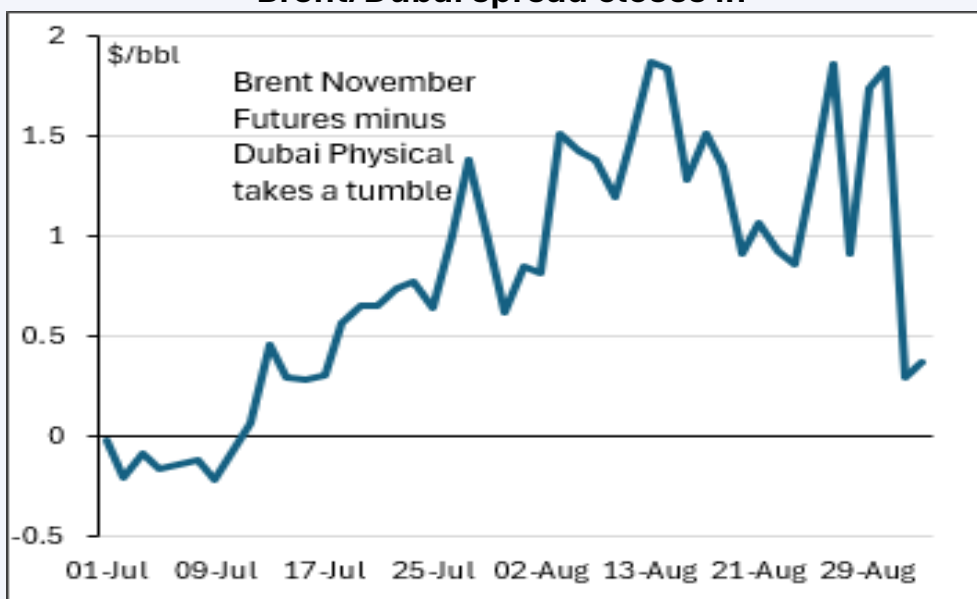




Brent/Dubai spread closes in



Dubai surged relative to Brent, closing the spread. China is widely seen as underperforming but the weak picture as we enter the fall is not translating into softer Asian benchmarks. Dubai is the outperformer so far in September. The prompt weakness in the Dubai we saw throughout the back end of August has been left in dust after expiration. Vitol continued to bid and are seen as winning with Dubai physical premia rising to over two bucks in the first two trading days of September.

Today, we saw a fairly quiet window as the big players seem to be biding their time, testing out the waters in Dubai to see if the tide is coming in or going out this month. Exxon was a major seller with PetroChina also coughing up a couple of partials. Vitol may have found itself a new BFF on the buyside: Mitsui has booted Gunvor out of the party. Gobin just couldn't keep up 😞 Is it Mobin time?

In a lacklustre global economy, India has often been an economist's 'get out of jail free card' when looking for an example of impressive growth. The World Bank has added more credence to that idea by revising its projections for fiscal year 2024/5, upwards from 6.7% to 7%, in line with the IMF's forecasts. We're hesitant to jump on the bandwagon just yet, but this might indicate India is still resilient to global economic woes.

Those woes are exacerbated by the continued thorny issue of passage through the Red Sea: the Houthis have attacked another two vessels. We're glad to say that this event does not seem as serious as others have been, but we're getting used to the disruption to the crucial maritime route, as have the markets.

