2024 GDP growth down from 4.9% to 4.6%, largely because of China's ailing property market. **-We actually think it is much lower-** UBS also slashed its forecast for next year's GDP growth down to 4% from its previously very optimistic 4.6%. UBS cited the ailing property market as a chief culprit for this lacklustre development: July's y/y new home prices fell by 4.9% - following a 4.5% decrease the month prior and continuing an accelerating trend since November 2023. Fitch's long-term forecast in May expected to see annual new housing demand to fall by nearly 20% between 2024-2040.

The Swiss bank is copying its peers: Goldman Sachs slightly trimmed its 2024 GDP forecast by **only** 0.1%, from 5% to 4.9% forecast growth (Hello, which bullish planet are you coming from?), while JP Morgan slashed its own forecast from 5.2% to 4.7% 2024. As we've been saying over and over again, Chinese data looks weak and this is reflected in the dwindling growth of crude demand in recent figures, as the whole economy hauls on the brakes.

Where we lampooned the head-in-the-cloud longs in yesterday's Euro report, the Chinese politburo is pursuing a different course by burying its head in the sand and insisting that China is working hard and will reach its economic goals, all evidence to the contrary.

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Front Month Outrights					
September Swaps			29-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)		77.250	-0.430	+1.780
WTI	(\$/bbl)		73.970	-0.280	+2.320
Dubai	(\$/bbl)		76.640	-0.500	+1.540
Distillates					
Gasoil 0.1 NWE	(\$/mt)		689.880	-5.600	+0.020
NWE Jet	(\$/mt)		733.290	-5.190	-1.220
Singapore 10ppm	(\$/bbl)		88.780	-0.700	-0.420
Sing Kero	(\$/bbl)		88.880	-0.410	+0.050
Gasoline					
RBOB	(c/gal)		205.500	-0.720	+1.240
EBOB	(\$/mt)		717.840	-9.620	-3.080
Singapore 92	(\$/bbl)		81.380	-1.000	-0.070
Singapore 95	(\$/bbl)		85.280	-1.100	-0.170
Naphtha					
US C5 ENT	(c/gal)		148.420	-1.310	+1.520
NWE Naphtha	(\$/mt)		641.600	-6.410	+3.200
MOPJ Naphtha	(\$/mt)		662.350	-5.410	+2.360
Fuel Oil					
3.5% barges	(\$/mt)		424.120	-4.570	+6.990
Singapore 380	(\$/mt)		434.680	-2.820	+6.990
Singapore 180	(\$/mt)		439.930	-3.070	+5.490
0.5% barges	(\$/mt)		522.100	-6.350	+9.780
Singapore 0.5%	(\$/mt)		577.530	-7.690	+10.160
NGLs					
US Propane LST	(c/gal)		77.164	-0.229	-0.439
NWE Propane	(\$/mt)		580.520	-6.150	+10.210
Saudi Propane CP	(\$/mt)		609.520	+1.350	+15.210
Asian Propane FEI	(\$/mt)		654.570	+3.900	+16.260
US Butane ENT	(c/gal)		102.050	+0.790	+2.330
Saudi Butane CP	(\$/mt)		598.570	+1.850	+14.260



