



Up and down, but mostly sideways



Today's window was quieter than yesterday's head scratcher, although there were still some pretty pricey cargoes up for grabs. Mitsui offered a Forties CIF for Oct 16-20 at Dated +\$2.10. Conoco lowered its offer of an Ekofisk for Oct 17-22 to +\$2.20 over Dated, down from its Oct 19-21 offer at +\$2.55 yesterday. Everyone's being all strait laced today after last night's debacle.

For evidence of how dire the global construction outlook seems, look at how pessimistic JCB is in its annual earnings report despite bumper profits. JCB reported a £6.5 (\$8.65) billion turnover, with a pre-tax profit of £805.8 million. This constitutes a gain in market share and a 14% y/y increase in sales, but the company is very gloomy about the remainder of the year as economic activity is contracting fast: JCB is concerned by "challenging" conditions in its European market that will make replicating this annual success rather tricky. At least the diggers have other uses. 🇬🇧 The UK's contracting housebuilding sector is a danger to company profits, while Germany's economic decline is potentially an existential threat.

It's not just construction, but all industry that looks poor. Fund managers' expectations for diesel prices are suffering as a result of globally weak manufacturing trends. Hedge funds and other money managers sold around 13 mb worth of diesel futures across US and European markets during the week ending 17 September. The result is a record net short position of around 100 mb, compared with the 71 mb net long position on 2 July.

And clearly China is panicking and maybe we all should. See more on the world's manufacturing slowdown overleaf...

Summary

Physical and Futures

		24-Sep-24	1-Day Change	7-Day Change
Brent Nov (fut)	(\$/bbl)	74.980	+0.780	+1.590
WTI Nov (fut)	(\$/bbl)	71.420	+0.700	+1.620
Dubai Nov (phys)	(\$/bbl)	74.880	+0.770	+1.050
OBI Continuous	(\$/bbl)	74.980	+0.780	+1.590
Crude Swaps Oct				
Brent	(\$/bbl)	74.240	+0.800	+1.500
DFL	(\$/bbl)	0.490	-0.020	+0.110
WTI	(\$/bbl)	71.190	+0.740	+1.630
Dubai	(\$/bbl)	73.740	+0.900	+1.360

Tenor

		Nov-24	Dec-24	Jan-25
Crude Futures				
Brent (fut)	(\$/bbl)	74.980	74.250	73.820
WTI (fut)	(\$/bbl)	71.420	70.660	70.130



In detail

Prices scrambled back up from yesterday's late afternoon slip 'n' slide. First bolstered by news of the Chinese bank cutting rates, alongside the threat of the upcoming Hurricane Helene in the Gulf of Mexico, we saw Brent flat price surpass the \$75/bbl level... again. That threshold was crossed as early as 09:34 BST and Brent kept up its momentum to peak at \$75.86/bbl at 11:20 BST. Like yesterday, we saw another selloff into the window, where prices fell to close at \$74.98/bbl, a 78c rise on the day. WTI gained 70c/bbl and closed the day at \$71.42/bbl. Brent's front month spreads remain at a healthily backwardated 73c.

Just today, we got further confirmation that Germany's economy is more than dented, more like cracked. The Ifo Business Climate data showed yet another decline: it fell from 86.6 in August to 85.4 in September. Not only does this look bad on a monthly basis, but it continues a continuous downward trend from April, when the figure was at 89.4. The index even fell to its lowest level since June 2020! Peak pandemic! Companies surveyed "assessed their situation to be significantly poorer". Many pointed to an intensification of lack of orders as core industry in Germany continues to struggle. So, it seems like JCB is right to be nervous about the German economy's state.

We're not convinced the US is the place to look for salvation from economic strife either. The Richmond Fed Manufacturing Index in the Fifth District fell to -21 for September, implying the steepest decline in factory output since May 2020 – note the curious proximity to Germany's lowest Ifo result... Within this, the employment subindex fell beneath its pandemic low, with the worst print for the subindex since April 2009. The Fed may have just blown its chances for achieving the ever-elusive soft landing Powell has been dreaming of.

With Aramco announcement of its second bond issuance in just 2 months and ADNOC recently approving its own, we are really questioning how long OPEC can keep up their cuts. Debt finance can be a short-term fix, making up for income shortfall, and retaining funding for infrastructure projects, but only for the most creditworthy members. The justification for Saudi and UAE's favourable debt financing is, of course, governed by their oil production capacity, much of which is now underutilised. They have to pump. Other OPEC incomes are getting squeezed too.