Summary				
Physical and Futures		03-Sep-24	1-Day Change	7-Day Change
Brent Nov (fut)	(\$/bbl)	77.010	+0.220	-2.930
WTI Nov (fut)	(\$/bbl)	72.740	+0.210	-2.990
Dubai Nov (phys)	(\$/bbl)	76.640	+0.150	-2.560
OBI Continuous	(\$/bbl)	77.010	+0.220	-2.930
Crude Swaps Oct				
Brent	(\$/bbl)	76.270	+0.210	-2.820
DFL	(\$/bbl)	0.470	+0.090	-0.070
WTI	(\$/bbl)	72.500	+0.200	-2.960
Dubai	(\$/bbl)	75.310	+0.200	-2.760
Tenor		Nov-24	Dec-24	Jan-25
Crude Futures				
Brent (fut)	(\$/bbl)	77.010	76.290	75.750
WTI (fut)	(\$/bbl)	72.740	71.940	71.390



In detail

There is the happy market before the window :) and there is the opposite grim market after the window :(Pre window, markets saw a minor rebound from the weekend's sea of red numbers. Nov Brent futures climbed by 22c to reach \$77.01/bbl and Nov WTI saw a comparable rise of 21c, finishing at \$72.74/bbl. Dubai had the smallest change of the three, rising by 15c to \$76.64/bbl. The Dubai front spread (physical minus M1 swap) holds its strongly backwarddated position at \$1.33 – the physical premium maintained an impressively strong \$2.01 after yesterday's \$2.05 peak. But, again, most action came after the window: by 11:15 BST Brent had slipped to well below \$76/bbl, reaching a low of \$75.46/bbl by noon.

In the actual Red Sea, the Houthis have been up to their old tricks, attacking two crude tankers yesterday. After the attacks reported on the, now abandoned, Sounion tanker last week, the Houthis have found new targets passing by their door too tempting to let pass. Two crude tankers reported coming under attack by projectiles yesterday morning, one by an Uncrewed Aerial System and the other by two unknown projectiles. Fortunately, both vessels have reported no casualties or serious damage and are continuing to their next ports of call.

One, the Amjad VLCC (a Saudi-flagged vessel), is nearing the end of its journey from the Marshall Islands as it approaches the Ain Sukhna port in Egypt, just south of Suez, and is expected to arrive on Thursday evening, barring further incident. The smaller Blue Lagoon 1 shuttle tanker sails under the Panamanian flag but was possibly targeted because its parent company's other ships made port calls in Israel, per the Joint Maritime Information Centre. The Houthis haven't actually claimed the Blue Lagoon attack, but, come on... who else would it be?

But not all is gloom and strife; India is shining bright, say the World Bank and IMF, who forecast 7% GDP growth in fiscal year 2024/5. Even this isn't ambitious enough for the Indian central bank, whose own forecast expects a 7.2% growth in the same period. You may recall that The Officials mentioned some indications that the Indian economy's rapid growth is beginning to pull on the brakes in Asia benchmark report 1.57. We referred to the HSBC Indian PMIs, which showed strong expansion, but at a lower rate than they had shown before. Although we expect India to keep growing and outstrip its foreign competitors in this respect, we're less confident it will keep growing so aggressively. We're not saying that the Indian economy is in trouble, but it doesn't look to be plain sailing.

India's national bank is probably hoping the below expectation 6.7% GDP y/y growth reported in Q2-2024 is the result of disruption to government processes caused by the election campaign, especially given much of the projected growth is likely the result of major government infrastructure projects. The major government-funded transport infrastructure projects making up the \$1.2 trillion (and very modestly named) National Master Plan for Multi-modal Connectivity are rather reminiscent of another massive Asian economy with huge population that fuelled rapid economic expansion via enormous expansion of its infrastructure. Maybe India can manage this strategy better and avoid the slowdown fate China is evidently experiencing at the moment.

The Russians are also looking to expand key infrastructure and Putin arrived in Mongolia last night to work on the plans for the 'Power of Siberia-2' connecting Russia to its major oil and gas consumer, China, that will replace the existing pipeline and increase capacity of 38 bcm per year. They certainly seem keen to fulfil their 30-year promise from 2022 (that conveniently preceded invading Ukraine...) to supply their most loyal customer with an additional 10 bcm of gas per year. The PB2 drives another nail into the coffin for European gas dependent industries...