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	77.830	77.250	76.480	75.910	75.500	75.963	74.990
WTI	(\$/bbl)	74.310	73.970	72.910	72.120	71.540	72.190	70.797
Dubai	(\$/bbl)	76.640	76.640	75.490	74.870	74.420	74.927	73.907
Distillates								
Gasoil 0.1 NWE	(\$/mt)	687.250	689.880	691.670	690.920	690.350	690.980	689.503
NWE Jet	(\$/mt)	727.000	733.290	737.670	738.920	740.350	738.980	742.503
Singapore 10ppm	(\$/bbl)	88.530	88.780	89.200	89.460	89.590	89.417	89.880
Sing Kero	(\$/bbl)	88.730	88.880	88.900	89.220	89.460	89.193	89.670
Gasoline								
RBOB	(c/gal)	220.360	205.500	202.700	200.070	198.980	200.583	206.730
EBOB	(\$/mt)	720.840	717.840	688.090	677.090	669.590	678.257	672.840
Singapore 92	(\$/bbl)	81.580	81.380	80.730	80.350	80.250	80.443	80.400
Singapore 95	(\$/bbl)	85.680	85.280	84.380	83.800	83.700	83.960	83.967
Naphtha								
US C5 ENT	(c/gal)	147.300	148.420	148.800	148.680	148.560	148.680	148.227
NWE Naphtha	(\$/mt)	646.600	641.600	638.600	633.100	627.850	633.183	619.517
MOP-Japan Naphtha	(\$/mt)	667.350	662.350	657.350	652.100	646.850	652.100	636.017
Fuel Oil								
3.5% barges	(\$/mt)	433.120	424.120	412.870	405.870	401.870	406.870	399.853
Singapore 380	(\$/mt)	437.180	434.680	421.680	414.430	410.680	415.597	407.930
Singapore 180	(\$/mt)	441.680	439.930	429.680	424.180	421.430	425.097	419.930
0.5% barges	(\$/mt)	530.100	522.100	509.850	501.850	495.850	502.517	489.017
Singapore 0.5%	(\$/mt)	588.530	577.530	559.780	549.280	542.030	550.363	532.697
NGLs								
US Propane LST	(c/gal)	76.164	77.164	78.914	79.414	79.534	79.287	77.574
NWE Propane	(\$/mt)	592.520	580.520	568.020	561.520	556.520	562.020	536.520
Saudi Propane CP	(\$/mt)	609.520	609.520	609.520	610.520	613.520	611.187	599.687
Asian Propane FEI	(\$/mt)	659.070	654.570	651.070	649.570	646.570	649.070	619.903
US Butane ENT	(c/gal)	100.800	102.050	102.550	102.050	101.550	102.050	97.550
Saudi Butane CP	(\$/mt)	598.570	598.570	598.570	604.570	610.070	604.403	596.237



Front Month Spreads				
Sep/Oct		29-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.770	+0.080	+0.340
WTI	(\$/bbl)	1.060	+0.130	+0.470
Dubai	(\$/bbl)	1.150	+0.060	+0.330
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.790	-0.100	-1.350
NWE Jet	(\$/mt)	-4.380	+0.310	-1.680
Singapore 10ppm	(\$/bbl)	-0.420	+0.000	-0.250
Sing Kero	(\$/bbl)	-0.020	+0.030	-0.070
Gasoline				
RBOB	(c/gal)	2.800	-0.060	-1.050
EBOB	(\$/mt)	29.750	-3.250	-5.750
Singapore 92	(\$/bbl)	0.650	-0.150	-0.110
Singapore 95	(\$/bbl)	0.900	-0.250	-0.160
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.000
NWE Naphtha	(\$/mt)	3.000	-1.250	-2.500
MOP-Japan Naphtha	(\$/mt)	5.000	-0.750	-2.500
Fuel Oil				
3.5% barges	(\$/mt)	11.250	+0.000	+1.750
Singapore 380	(\$/mt)	13.000	+1.000	+3.500
Singapore 180	(\$/mt)	10.250	+0.500	+2.750
0.5% barges	(\$/mt)	12.250	+0.500	+3.250
Singapore 0.5%	(\$/mt)	17.750	-0.500	+3.250
NGLs				
US Propane LST	(c/gal)	-1.750	-0.009	-0.500
NWE Propane	(\$/mt)	12.500	-2.500	+0.500
Saudi Propane CP	(\$/mt)	0.000	+0.000	+1.500
Asian Propane FEI	(\$/mt)	3.500	+1.000	+2.000
US Butane ENT	(c/gal)	-0.500	+0.000	-0.250
Saudi Butane CP	(\$/mt)	0.000	+0.000	+3.500