See Russia, whose crude shipments fell to the lowest level since July. In the week ending 22 September flows were almost 400 kb lower than the week prior, according to ship tracking data. Due to the fall in Urals' price for the three weeks prior to last week, income from oil exports fell to its lowest in 8 months. All the while, Russia continues to rage a very costly war against Ukraine. Part of the drop in exports was due to maintenance at the Kozmino export terminal, or at the pipeline supplying it, it's not entirely clear, which took this terminal offline for four days. The year's trend is clear: crude shipments on average have been about 60 kb/d lower so far than 2023's average.

In one of the most bizarre events we've heard of recently, the Texas Attorney General, Ken Paxton, is suing the Biden administration because he has interpreted a declaration that the species of lizard called the dunes sagebrush is endangered as politically motivated. As the lizard's habitat stretches over areas of the Permian Basin, rules on its conservation hit oil producers, which Paxton interprets as the true motive. So far, then, he's got the culprit, weapon, and location. Get your popcorn ready, this is going to be one to watch.

It's not only the southerners wanting to play dress up and shout across a courtroom; while Texas is attacking lizards, California is attacking ExxonMobil. The Pacific coast state is suing the oil giant for what it calls a "decades-long campaign of deception" regarding the recycling of its plastic waste. If the Californian side is successful, the case is likely to cost Exxon multiple billions of dollars... enough to put a dent in its recent record profits. Talking about lawsuits Glencore is losing its 0.57% stake in one of Russia's biggest oil producers, Rosneft. According to our source, they may already have had it seized by the authorities...

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Front Month Outrights					
October Swaps			24-Sep-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	74.240		+0.800	+1.500
WTI	(\$/bbl)	71.190		+0.740	+1.630
Dubai	(\$/bbl)	73.740		+0.900	+1.360
Distillates					
Gasoil 0.1 NWE	(\$/mt)	667.760		+8.650	+19.050
NWE Jet	(\$/mt)	703.260		+7.650	+13.050
Singapore 10ppm	(\$/bbl)	85.910		+1.330	+2.110
Sing Kero	(\$/bbl)	85.510		+1.310	+1.420
Gasoline					
RBOB	(c/gal)	200.340		+2.250	+4.430
EBOB	(\$/mt)	685.170		+7.880	+16.550
Singapore 92	(\$/bbl)	79.590		+0.680	+1.170
Singapore 95	(\$/bbl)	83.840		+0.680	+1.520
Naphtha					
US C5 ENT	(c/gal)	147.700		+1.250	+0.770
NWE Naphtha	(\$/mt)	637.330		+4.810	+7.570
MOPJ Naphtha	(\$/mt)	656.080		+7.060	+7.570
Fuel Oil					
3.5% barges	(\$/mt)	416.500		+6.800	+19.050
Singapore 380	(\$/mt)	410.750		-1.950	+4.300
Singapore 180	(\$/mt)	429.250		+2.550	+11.300
0.5% barges	(\$/mt)	510.790		+6.160	+26.350
Singapore 0.5%	(\$/mt)	565.720		+5.210	+33.970
NGLs					
US Propane LST	(c/gal)	73.474		+2.040	+2.315
NWE Propane	(\$/mt)	585.210		+8.770	+11.970
Saudi Propane CP	(\$/mt)	617.710		+4.770	+5.470
Asian Propane FEI	(\$/mt)	652.210		+12.270	+8.970
US Butane ENT	(c/gal)	106.580		+2.310	+4.170
Saudi Butane CP	(\$/mt)	614.710		+0.770	-7.530