Publisher erratum: the units of EBOB crack have now been corrected to \$/bbl in the table, as they should have been. We thank our keen-eyed readers for their attentiveness. If you see any error or omission, please get in touch.

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Front Month Outrights					
October Swaps			03-Sep-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	76.270	+0.210	-2.820	
WTI	(\$/bbl)	72.500	+0.200	-2.960	
Dubai	(\$/bbl)	75.310	+0.200	-2.760	
Distillates					
Gasoil 0.1 NWE	(\$/mt)	699.430	+4.800	-25.100	
NWE Jet	(\$/mt)	745.680	+5.550	-25.530	
Singapore 10ppm	(\$/bbl)	90.060	+0.710	-3.470	
Sing Kero	(\$/bbl)	89.740	+0.720	-3.140	
Gasoline					
RBOB	(c/gal)	203.590	-0.070	-6.730	
EBOB	(\$/mt)	691.290	+1.090	-27.870	
Singapore 92	(\$/bbl)	82.190	+1.390	-2.200	
Singapore 95	(\$/bbl)	85.390	+0.950	-2.640	
Naphtha					
US C5 ENT	(c/gal)	150.040	+1.150	-4.670	
NWE Naphtha	(\$/mt)	639.020	+2.940	-21.900	
MOPJ Naphtha	(\$/mt)	660.770	+4.690	-18.730	
Fuel Oil					
3.5% barges	(\$/mt)	400.680	-2.420	-32.200	
Singapore 380	(\$/mt)	408.180	-4.670	-31.570	
Singapore 180	(\$/mt)	416.250	-5.350	-32.250	
0.5% barges	(\$/mt)	513.460	+6.220	-16.290	
Singapore 0.5%	(\$/mt)	566.170	+8.770	-12.140	
NGLs					
US Propane LST	(c/gal)	77.628	+0.806	-3.818	
NWE Propane	(\$/mt)	564.440	-0.340	-15.130	
Saudi Propane CP	(\$/mt)	604.940	+0.160	-8.630	
Asian Propane FEI	(\$/mt)	647.390	-3.350	-10.630	
US Butane ENT	(c/gal)	102.120	+0.680	-1.080	
Saudi Butane CP	(\$/mt)	594.890	+1.650	-8.220	



Long Tenor Swaps

		Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	76.970	76.270	75.730	75.370	75.130	75.790	74.887
WTI	(\$/bbl)	73.420	72.500	71.780	71.250	70.870	71.843	70.590
Dubai	(\$/bbl)	76.570	75.310	74.630	74.200	73.900	74.713	73.703
Distillates								
Gasoil 0.1 NWE	(\$/mt)	700.040	699.430	696.420	694.940	694.390	696.930	692.973
NWE Jet	(\$/mt)	744.020	745.680	744.330	744.690	747.140	744.900	745.777
Singapore 10ppm	(\$/bbl)	89.560	90.060	90.230	90.220	90.230	90.170	90.233
Sing Kero	(\$/bbl)	89.540	89.740	89.920	89.990	89.970	89.883	89.960
Gasoline								
RBOB	(c/gal)	206.700	203.590	200.680	199.410	199.890	201.227	207.287
EBOB	(\$/mt)	717.290	691.290	680.290	672.540	672.290	681.373	676.207
Singapore 92	(\$/bbl)	83.290	82.190	81.440	81.140	81.140	81.590	81.307
Singapore 95	(\$/bbl)	87.090	85.390	84.590	84.140	84.640	84.707	84.873
Naphtha								
US C5 ENT	(c/gal)	149.540	150.040	149.920	149.800	150.300	149.920	149.467
NWE Naphtha	(\$/mt)	643.020	639.020	633.520	628.270	624.770	633.603	619.937
MOP-Japan Naphtha	(\$/mt)	665.520	660.770	655.020	649.270	643.770	655.020	638.020
Fuel Oil								
3.5% barges	(\$/mt)	408.680	400.680	395.180	392.680	392.930	396.180	394.013
Singapore 380	(\$/mt)	421.680	408.180	403.680	401.930	401.430	404.597	401.680
Singapore 180	(\$/mt)	426.750	416.250	413.750	413.000	413.250	414.333	414.000
0.5% barges	(\$/mt)	527.460	513.460	503.960	497.460	493.960	504.960	491.460
Singapore 0.5%	(\$/mt)	587.670	566.170	552.420	544.420	538.420	554.337	534.420
NGLs								
US Propane LST	(c/gal)	76.008	77.628	78.378	78.378	78.258	78.128	76.885
NWE Propane	(\$/mt)	576.440	564.440	559.440	554.940	549.940	559.607	534.940
Saudi Propane CP	(\$/mt)	604.940	604.940	605.940	609.440	606.440	606.773	594.773
Asian Propane FEI	(\$/mt)	650.890	647.390	646.390	643.890	634.890	645.890	617.057
US Butane ENT	(c/gal)	101.500	102.120	101.620	101.120	100.740	101.620	97.447
Saudi Butane CP	(\$/mt)	594.890	594.890	599.890	606.390	605.390	600.390	591.890