Front Month Cracks and Diffs			
September	29-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.610	+0.080	+0.260
WTI/Brent (\$/bbl)	-3.270	+0.150	+0.540
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	15.360	-0.360	-1.780
NWE Jet crack (\$/bbl)	15.830	-0.250	-1.900
NWE Jet Diff (\$/mt)	43.500	+0.500	-1.000
Gasoil E/W (\$/bbl)	-28.500	+0.500	-3.000
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.100	+0.280	+0.470
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	0.300	+2.000	+2.100
EBOB crack (\$/mt)	8.920	-0.750	-2.170
Singapore 92 crack (\$/bbl)	4.130	-0.590	-1.860
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.800	+0.150	+0.300
European Gasnaph (EBOB vs Naphtha) (\$/mt)	76.130	-3.320	-6.170
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	15.370	-3.070	-2.950
Naphtha			
US C5 ENT vs WTI Crack	-11.660	-0.310	-1.740
NWE Naphtha Crack (\$/bbl)	-5.150	-0.300	-1.450
MOPJ Naphtha Crack (\$/bbl)	-2.820	-0.190	-1.540
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.750	+1.000	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-10.450	-0.300	-0.700
Singapore 380 crack (\$/bbl)	-8.800	-0.030	-0.700
Singapore 180 crack (\$/bbl)	-7.970	-0.060	-0.940
Visco (180-380) (\$/mt)	5.250	-0.250	-1.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	10.500	+1.750	+0.000
0.5% barges crack (\$/bbl)	4.970	-0.580	-0.260
Singapore 0.5% crack (\$/bbl)	13.700	-0.800	-0.200
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	55.440	-1.390	+0.380
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	97.920	-1.770	+2.800
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	142.850	-4.680	+3.170
0.5% barges/gasoil (\$/mt)	-167.880	-0.700	+9.600
Sing 0.5% vs Sing 10ppm (\$/mt)	-83.960	-2.520	+12.990
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-178.500	+5.000	-12.500
US Propane LST vs Asian Propane FEI (\$/mt)	-252.500	-5.000	-18.500
Asian Propane FEI vs NWE Propane (\$/mt)	74.000	+10.000	+6.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	45.000	+2.500	+1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-61.030	+0.260	+7.230
Asian Pronap (FEI vs MOPJ) (\$/mt)	-52.870	+6.670	+12.890



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.200	0.610	0.980	1.030	1.070	1.027	1.077
WTI/Brent (\$/bbl)	-3.510	-3.270	-3.550	-3.770	-3.950	-3.757	-4.190
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	14.41	15.36	16.36	16.83	17.17	16.79	17.58
NWE Jet crack (\$/bbl)	14.45	15.83	17.13	17.86	18.46	17.82	19.25
NWE Jet Diff (\$/mt)	40.00	43.50	46.00	48.00	50.00	48.00	53.00
Gasoil E/W (\$/bbl)	-27.58	-28.50	-26.92	-24.42	-22.91	-24.75	-19.91
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.20	0.10	-0.30	-0.24	-0.13	-0.22	-0.21
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.290	0.300	6.020	6.520	7.570	6.703	14.400
EBOB crack (\$/mt)	8.700	8.920	6.130	5.380	4.880	5.463	5.777
Singapore 92 crack (\$/bbl)	3.740	4.130	4.250	4.440	4.750	4.480	5.413
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.960	-4.800	-1.880	-0.940	-0.140	-0.987	-0.380
European Gasnaph (EBOB vs Naphtha) (\$/mt)	74.130	76.130	49.380	43.880	41.630	44.963	53.213
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	12.030	15.370	14.950	17.040	21.450	17.813	33.533
Naphtha							
US C5 ENT vs WTI Crack	-12.470	-11.660	-10.430	-9.680	-9.150	-9.753	-8.547
NWE Naphtha Crack (\$/bbl)	-5.170	-5.150	-4.710	-4.750	-4.940	-4.800	-5.367
MOPJ Naphtha Crack (\$/bbl)	-2.840	-2.820	-2.600	-2.620	-2.810	-2.677	-3.513
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.750	20.750	18.750	19.000	19.000	18.917	16.500
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.610	-10.450	-11.440	-11.970	-12.200	-11.870	-12.007
Singapore 380 crack (\$/bbl)	-8.980	-8.800	-10.060	-10.640	-10.830	-10.510	-10.747
Singapore 180 crack (\$/bbl)	-8.270	-7.970	-8.800	-9.100	-9.130	-9.010	-8.857
Visco (180-380) (\$/mt)	4.500	5.250	8.000	9.750	10.750	9.500	12.000
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	4.000	10.500	8.750	8.500	8.750	8.667	8.017
0.5% bgs crack (\$/bbl)	5.650	4.970	3.820	3.130	2.590	3.180	2.023
Singapore 0.5% crack (\$/bbl)	14.850	13.700	11.690	10.600	9.860	10.717	8.897
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	58.440	55.440	49.940	47.440	46.190	47.857	43.690
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	96.920	97.920	96.920	95.920	93.920	95.587	89.103
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	151.350	142.850	138.100	134.850	131.350	134.767	124.767
0.5% bgs/gasoil (\$/mt)	-157.090	-167.880	-181.890	-189.010	-194.650	-188.517	-200.607
Sing 0.5% vs Sing 10ppm (\$/mt)	-71.100	-83.960	-104.840	-117.130	-125.490	-115.820	-137.033
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-195.71	-178.5	-156.88	-147.78	-142.15	-148.937	-132.363
US Propane LST vs Asian Propane FEI (\$/mt)	-262.21	-252.5	-239.88	-235.78	-232.15	-235.937	-215.697
Asian Propane FEI vs NWE Propane (\$/mt)	66.5	74	83	88	90	87	83.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	49.5	45	41.5	39	33	37.833	20.167
European Pronap (\$/mt)	-54.03	-61.03	-70.62	-71.62	-71.37	-71.203	-82.977
Asian Pronap (FEI vs MOPJ) (\$/mt)	-57.87	-52.87	-47.87	-41.62	-33.37	-40.953	-36.37



