The Officials

Asian Monthly Report

September 2024

Item One: Editor's Review

Hello, Dear Market Practitioner and Market Watcher:

September was a scorcher, and we are not talking about global warming or those planetary worries creasing the faces of well-intended individuals worrying about themselves, their brood but also selfish sods focused on how to make hay out of the taxpayer while the sun is shining, so to speak. September was hot with the war in Ukraine seemingly and increasingly going in favour of Russia while greater mayhem engulfed the Middle East with the US, Israeli, Lebanon, Gaza, Houthis and Iran all vying for something while civilians suffer. We also saw figures released of the US generating $850 billion of new debt in August, which happens to mean one new trillion of debt generated in as little as 81 days if no corrective action is taken. We saw the US Fed take action to spark economic growth in the US as clearly the diversion of resources to an ever-voracious central government taps out the general public. The underlying economic releases are an unending litany of bearish signals. The Officials felt that the Fed would cut by 50 points and they did. But to be fair, we cannot forecast correctly each single event, but we have not done so badly so far. If you have time, please read some of the nuanced comments in the details section of our reports.

Jorge, back in London from Asia, thanks you for reading The Officials

We also had the opportunity to travel to China as we were very negative on the Chinese outlook on oil demand. We have been very public on our soft price views as we felt the 'direction of travel' on Chinese demand had been misread and misstated by just about any forecaster including some very big names. It is easy to be blinkered or dazed by our dear oil industry and the big names in the Middle East. We stated some early views on the Special Aramco report highlighting the error of Aramco promising to pay high dividends based on growing Chinese demand. Aramco did not disappoint us by going into the market to, yes, you guessed it, to borrow more money. See our special report on Aramco from 9 August.

Our trip to Shanghai highlighted two things from the moment of landing, a) The unusual sight of some shuttered shops in the airport and b) the disturbing but welcome lack of combustion vehicles on the road from the airport. All that one could hear was the swishing of the tyres against the asphalt. Upon close examination, close to 80% of the cars were EVs. The New World is here and we strongly urge ALL forecasters to reset their gasoline consumption numbers because the growth is no more! In August, 54% of the new cars sold were EVs. The future is electric and combustion is edged out of the major cities at some pace and with surety. China is wired and powered electrically, by coal mostly, as it happens!

And diesel consumption is also challenged as we hardly saw any crane operation in Shanghai or even Nanjing. A sort of paralysis has taken over China ion many sectors that frankly scared us. The world needs a healthy China to move forward. Ask any Aussie, Korean or Japanese. Maybe they do not like to admit it, but they need China to buy their things, like the Germans, or even the French wine exporters. A healthy China is good for markets and for inflation. They produce things cheaper than anyone else! (please see our special reports on China, all on LinkedIn and YouTube).

The Officials

The ‘Shucks, China is slowing down’ epiphany hit the revellers in Singapore’s APPEC. In a proof that traders are immune to alcohol, or maybe because of it, they sold off oil in earnest with Brent markets hitting a low of $68.98/bbl on 17 September.

But the hedgers came in with airlines spotting an opportunity to lock in cheap jet and bought arresting the slide.

The macros remained terribly negative, with a chorus of analysts finally pointing to Germany’s industrial comatose stage. Germany is in a very poor state. The government essentially has done a triple tap on the economic engine by shutting down the nuclear plants, followed by a cut off from cheap feedstocks from Russia plus sanctions, in effect reducing its exports to Russia and even China. Way to go! Down, of course. Naturally, this made us even more bearish on the price of oil.

But just when you think the market is down for the count, here comes mighty Xi, the man with the golden touch, far more powerful than the Fed’s Powell. Man, Xi has taken a bazooka or two or three and is just showering the money everywhere. China has lowered interest rates and created incentives to buy stocks, homes and whatever. Buy stocks, buy homes, spend, says the man. And guess what, it is working. The stock market has gone up nearly by 25%, and the stock buying fever has infected Korea and even Japan, before Mr sour puss Ishida won the latest election. He wants higher interest rates and the stock market, of course, fell. Can’t have your cake and eat it, so to speak. But in China, things are good now or until inflation kicks in. Iron ore has responded by going up over 20% since the policy announcements.