Long Tenor Swaps

		Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	74.830	74.240	73.800	73.510	73.340	73.850	73.227
WTI	(\$/bbl)	71.420	71.190	70.500	69.990	69.630	70.560	69.403
Dubai	(\$/bbl)	74.770	73.740	73.070	72.680	72.400	73.163	72.267
Distillates								
Gasoil 0.1 NWE	(\$/mt)	669.500	667.760	665.670	665.460	666.480	666.297	666.963
NWE Jet	(\$/mt)	699.750	703.260	705.670	708.460	712.980	705.797	714.130
Singapore 10ppm	(\$/bbl)	85.610	85.910	85.930	86.030	86.270	85.957	86.493
Sing Kero	(\$/bbl)	85.210	85.510	85.710	85.920	86.080	85.713	86.177
Gasoline								
RBOB	(c/gal)	202.830	200.340	197.800	196.820	197.290	198.320	203.930
EBOB	(\$/mt)	705.170	685.170	667.670	657.670	657.420	670.170	661.837
Singapore 92	(\$/bbl)	80.590	79.590	78.480	78.170	78.220	78.747	78.477
Singapore 95	(\$/bbl)	84.240	83.840	82.380	81.870	81.920	82.697	82.243
Naphtha								
US C5 ENT	(c/gal)	146.200	147.700	147.700	147.450	147.950	147.617	147.033
NWE Naphtha	(\$/mt)	640.330	637.330	633.080	628.580	625.330	632.997	621.080
MOP-Japan Naphtha	(\$/mt)	659.080	656.080	652.330	647.830	642.830	652.080	638.080
Fuel Oil								
3.5% barges	(\$/mt)	428.000	416.500	401.000	394.000	392.000	403.833	393.000
Singapore 380	(\$/mt)	424.250	410.750	402.500	399.250	397.750	404.167	398.917
Singapore 180	(\$/mt)	440.250	429.250	417.000	413.000	411.250	419.750	412.417
0.5% barges	(\$/mt)	517.540	510.790	495.790	487.290	481.790	497.957	479.163
Singapore 0.5%	(\$/mt)	580.970	565.720	549.720	536.720	527.720	550.720	522.887
NGLs								
US Propane LST	(c/gal)	67.474	73.474	75.224	76.224	76.724	74.974	75.637
NWE Propane	(\$/mt)	588.210	585.210	579.710	572.710	565.210	579.210	550.210
Saudi Propane CP	(\$/mt)	617.710	617.710	616.210	616.210	613.210	616.710	602.877
Asian Propane FEI	(\$/mt)	654.710	652.210	648.960	644.710	636.210	648.627	619.460
US Butane ENT	(c/gal)	106.080	106.580	104.700	102.820	101.820	104.700	98.360
Saudi Butane CP	(\$/mt)	614.710	614.710	618.710	619.710	616.710	617.710	603.543



Front Month Spreads				
Oct/Nov		24-Sep-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.440	+0.000	+0.020
WTI	(\$/bbl)	0.690	-0.060	-0.010
Dubai	(\$/bbl)	0.670	+0.030	+0.000
Distillates				
Gasoil 0.1 NWE	(\$/mt)	2.090	-0.020	+0.960
NWE Jet	(\$/mt)	-2.410	-1.020	-0.790
Singapore 10ppm	(\$/bbl)	-0.020	+0.050	+0.050
Sing Kero	(\$/bbl)	-0.200	-0.020	-0.200
Gasoline				
RBOB	(c/gal)	2.540	-0.010	+0.110
EBOB	(\$/mt)	17.500	+0.750	+3.000
Singapore 92	(\$/bbl)	1.110	-0.070	+0.260
Singapore 95	(\$/bbl)	1.460	-0.070	+0.310
Naphtha				
US C5 ENT	(c/gal)	0.000	-0.250	-0.250
NWE Naphtha	(\$/mt)	4.250	-2.000	-2.250
MOP-Japan Naphtha	(\$/mt)	3.750	-0.250	-1.750
Fuel Oil				
3.5% barges	(\$/mt)	15.500	+0.750	+5.000
Singapore 380	(\$/mt)	8.250	-2.500	-1.250
Singapore 180	(\$/mt)	12.250	+0.000	+2.750
0.5% barges	(\$/mt)	15.000	+1.500	+6.500
Singapore 0.5%	(\$/mt)	16.000	-0.750	+6.500
NGLs				
US Propane LST	(c/gal)	-1.750	+0.250	-0.630
NWE Propane	(\$/mt)	5.500	-1.000	-4.000
Saudi Propane CP	(\$/mt)	1.500	-1.500	+0.000
Asian Propane FEI	(\$/mt)	3.250	+0.750	-0.750
US Butane ENT	(c/gal)	1.880	+0.130	+0.260
Saudi Butane CP	(\$/mt)	-4.000	-5.000	-9.500