Inter-month Crack Spreads			
Sep/Oct	29-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.370	+0.020	+0.020
WTI/Brent (\$/bbl)	0.280	+0.040	+0.130
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-1.000	-0.080	-0.510
NWE Jet crack (\$/bbl)	-1.300	-0.020	-0.490
NWE Jet Diff (\$/mt)	-2.500	+0.500	+0.000
Gasoil E/W (\$/bbl)	-1.580	-0.200	-0.900
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.400	+0.030	+0.200
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-5.720	+0.830	+0.580
EBOB crack (\$/mt)	2.790	-0.480	-1.040
Singapore 92 crack (\$/bbl)	-0.120	-0.230	-0.440
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-2.920	+0.250	+0.580
European Gasnaph (EBOB vs Naphtha) (\$/mt)	26.750	-2.000	-3.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.420	-0.500	+1.590
Naphtha			
US C5 ENT vs WTI Crack	-1.230	-0.140	-0.490
NWE Naphtha Crack (\$/bbl)	-0.440	-0.230	-0.630
MOPJ Naphtha Crack (\$/bbl)	-0.220	-0.180	-0.640
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.000	+0.500	+0.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.990	-0.090	-0.080
Singapore 380 crack (\$/bbl)	1.260	+0.060	+0.200
Singapore 180 crack (\$/bbl)	0.830	-0.010	+0.080
Visco (180-380) (\$/mt)	-2.750	-0.500	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	1.750	+1.250	+1.750
0.5% barges crack (\$/bbl)	1.150	-0.010	+0.160
Singapore 0.5% crack (\$/bbl)	2.010	-0.170	+0.160
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	5.500	-1.000	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.000	+0.500	+1.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	4.750	-1.500	-0.250
0.5% barges/gasoil (\$/mt)	14.010	+0.450	+4.450
Sing 0.5% vs Sing 10ppm (\$/mt)	20.880	-0.500	+5.110
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-21.620	+2.500	-3.110
US Propane LST vs Asian Propane FEI (\$/mt)	-12.620	-1.000	-4.610
Asian Propane FEI vs NWE Propane (\$/mt)	-9.000	+3.500	+1.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.500	+1.000	+0.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	9.590	-1.120	+3.090