Front Month Spreads				
Oct/Nov		03-Sep-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.540	+0.010	-0.060
WTI	(\$/bbl)	0.720	+0.020	-0.130
Dubai	(\$/bbl)	0.680	+0.010	+0.060
Distillates				
Gasoil 0.1 NWE	(\$/mt)	3.010	+0.800	-0.020
NWE Jet	(\$/mt)	1.350	+1.140	+0.390
Singapore 10ppm	(\$/bbl)	-0.170	+0.050	-0.210
Sing Kero	(\$/bbl)	-0.180	-0.060	-0.060
Gasoline				
RBOB	(c/gal)	2.910	+0.050	+0.060
EBOB	(\$/mt)	11.000	-1.000	-4.000
Singapore 92	(\$/bbl)	0.750	+0.400	+0.070
Singapore 95	(\$/bbl)	0.800	+0.250	-0.080
Naphtha				
US C5 ENT	(c/gal)	0.120	+0.000	+0.000
NWE Naphtha	(\$/mt)	5.500	+0.500	-1.250
MOP-Japan Naphtha	(\$/mt)	5.750	+0.500	-1.000
Fuel Oil				
3.5% barges	(\$/mt)	5.500	-0.250	-2.000
Singapore 380	(\$/mt)	4.500	-1.000	-3.500
Singapore 180	(\$/mt)	2.500	-1.250	-4.250
0.5% barges	(\$/mt)	9.500	+1.500	+1.750
Singapore 0.5%	(\$/mt)	13.750	+3.500	+3.000
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	-0.250
NWE Propane	(\$/mt)	5.000	+0.000	-1.500
Saudi Propane CP	(\$/mt)	-1.000	-0.500	+0.500
Asian Propane FEI	(\$/mt)	1.000	-1.000	-0.500
US Butane ENT	(c/gal)	0.500	+0.000	+0.120
Saudi Butane CP	(\$/mt)	-5.000	+1.000	+1.000