Now back to the core, the oil price is hemmed on the one side by a sudden burst to goodness coming from China, a possibility of more pain in the Middle East, a Fed cut and on the other hand by bad global bad macros. In fact, awful macros. We were calling for a market starting with a SIX, but Mr. Xi may have put a stop to that. We will be watching very closely but things in the West are not good at all. Refining margins have suffered greatly due to the poor demand and many have reduced runs. Some refineries have gone under, including three from Sinochem in China.

Ending a multi-year fraud saga, Singapore's OK Lim and his children have agreed to pay $3.5-bil to HSBC and other creditors and since they claim not to have the money they will also claim bankruptcy. They owed money to 23 banks including Singapore and international A1 banks. We knew OK Lim, one of his children and his key managers and traders well. They were actively trading, created a very large physical business including tankage, a terminal and if memory serves right, four VLCCs and at some point close to 100 ships. But it all came crashing as the mirage needed the hard stuff, cash, and the Lima didn't have it. Promissory notes and letters of Credit just get you so far. As another friend once said, 'cash is king, and the rest is just an opinion.'

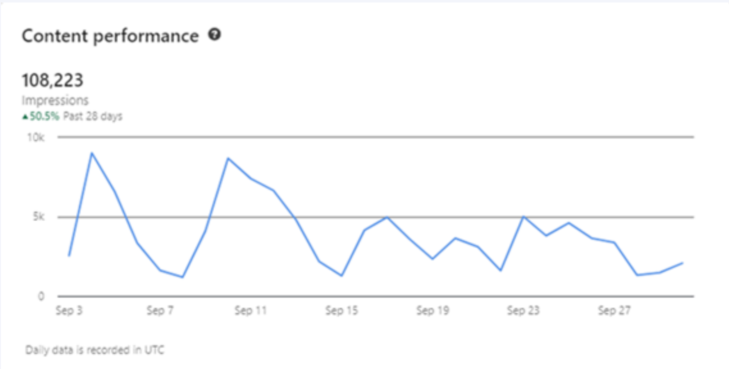
Item two: The Officials

We also wanted to share how we are doing. We think we produce cracking reports that tell you what is really happening and this results in some actors being mightily annoyed. Well, the truth hurts. And sometimes just pointing a light into dark corners makes people uncomfortable. We think, probing and questioning is part of a salutary process that then helps systems regenerate and become better. And of course, we have a goal to only publish facts. So, if you notice anything wrong, we are happy to issue an immediate correction! We are steady as she goes and remain fully committed to transparency. Hey, the industry needs it.

And our readers also appreciate what we do. They pay attention to our numbers and use them in some back-office processes. And we are also extremely proud to note that the Jakarta Futures Exchange announced it will use The Officials Oil Brent Index, OBI, in short. A great name, and you can call it the Officials Brent Index if you like, or the ONYX Brent Index, it really works on so many levels.

Our readers have grown very rapidly and we are sharing some of the public statistics available from LinkedIn. We have other channels of distribution, but let's focus on LinkedIn:

1) Our reports and podcasts were read over 100,000 times during the month of September. See following graph:



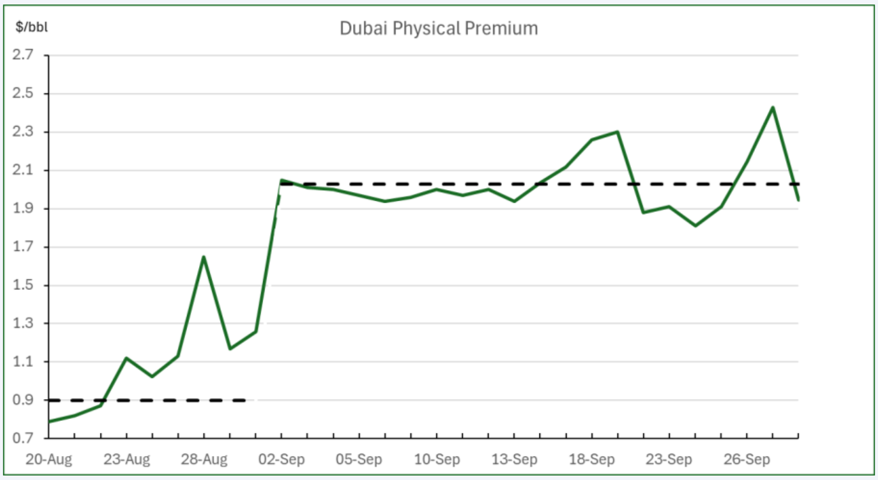
2) Over 8% of our readers are CEOs, Managing Directors and Founders. The top leaders in their corporations are reading The Officials. By another measure over 65% of our readers are considered 'senior', not in age but in function.

