



Brent seesaws ahead of expiration



Boom! Brent flat price blazed a trail back up from the meagre sub \$79/bbl handle it had been holding since yesterday evening to bound up to the \$80/bbl level with a huge jump through the afternoon. But almost as quickly as it rose up, it got smacked back down again by almost 90c. According to a trader Brent “basically gapped down on nothing” and was “just following spreads”. The longs who took their winnings beforehand will be feeling pretty pleased with their afternoons and get a cosy night’s sleep on a big pillow of bank notes.

The North Sea window was quiet today, with no purchases. Trafi bid at Dated +\$2.70 for a Sep 15-20 Midland, and BP was on the hunt for a bargain, placing a bid at -35c for a Sep 15-21, and -40c for Sep 22-Oct 1, both for Johan Sverdrup.

Over in Africa, things aren’t only looking bad for Libya, but for the Angolan economy too. The government doesn’t have enough cash available to pay local suppliers, so it is having to pay its dues via Treasury bills instead. Remember that Angola’s central bank rates are set at 19.5%, to be reviewed in September, so it’s hardly a cheap alternative. The government has domestic and international debt payments of \$1.1 billion per month, with a monthly governmental revenue in 2023 of approximately \$433 million. Even the most creative of accountants would find that difficult.

Summary				
Physical and Futures		29-Aug-24	1-Day Change	7-Day Change
Brent Oct (fut)	(\$/bbl)	80.200	+1.260	+2.890
WTI Oct (fut)	(\$/bbl)	76.250	+1.370	+3.110
Dubai Oct (phys)	(\$/bbl)	78.120	+0.350	+1.820
Crude Swaps Sep				
Brent	(\$/bbl)	78.930	+1.040	+2.310
DFL	(\$/bbl)	1.520	+0.210	+0.870
WTI	(\$/bbl)	75.870	+1.310	+2.960
Dubai	(\$/bbl)	78.110	+0.820	+1.840
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	80.200	78.970	78.050
WTI (fut)	(\$/bbl)	76.250	74.920	73.860



In detail

We saw another surge in Oct Brent price this afternoon after it had held steady throughout the morning. It burst through the \$80/bbl ceiling but fell back from its 15:02 BST peak of \$80.77/bbl – a \$1.50/bbl gain within the hour since 14:13 BST! - to close at \$82.20/bbl, a \$1.26/bbl daily gain. Oct WTI gained \$1.37/bbl to reach \$76.25/bbl by close Front month Brent spreads moved to \$1.23, a 23c rise on the day.

Things had been looking up for Angola's creditworthiness this year, as Moody's gave the country a B3 rating this May. To celebrate this, the country's government has decided to hand out Treasury bills like Monopoly money to pay the local suppliers it doesn't have the cash to cover. They did, to their credit, recognise that this may cause "discomfort" for the country's creditors... You don't say! Although its credit is much better than during the 2020 crash, it's hardly a pretty picture for the Angolans.

Sadly, Angola's defection from OPEC in December last year hasn't solved all its problems, although it has enabled Angola to duck the self-imposed production quotas which it saw as an infringement on its rights to produce as much as it very well pleased, not that these have any effect on any of the other members 😏. The country's divorce from OPEC hasn't really helped its production, which stands at around 1.15 mb/d for 2024, even up on 2023's 1.14 mb/d figure, according to the IEA's most recent data. They've also apparently maintained a cordial relationship, open to collaboration and cooperation – like a couple keeping up appearances so as not to upset the kids.

The Angolan economy is highly dependent on its oil production, so is very sensitive to any changes in pricing – oil accounts for 28.9% of GDP and 95% of the country's exports, according to the African Development Bank's 2023 data. The COVID-driven 2020 dive in prices saw the country's debt surge to over 130% of GDP. In April this year, the IMF measured the debt/GDP ratio at 70.3%, saved by the relatively buoyant price of oil. They'd better hope today's late afternoon surge sticks in order to save their national economy. Let's wait and see if the burgeoning weight of its debt affects Angola's oil production.