Front Month Cracks and Diffs			
October	03-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.940	-0.010	-0.050
WTI/Brent (\$/bbl)	-3.760	+0.000	-0.130
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.600	+0.400	-0.590
NWE Jet crack (\$/bbl)	18.320	+0.430	-0.460
NWE Jet Diff (\$/mt)	46.000	+0.500	-0.500
Gasoil E/W (\$/bbl)	-28.750	+0.250	-0.860
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.320	-0.020	+0.330
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	6.000	-0.400	+1.240
EBOB crack (\$/bbl)	6.710	-0.090	-0.540
Singapore 92 crack (\$/bbl)	5.910	+1.160	+0.620
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.800	+1.250	+1.150
European Gasnaph (EBOB vs Naphtha) (\$/mt)	52.050	-2.130	-6.090
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	23.600	+6.530	+0.130
Naphtha			
US C5 ENT vs WTI Crack	-9.460	+0.320	+1.030
NWE Naphtha Crack (\$/bbl)	-4.450	+0.150	+0.380
MOPJ Naphtha Crack (\$/bbl)	-2.010	+0.340	+0.740
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.750	+1.750	+3.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-13.150	-0.550	-2.220
Singapore 380 crack (\$/bbl)	-11.970	-0.910	-2.140
Singapore 180 crack (\$/bbl)	-10.710	-1.020	-2.260
Visco (180-380) (\$/mt)	8.000	-0.750	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.500	-2.250	+0.500
0.5% barges crack (\$/bbl)	4.600	+0.800	+0.250
Singapore 0.5% crack (\$/bbl)	12.900	+1.200	+0.920
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	52.710	+2.540	+4.210
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	112.710	+8.570	+15.710
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	157.920	+13.360	+19.420
0.5% barges/gasoil (\$/mt)	-185.860	+1.660	+9.100
Sing 0.5% vs Sing 10ppm (\$/mt)	-104.360	+4.020	+14.260
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-160.000	+4.500	-4.810
US Propane LST vs Asian Propane FEI (\$/mt)	-243.000	+7.500	-9.310
Asian Propane FEI vs NWE Propane (\$/mt)	83.000	-3.000	+4.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	42.500	-3.500	-2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-74.760	-3.470	+6.550
Asian Pronap (FEI vs MOPJ) (\$/mt)	-56.010	-4.720	+9.710



Long Tenor Cracks / Diffs

	Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.390	0.940	1.080	1.150	1.200	1.057	1.170
WTI/Brent (\$/bbl)	-3.540	-3.760	-3.950	-4.110	-4.260	-3.940	-4.307
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	16.99	17.60	17.73	17.89	18.07	17.74	18.10
NWE Jet crack (\$/bbl)	17.44	18.32	18.72	19.18	19.71	18.74	19.75
NWE Jet Diff (\$/mt)	44.00	46.00	48.00	50.00	53.00	48.00	53.00
Gasoil E/W (\$/bbl)	-32.83	-28.75	-24.31	-22.53	-21.95	-25.20	-20.42
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.02	-0.32	-0.31	-0.25	-0.26	-0.29	-0.29
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	1.650	6.000	6.220	7.170	7.740	6.463	13.997
EBOB crack (\$/bbl)	9.120	6.710	5.920	5.360	5.570	5.997	6.277
Singapore 92 crack (\$/bbl)	6.310	5.910	5.700	5.760	6.000	5.790	6.403
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-2.830	-0.800	-0.230	0.400	0.430	-0.210	0.127
European Gasnaph (EBOB vs Naphtha) (\$/mt)	74.050	52.050	46.550	44.050	47.300	47.550	56.050
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	28.010	23.600	23.100	26.350	31.850	24.350	38.987
Naphtha							
US C5 ENT vs WTI Crack	-10.590	-9.460	-8.800	-8.310	-7.700	-8.857	-7.773
NWE Naphtha Crack (\$/bbl)	-4.710	-4.450	-4.530	-4.760	-4.900	-4.580	-5.210
MOPJ Naphtha Crack (\$/bbl)	-2.180	-2.010	-2.110	-2.400	-2.770	-2.173	-3.180
Naphtha E/W (NWE vs MOPJ) (\$/mt)	22.500	21.750	21.500	21.000	19.000	21.417	18.083
Fuel Oil							
3.5% bgs crack (\$/bbl)	-12.600	-13.150	-13.480	-13.510	-13.220	-13.380	-12.817
Singapore 380 crack (\$/bbl)	-10.550	-11.970	-12.140	-12.050	-11.880	-12.053	-11.607
Singapore 180 crack (\$/bbl)	-9.770	-10.710	-10.560	-10.320	-10.030	-10.530	-9.680
Visco (180-380) (\$/mt)	5.000	8.000	10.000	11.000	11.750	9.667	12.250
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	13.000	7.500	8.500	9.250	8.500	8.417	7.667
0.5% bgs crack (\$/bbl)	6.090	4.600	3.640	2.980	2.680	3.740	2.520
Singapore 0.5% crack (\$/bbl)	15.580	12.900	11.280	10.380	9.680	11.520	9.283
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	60.210	52.710	48.460	46.960	44.460	49.377	42.960
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	118.710	112.710	108.710	104.710	100.960	108.710	97.377
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	165.920	157.920	148.670	142.420	136.920	149.670	132.670
0.5% bgs/gasoil (\$/mt)	-172.550	-185.860	-192.460	-197.480	-200.300	-191.933	-201.267
Sing 0.5% vs Sing 10ppm (\$/mt)	-79.140	-104.360	-119.380	-127.920	-133.990	-117.220	-137.913
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-180.44	-160	-151.09	-146.59	-142.22	-152.56	-134.373
US Propane LST vs Asian Propane FEI (\$/mt)	-254.94	-243	-238.09	-235.59	-227.22	-238.893	-216.54
Asian Propane FEI vs NWE Propane (\$/mt)	74.5	83	87	89	85	86.333	82.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	46	42.5	40.5	34.5	28.5	39.167	22.333
European Pronap (\$/mt)	-66.76	-74.76	-74.26	-73.51	-75.01	-74.177	-85.177
Asian Pronap (FEI vs MOPJ) (\$/mt)	-60.76	-56.01	-49.26	-40.01	-37.51	-48.427	-43.427