Front Month Cracks and Diffs			
October	24-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.500	-0.100	+0.140
WTI/Brent (\$/bbl)	-3.040	-0.050	+0.130
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	15.420	+0.380	+1.080
NWE Jet crack (\$/bbl)	15.030	+0.210	+0.180
NWE Jet Diff (\$/mt)	35.500	-1.000	-6.000
Gasoil E/W (\$/bbl)	-27.750	+1.250	-3.350
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.450	-0.070	-0.740
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	4.500	+0.000	-0.300
EBOB crack (\$/bbl)	8.010	+0.130	+0.480
Singapore 92 crack (\$/bbl)	5.350	-0.130	-0.330
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-2.660	-0.260	-0.810
European Gasnaph (EBOB vs Naphtha) (\$/mt)	47.800	+3.070	+8.950
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	6.820	-1.380	+2.100
Naphtha			
US C5 ENT vs WTI Crack	-9.170	-0.240	-1.310
NWE Naphtha Crack (\$/bbl)	-2.630	-0.280	-0.650
MOPJ Naphtha Crack (\$/bbl)	-0.520	-0.020	-0.650
Naphtha E/W (NWE vs MOPJ) (\$/mt)	18.750	+2.250	+0.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.650	+0.250	+1.500
Singapore 380 crack (\$/bbl)	-9.550	-1.120	-0.820
Singapore 180 crack (\$/bbl)	-6.640	-0.420	+0.280
Visco (180-380) (\$/mt)	18.500	+4.500	+7.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-5.750	-8.750	-14.750
0.5% barges crack (\$/bbl)	6.200	+0.150	+2.650
Singapore 0.5% crack (\$/bbl)	14.850	+0.000	+3.850
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	54.930	-0.950	+7.620
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	94.290	-0.640	+7.290
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	154.970	+7.160	+29.670
0.5% barges/gasoil (\$/mt)	-157.140	-2.720	+7.170
Sing 0.5% vs Sing 10ppm (\$/mt)	-74.460	-4.900	+18.120
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-202.500	+2.000	+0.000
US Propane LST vs Asian Propane FEI (\$/mt)	-269.500	-1.500	+3.000
Asian Propane FEI vs NWE Propane (\$/mt)	67.000	+3.500	-3.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	34.500	+7.500	+3.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-52.030	+3.910	+4.620
Asian Pronap (FEI vs MOPJ) (\$/mt)	-38.280	-2.340	-1.880