Over in the US, doom-mongers may claim their economy is going to follow the Angolan one on its deathly downward spiral with the latest round of job data. Weekly initial jobless claims came in at 231k – showing a small 2000 decrease against last week. Continued claims, however, rose by 13k to near the highest levels since November 2021 (insert blaring red klaxon and fearmongering at your pleasure). The rise in continued claims, of course, speaks to the stifled ability for unemployed Americans to regain a job. The weekly data, although not alarming, remains consistent with deteriorating labour conditions that the Fed will be mindful of. The key upcoming data will be non-farm payrolls, released next Friday which should give a better flavour of how labour market conditions have progressed since last month's disappointing print. Will we see another monumental downward revision?

Wholesale inventories also gained a little over the month in July, with advanced data showing a 0.3% build. Another bad, though but not catastrophic, datapoint out of the US. Pending home sales, however, were unequivocally terrible. On an annual basis they fell by 8.5%, continuing a poor year for this data, as there have only been minor rises in y/y sales in December and March of the last 12 months – very minor growth too at 1.56% and 0.1% respectively. Makes sense that if no one has a job, no one can buy a home.

But the big news was the second estimate revision for the Q2 GDP growth rate which moved up to 3% from the first 2.8% estimate. The upward revision lent credence to the idea that the general economy remains fairly healthy, however.

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Front Month Outrights					
September Swaps			29-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)		78.930	+1.040	+2.310
WTI	(\$/bbl)		75.870	+1.310	+2.960
Dubai	(\$/bbl)		78.110	+0.820	+1.840
Distillates					
Gasoil 0.1 NWE	(\$/mt)		706.790	+11.250	+7.340
NWE Jet	(\$/mt)		752.790	+13.750	+8.840
Singapore 10ppm	(\$/bbl)		90.910	+1.270	+0.510
Sing Kero	(\$/bbl)		91.050	+1.460	+1.020
Gasoline					
RBOB	(c/gal)		210.420	+2.180	+2.990
EBOB	(\$/mt)		734.390	+3.530	+1.430
Singapore 92	(\$/bbl)		83.540	+1.100	+0.700
Singapore 95	(\$/bbl)		87.450	+1.120	+0.610
Naphtha					
US C5 ENT	(c/gal)		152.600	+2.950	+5.080
NWE Naphtha	(\$/mt)		654.330	+7.740	+13.800
MOPJ Naphtha	(\$/mt)		676.580	+9.330	+14.300
Fuel Oil					
3.5% barges	(\$/mt)		430.400	+1.270	+5.390
Singapore 380	(\$/mt)		443.400	+3.020	+9.140
Singapore 180	(\$/mt)		448.970	+3.020	+8.340
0.5% barges	(\$/mt)		530.730	+2.220	+9.970
Singapore 0.5%	(\$/mt)		584.450	-0.580	+7.040
NGLs					
US Propane LST	(c/gal)		77.829	-0.078	-0.160
NWE Propane	(\$/mt)		576.490	-11.360	-0.330
Saudi Propane CP	(\$/mt)		611.490	+0.090	+14.670
Asian Propane FEI	(\$/mt)		657.440	+2.540	+14.620
US Butane ENT	(c/gal)		103.330	+1.050	+3.340
Saudi Butane CP	(\$/mt)		600.440	+1.090	+13.620