Inter-month Crack Spreads			
Oct/Nov	03-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.140	+0.010	-0.110
WTI/Brent (\$/bbl)	0.190	+0.010	-0.070
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.130	+0.070	+0.030
NWE Jet crack (\$/bbl)	-0.400	+0.070	+0.070
NWE Jet Diff (\$/mt)	-2.000	+0.000	+0.000
Gasoil E/W (\$/bbl)	-4.440	-0.520	-1.830
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.010	-0.110	+0.150
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-0.220	+0.360	+1.210
EBOB crack (\$/bbl)	0.790	-0.130	-0.420
Singapore 92 crack (\$/bbl)	0.210	+0.380	+0.120
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.570	+0.520	+0.550
European Gasnaph (EBOB vs Naphtha) (\$/mt)	5.500	-1.500	-2.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.500	+2.840	+1.580
Naphtha			
US C5 ENT vs WTI Crack	-0.660	-0.010	+0.130
NWE Naphtha Crack (\$/bbl)	0.080	+0.040	-0.080
MOPJ Naphtha Crack (\$/bbl)	0.100	+0.030	-0.060
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.250	+0.000	+0.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.330	-0.050	-0.250
Singapore 380 crack (\$/bbl)	0.170	-0.170	-0.490
Singapore 180 crack (\$/bbl)	-0.150	-0.210	-0.610
Visco (180-380) (\$/mt)	-2.000	-0.250	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-1.000	-0.750	-1.500
0.5% barges crack (\$/bbl)	0.960	+0.230	+0.320
Singapore 0.5% crack (\$/bbl)	1.620	+0.540	+0.520
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	4.250	+2.000	+1.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	4.000	+1.750	+3.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	9.250	+4.500	+6.500
0.5% barges/gasoil (\$/mt)	6.600	+0.810	+1.880
Sing 0.5% vs Sing 10ppm (\$/mt)	15.020	+3.130	+4.860
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-8.910	-0.010	+0.200
US Propane LST vs Asian Propane FEI (\$/mt)	-4.910	+0.990	-0.800
Asian Propane FEI vs NWE Propane (\$/mt)	-4.000	-1.000	+1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.000	-0.500	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-0.500	-0.500	-0.250