We are very happy with your support and if you need direct delivery of our reports or data, we would be extremely pleased to provide it to you.

Our emails are jmontepeque@onyxcapitalgroup.com for Jorge, and ehayden-briffett@onyxcapitaladvisory.com and wcunliffe@onyxcapitaladvisory.com for the team.

The Officials
The Benchmark Publication
Asia Edition (09:30 BST)
30-September-2024, Volume 1, Issue 84 (Asia)

Daily Summary + Monthly Review



What a month September has been. We had rumours of OPEC releasing production, then deciding not to. Libya cut off production, now it's bringing it back to market. We had Middle East flare ups, culminating in the killing of the Hezbollah's leader, but radio silence from Iran. Weak Chinese demand remains a prominent fixture, with three Sinochem bankruptcies so far, but physical markets suggest there's still strong demand there, or perhaps just SPR buying. Flat price was choppy, with APPEC's realisation of poor fundamentals being met by bouts of short covering as money managers panicked about their record short positions. On the 17th, Brent fell to $68.98/bbl, the lowest in since December 2021. Dubai has been the outperformer, averaging 23.5c over Brent through September. Physical premiums in Dubai have remained very strong all month, averaging $2.03/bbl.

To end a topsy turvy month, today was chaos. While traders reported quiet paper markets into expiry, the physical window was like a noisy, confused farmers' market with offers and bids being yelled out across the floor and smacked by willing takers. Exxon kept clobbering everything that moved in the window, mercilessly hitting all bids. You want to buy? Go to the Exxon stall and they will give you the best price. Bargains galore! Bid anywhere from $73.30 to $73.34, they'll take it. Reliance returned to the sellside, while Trafi disappeared in a puff of smoke. The buyside was choppy as hell: BP, Vitol, Mercuria, North Petroleum, Gunvor, returned to the fold. Mitsui's absence was conspicuous, as the month's big buyer did not make a single bid. The Dubai market closed at $73.325/bbl and the premiums at $1.945 The physical premiums rose versus last month leading to expectations that the Saudis will increase prices by about 80c to $1.00/bbl.

The heavy bombardments and significant losses endured by Hezbollah in the last few days look like a great victory for Netanyahu. Israel's hit list is being steadily ticked off, as the deaths of Nasrallah and Hamas' Lebanon leader Fateh Sherif Abu el-Amin follow Ismael Haniyeh's assassination at the end of July. However, the risk premium from Middle Eastern geopolitical strife seems to have lost much of its potency, as markets appear indifferent as Iran continues its role as regional wet blanket. We like peace, so we hope there's no more escalation.

Summary				
Physical and Futures		30-Sep-24	1-Day Change	7-Day Change
Brent Nov (fut)	($/bbl)	72.690	+0.760	-1.780
WTI Nov (fut)	($/bbl)	68.800	+0.870	-2.190
Dubai Nov (phys)	($/bbl)	73.325	+0.615	-0.925
OBI Continuous	($/bbl)	72.280	+0.930	-2.180
Crude Swaps Oct				
Brent	($/bbl)	72.260	+0.940	-1.410
DFL	($/bbl)	0.200	-0.060	-0.410
WTI	($/bbl)	68.660	+0.890	-2.060
Dubai	($/bbl)	72.050	+1.110	-0.960
Tenor		Nov-24	Dec-24	Jan-25
Crude Futures				
Brent (fut)	($/bbl)	72.690	72.280	71.980
WTI (fut)	($/bbl)	68.800	68.340	68.040

In detail

A turbulent weekend gave Brent, WTI and Dubai a spring in their step, as all three rose into expiry. In terms of daily change, Dubai moved least, gaining 61.5c/bbl. WTI advanced the most, gaining 87c/bbl, while Brent increased by 76c/bbl. Despite daily gains, all are down on a weekly basis: Dubai saw the least downward movement this week, while WTI hurt the most and Brent inhabited the midrange. As the OBI rolls into next month, it stands at $72.28/bbl. As it has throughout the month, Dubai's physical premium remains high, at $1.945.