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	79.580	78.930	78.020	77.380	76.930	77.443	76.323
WTI	(\$/bbl)	76.270	75.870	74.610	73.650	72.980	73.747	72.163
Dubai	(\$/bbl)	78.110	78.110	76.950	76.310	75.800	76.353	75.223
Distillates								
Gasoil 0.1 NWE	(\$/mt)	704.000	706.790	707.630	705.920	705.250	706.267	703.983
NWE Jet	(\$/mt)	746.500	752.790	755.630	755.920	757.250	756.267	758.983
Singapore 10ppm	(\$/bbl)	90.660	90.910	91.320	91.400	91.540	91.420	91.743
Sing Kero	(\$/bbl)	90.900	91.050	91.100	91.200	91.420	91.240	91.543
Gasoline								
RBOB	(c/gal)	224.870	210.420	207.420	204.560	203.420	205.133	211.173
EBOB	(\$/mt)	737.390	734.390	705.390	693.640	685.640	694.890	687.890
Singapore 92	(\$/bbl)	83.740	83.540	82.840	82.460	82.310	82.537	82.407
Singapore 95	(\$/bbl)	87.850	87.450	86.500	85.920	85.770	86.063	85.983
Naphtha								
US C5 ENT	(c/gal)	151.480	152.600	152.980	152.860	152.740	152.860	152.407
NWE Naphtha	(\$/mt)	659.330	654.330	651.330	645.330	640.080	645.580	631.497
MOP-Japan Naphtha	(\$/mt)	679.580	676.580	670.830	664.830	659.330	664.997	648.247
Fuel Oil								
3.5% barges	(\$/mt)	439.400	430.400	419.900	413.150	409.400	414.150	408.067
Singapore 380	(\$/mt)	446.150	443.400	429.900	422.900	419.150	423.983	416.650
Singapore 180	(\$/mt)	450.720	448.970	438.470	432.970	430.220	433.887	428.970
0.5% barges	(\$/mt)	538.730	530.730	518.480	510.730	505.230	511.480	498.813
Singapore 0.5%	(\$/mt)	595.450	584.450	567.450	557.450	550.700	558.533	541.517
NGLs								
US Propane LST	(c/gal)	76.829	77.829	79.709	80.329	80.449	80.162	78.529
NWE Propane	(\$/mt)	588.490	576.490	568.990	564.490	561.490	564.990	541.823
Saudi Propane CP	(\$/mt)	611.490	611.490	611.490	612.990	617.490	613.990	603.490
Asian Propane FEI	(\$/mt)	661.940	657.440	654.690	653.440	650.440	652.857	624.273
US Butane ENT	(c/gal)	102.080	103.330	103.830	103.330	102.830	103.330	98.830
Saudi Butane CP	(\$/mt)	600.440	600.440	600.440	606.940	613.940	607.107	599.607



Front Month Spreads				
Sep/Oct		29-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.910	+0.170	+0.410
WTI	(\$/bbl)	1.260	+0.240	+0.570
Dubai	(\$/bbl)	1.160	-0.010	+0.320
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.840	+1.220	-0.660
NWE Jet	(\$/mt)	-2.840	+2.220	-0.160
Singapore 10ppm	(\$/bbl)	-0.410	-0.010	-0.230
Sing Kero	(\$/bbl)	-0.050	-0.030	-0.150
Gasoline				
RBOB	(c/gal)	3.000	-0.250	-1.010
EBOB	(\$/mt)	29.000	-4.000	-7.500
Singapore 92	(\$/bbl)	0.700	+0.000	-0.070
Singapore 95	(\$/bbl)	0.950	+0.000	-0.120
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.000
NWE Naphtha	(\$/mt)	3.000	+0.000	-1.250
MOP-Japan Naphtha	(\$/mt)	5.750	+0.500	-0.660
Fuel Oil				
3.5% barges	(\$/mt)	10.500	-0.650	+0.750
Singapore 380	(\$/mt)	13.500	+0.820	+3.750
Singapore 180	(\$/mt)	10.500	+0.500	+3.250
0.5% barges	(\$/mt)	12.250	-0.250	+3.130
Singapore 0.5%	(\$/mt)	17.000	-1.250	+1.250
NGLs				
US Propane LST	(c/gal)	-1.880	-0.130	-0.630
NWE Propane	(\$/mt)	7.500	-6.000	-6.000
Saudi Propane CP	(\$/mt)	0.000	+0.000	+2.500
Asian Propane FEI	(\$/mt)	2.750	-0.250	+1.000
US Butane ENT	(c/gal)	-0.500	+0.000	-0.120
Saudi Butane CP	(\$/mt)	0.000	+0.000	+4.500