Long Tenor Cracks / Diffs

	Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.070	0.500	0.730	0.840	0.940	0.690	0.957
WTI/Brent (\$/bbl)	-3.410	-3.040	-3.310	-3.510	-3.710	-3.287	-3.820
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	15.03	15.42	15.54	15.81	16.11	15.59	16.28
NWE Jet crack (\$/bbl)	13.96	15.03	15.74	16.40	17.13	15.72	17.39
NWE Jet Diff (\$/mt)	30.25	35.50	40.00	43.00	46.50	39.50	47.17
Gasoil E/W (\$/bbl)	-31.41	-27.75	-25.35	-24.57	-23.80	-25.89	-22.60
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.45	-0.45	-0.27	-0.17	-0.25	-0.30	-0.35
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	1.220	4.500	6.920	8.790	9.380	6.737	14.747
EBOB crack (\$/bbl)	9.810	8.010	6.330	5.420	5.560	6.587	6.213
Singapore 92 crack (\$/bbl)	5.750	5.350	4.670	4.660	4.860	4.893	5.237
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.070	-2.660	-1.670	-0.780	-0.700	-1.703	-0.973
European Gasnaph (EBOB vs Naphtha) (\$/mt)	64.800	47.800	34.550	29.050	32.050	37.133	40.717
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	12.150	6.820	1.330	3.240	8.660	3.797	15.547
Naphtha							
US C5 ENT vs WTI Crack	-10.030	-9.170	-8.470	-8.070	-7.490	-8.570	-7.657
NWE Naphtha Crack (\$/bbl)	-2.890	-2.630	-2.670	-2.880	-3.090	-2.727	-3.450
MOPJ Naphtha Crack (\$/bbl)	-0.790	-0.520	-0.500	-0.720	-1.120	-0.580	-1.540
Naphtha E/W (NWE vs MOPJ) (\$/mt)	18.750	18.750	19.250	19.250	17.500	19.083	17.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-7.440	-8.650	-10.650	-11.460	-11.620	-10.253	-11.343
Singapore 380 crack (\$/bbl)	-8.030	-9.550	-10.410	-10.640	-10.710	-10.200	-10.410
Singapore 180 crack (\$/bbl)	-5.510	-6.640	-8.130	-8.470	-8.590	-7.747	-8.287
Visco (180-380) (\$/mt)	16.000	18.500	14.500	13.750	13.500	15.583	13.500
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	-3.750	-5.750	1.500	5.250	5.750	0.333	5.917
0.5% bgs crack (\$/bbl)	6.660	6.200	4.280	3.230	2.520	4.570	2.227
Singapore 0.5% crack (\$/bbl)	16.650	14.850	12.770	11.010	9.760	12.877	9.113
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	63.430	54.930	53.930	49.430	45.930	52.763	43.723
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	89.540	94.290	94.790	93.290	89.790	94.123	86.163
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	156.720	154.970	147.220	137.470	129.970	146.553	123.970
0.5% bgs/gasoil (\$/mt)	-151.960	-157.140	-169.960	-178.330	-184.940	-168.477	-187.910
Sing 0.5% vs Sing 10ppm (\$/mt)	-56.970	-74.460	-90.610	-104.350	-115.210	-89.807	-121.587
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-236.76	-202.5	-187.88	-175.67	-165.56	-188.683	-156.227
US Propane LST vs Asian Propane FEI (\$/mt)	-303.26	-269.5	-257.13	-247.67	-236.57	-258.1	-225.48
Asian Propane FEI vs NWE Propane (\$/mt)	66.5	67	69.25	72	71	69.417	69.25
Asian Propane FEI vs Saudi Propane CP (\$/mt)	37	34.5	32.75	28.5	23	31.917	16.583
European Pronap (\$/mt)	-52.03	-52.03	-53.28	-55.83	-60.08	-53.713	-70.797
Asian Pronap (FEI vs MOPJ) (\$/mt)	-41.28	-38.28	-36.03	-31.53	-29.53	-35.28	-35.113



Inter-month Crack Spreads			
Oct/Nov	24-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.230	-0.020	+0.020
WTI/Brent (\$/bbl)	0.270	-0.040	-0.020
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.120	+0.020	+0.160
NWE Jet crack (\$/bbl)	-0.710	-0.090	-0.060
NWE Jet Diff (\$/mt)	-4.500	-1.000	-1.750
Gasoil E/W (\$/bbl)	-2.400	+0.320	-0.880
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.180	-0.070	-0.250
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-2.420	-0.210	-0.690
EBOB crack (\$/bbl)	1.680	+0.100	+0.350
Singapore 92 crack (\$/bbl)	0.680	-0.070	+0.250
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.990	-0.160	-0.100
European Gasnaph (EBOB vs Naphtha) (\$/mt)	13.250	+2.750	+5.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	5.490	-0.340	+3.900
Naphtha			
US C5 ENT vs WTI Crack	-0.700	-0.060	-0.100
NWE Naphtha Crack (\$/bbl)	0.040	-0.230	-0.280
MOPJ Naphtha Crack (\$/bbl)	-0.020	-0.040	-0.230
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.500	+1.750	+0.500
Fuel Oil			
3.5% barges crack (\$/bbl)	2.000	+0.110	+0.760
Singapore 380 crack (\$/bbl)	0.860	-0.400	-0.230
Singapore 180 crack (\$/bbl)	1.490	-0.010	+0.400
Visco (180-380) (\$/mt)	4.000	+2.500	+4.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-7.250	-3.250	-6.250
0.5% barges crack (\$/bbl)	1.920	+0.220	+1.000
Singapore 0.5% crack (\$/bbl)	2.080	-0.130	+0.990
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	1.000	-2.250	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-0.500	+0.750	+1.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	7.750	+1.750	+7.750
0.5% barges/gasoil (\$/mt)	12.820	+1.500	+5.250
Sing 0.5% vs Sing 10ppm (\$/mt)	16.150	-1.120	+6.130
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-14.620	+2.300	+0.710
US Propane LST vs Asian Propane FEI (\$/mt)	-12.370	+0.550	-2.540
Asian Propane FEI vs NWE Propane (\$/mt)	-2.250	+1.750	+3.250
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.750	+2.250	-0.750
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	1.250	+1.000	-1.750