Front Month Cracks and Diffs			
September	29-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.830	+0.220	+0.480
WTI/Brent (\$/bbl)	-3.060	+0.280	+0.640
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	15.900	+0.480	-1.380
NWE Jet crack (\$/bbl)	16.570	+0.720	-1.230
NWE Jet Diff (\$/mt)	46.000	+2.500	+1.500
Gasoil E/W (\$/bbl)	-29.500	-1.750	-3.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.140	+0.190	+0.510
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	0.500	+1.150	+2.600
EBOB crack (\$/mt)	9.240	-0.640	-2.150
Singapore 92 crack (\$/bbl)	4.610	+0.040	-1.630
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.620	+0.680	+0.530
European Gasnaph (EBOB vs Naphtha) (\$/mt)	80.700	-3.900	-11.780
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	19.930	+0.200	-8.010
Naphtha			
US C5 ENT vs WTI Crack	-11.830	-0.130	-0.850
NWE Naphtha Crack (\$/bbl)	-5.460	-0.210	-0.810
MOPJ Naphtha Crack (\$/bbl)	-2.970	-0.050	-0.760
Naphtha E/W (NWE vs MOPJ) (\$/mt)	22.250	+1.500	+0.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-11.150	-0.850	-1.450
Singapore 380 crack (\$/bbl)	-9.100	-0.570	-0.860
Singapore 180 crack (\$/bbl)	-8.240	-0.580	-1.020
Visco (180-380) (\$/mt)	5.500	+0.000	-1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	13.000	+1.750	+3.750
0.5% barges crack (\$/bbl)	4.640	-0.710	-0.760
Singapore 0.5% crack (\$/bbl)	13.100	-1.150	-1.200
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	53.720	-2.800	-2.800
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	100.270	+0.890	+4.390
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	140.990	-3.650	-2.160
0.5% barges/gasoil (\$/mt)	-175.770	-8.930	+3.100
Sing 0.5% vs Sing 10ppm (\$/mt)	-92.520	-10.090	+3.850
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-171.000	+10.000	-0.500
US Propane LST vs Asian Propane FEI (\$/mt)	-252.000	-3.000	-15.500
Asian Propane FEI vs NWE Propane (\$/mt)	81.000	+14.000	+15.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	46.000	+2.500	+0.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-77.220	-18.710	-13.510
Asian Pronap (FEI vs MOPJ) (\$/mt)	-64.470	-8.710	+0.990



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.490	0.830	1.090	1.100	1.130	1.107	1.120
WTI/Brent (\$/bbl)	-3.330	-3.060	-3.410	-3.740	-3.940	-3.697	-4.173
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	14.86	15.90	16.94	17.33	17.73	17.33	18.14
NWE Jet crack (\$/bbl)	15.10	16.57	17.85	18.51	19.16	18.51	19.96
NWE Jet Diff (\$/mt)	42.50	46.00	48.00	50.00	52.00	50.00	55.00
Gasoil E/W (\$/bbl)	-28.85	-29.50	-27.59	-24.99	-23.29	-25.29	-20.50
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.24	0.14	-0.22	-0.20	-0.12	-0.18	-0.20
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.150	0.500	5.790	6.300	7.430	6.507	14.540
EBOB crack (\$/mt)	8.940	9.240	6.660	5.880	5.380	5.973	6.243
Singapore 92 crack (\$/bbl)	4.160	4.610	4.820	5.070	5.390	5.093	6.063
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.780	-4.620	-1.840	-0.810	0.000	-0.883	-0.173
European Gasnaph (EBOB vs Naphtha) (\$/mt)	78.700	80.700	54.700	48.950	46.200	49.950	57.033
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	18.600	19.930	19.850	22.690	26.940	23.160	38.827
Naphtha							
US C5 ENT vs WTI Crack	-12.700	-11.830	-10.410	-9.510	-8.900	-9.607	-8.223
NWE Naphtha Crack (\$/bbl)	-5.570	-5.460	-4.910	-4.950	-5.070	-4.977	-5.453
MOPJ Naphtha Crack (\$/bbl)	-3.290	-2.970	-2.720	-2.760	-2.910	-2.797	-3.570
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.250	22.250	19.500	19.500	19.250	19.417	16.750
Fuel Oil							
3.5% bgs crack (\$/bbl)	-10.390	-11.150	-11.900	-12.340	-12.460	-12.233	-12.077
Singapore 380 crack (\$/bbl)	-9.330	-9.100	-10.330	-10.790	-10.910	-10.677	-10.727
Singapore 180 crack (\$/bbl)	-8.620	-8.240	-8.990	-9.220	-9.180	-9.130	-8.797
Visco (180-380) (\$/mt)	4.500	5.500	8.500	10.000	11.000	9.833	12.250
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	6.750	13.000	10.000	9.750	9.750	9.833	8.583
0.5% bgs crack (\$/bbl)	5.240	4.640	3.620	3.030	2.630	3.093	2.203
Singapore 0.5% crack (\$/bbl)	14.170	13.100	11.330	10.390	9.790	10.503	8.927
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	56.720	53.720	48.970	46.720	45.470	47.053	42.703
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	99.270	100.270	98.520	97.520	95.770	97.270	90.687
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	149.240	140.990	137.490	134.490	131.490	134.490	124.807
0.5% bgs/gasoil (\$/mt)	-164.830	-175.770	-188.960	-195.000	-199.980	-194.647	-205.053
Sing 0.5% vs Sing 10ppm (\$/mt)	-79.650	-92.520	-112.570	-123.320	-131.180	-122.357	-141.960
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-188.21	-171	-153.71	-145.98	-142.35	-147.347	-132.687
US Propane LST vs Asian Propane FEI (\$/mt)	-261.71	-252	-239.46	-234.98	-231.35	-235.263	-215.187
Asian Propane FEI vs NWE Propane (\$/mt)	73.5	81	85.75	89	89	87.917	82.5
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50.5	46	43.25	40.5	33	38.917	20.833
European Pronap (\$/mt)	-70.22	-77.22	-81.72	-80.22	-77.97	-79.97	-89.053
Asian Pronap (FEI vs MOPJ) (\$/mt)	-67.47	-64.47	-58.72	-51.22	-41.22	-50.387	-44.137



Inter-month Crack Spreads			
Sep/Oct	29-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.260	+0.160	+0.070
WTI/Brent (\$/bbl)	0.350	+0.090	+0.160
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-1.040	-0.010	-0.510
NWE Jet crack (\$/bbl)	-1.280	+0.120	-0.430
NWE Jet Diff (\$/mt)	-2.000	+1.000	+0.500
Gasoil E/W (\$/bbl)	-1.910	-1.080	-0.570
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.360	-0.020	+0.080
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-5.290	+0.880	+1.100
EBOB crack (\$/mt)	2.580	-0.640	-1.300
Singapore 92 crack (\$/bbl)	-0.210	-0.160	-0.480
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-2.780	+0.480	+0.830
European Gasnaph (EBOB vs Naphtha) (\$/mt)	26.000	-4.000	-6.300
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.080	-0.510	+0.160
Naphtha			
US C5 ENT vs WTI Crack	-1.420	-0.270	-0.550
NWE Naphtha Crack (\$/bbl)	-0.550	-0.150	-0.530
MOPJ Naphtha Crack (\$/bbl)	-0.250	-0.100	-0.480
Naphtha E/W (NWE vs MOPJ) (\$/mt)	2.750	+0.500	+0.500
Fuel Oil			
3.5% barges crack (\$/bbl)	0.750	-0.270	-0.280
Singapore 380 crack (\$/bbl)	1.230	-0.040	+0.190
Singapore 180 crack (\$/bbl)	0.750	-0.090	+0.110
Visco (180-380) (\$/mt)	-3.000	-0.250	-0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	3.000	+1.400	+3.000
0.5% barges crack (\$/bbl)	1.020	-0.210	+0.060
Singapore 0.5% crack (\$/bbl)	1.770	-0.360	-0.210
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	4.750	-1.000	-1.750
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.750	+0.400	+2.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	3.500	-2.000	-2.500
0.5% barges/gasoil (\$/mt)	13.190	-1.500	+3.920
Sing 0.5% vs Sing 10ppm (\$/mt)	20.050	-1.180	+2.960
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-17.290	+4.330	+2.730
US Propane LST vs Asian Propane FEI (\$/mt)	-12.540	-0.420	-4.270
Asian Propane FEI vs NWE Propane (\$/mt)	-4.750	+5.750	+7.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.750	-0.250	-1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	4.500	-6.050	-4.750