Petroleum product exports from India have leapt up to the highest level in two and half years, as European maintenance season attracts finished oil products. Brokers noted maintenance at the Pernis refinery has driven up European Fuel Oil cracks and supported the East/West spreads. India product exports rose by 39% in September, according to Kpler ship tracking data, the highest since March 2022 at 1.5 mb/d. India's rapid expansion has been slowing, and although the economy has been outperforming relative to almost every other country, their ambitious forecasts for gasoline demand have driven rapid growth in refinery capacity, which is on track to reach 6 mb/d by 2030, whilst the Indian economy is starting to take its foot off the gas. Manufacturing PMIs still remain strong but have slowed to 56.7 in September from 57.5 in August. Our refining sources have reported diesel demand is actually contracting on a y/y basis in India.

Having contracted significantly since February, refining margins globally are feeling a real squeeze, which has helped motivate some refiners to enter maintenance season. Repsol and Eni are reportedly considering cutting runs, and 3 Sinochem refiners have gone bankrupt. Amid moderating domestic demand and reduced foreign supply, India seems to be plugging the gap with its excess.

Also being excessive is the PBoC, which continued with its slew of policy easing. Over the weekend they cut mortgage rates for first and second homes, with all banks required to lower existing mortgage rates by no less than 30 bps below the LPR. Since the collapse of Evergrande, the housing sector in China has been in critical condition. Household wealth got burned, so will the PBoCs life support be enough to rekindle China's demand for housing? In time perhaps. But now this means more money in the pocket of the consumer. More spending, and the circular flow of income will do its job. These things happen with a lag, but the easing can only be a good thing. Property in some parts of China is reportedly down 30% for tier one housing, and up to 60% for other properties, sources in China told The Officials, lower mortgage rates will help to slow this depreciation over time.

PBoC Governor Pan's speech last Tuesday confirmed concerns around aggregate weakness across China. Last week, the PBoC cut several key rates to historic lows. It cut the 14-day reverse repo rate to 1.85% from 1.95% on Monday; the Medium-Term Lending Facility (MLF) was cut from 2.3% to 2% on Wednesday; the 7-day reverse repo rate slashed from 1.7% to 1.5% on Friday, as well as the reserve requirement ratio (RRR) being cut by 50 bps in hopes of boosting liquidity. Cuts to the Loan Prime Rate are expected on 21 Oct. With China seeing deflation, and the Fed cutting aggressively, the PBoC has so much policy headroom it could become a policy headache. Can they cut fast enough?

On first glance, China appears to have turned the tide more successfully than King Canut. Financial sectors have reacted immediately, as expected, but actual economic performance still looks weak. This morning, we got the Caixin and NBS PMIs, which both look frail. The Caixin Manufacturing PMI printed 49.3, down from last month's 50.4 and hugely disappointing expectations of 50.5. Significantly, new orders were their lowest in two years, while employment also hit its seven-month low. Lower raw material costs saw input prices fall, but output prices also tumbled in step. Although the NBS Manufacturing PMI's 49.8 result outperformed last month's 49.1 and market expectations of 49.5, it is still in contraction. Even the most optimistic observer must admit China's manufacturing sector looks fragile, whatever happens in the financial markets. We will wait and see if the stimulus spree, and the resulting surge in equities and commodities, translates into real economic recovery. We're still pessimistic about China's oil demand growth...

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Front Month Outrights

October Swaps		30-Sep-24	1-Day Change	7-Day Change
Crude				
Brent	($/bbl)	72.260	+0.940	-1.410
WTI	($/bbl)	68.660	+0.890	-2.060
Dubai	($/bbl)	72.050	+1.110	-0.960
Distillates				
Gasoil 0.1 NWE	($/mt)	660.370	+5.580	-1.240
NWE Jet	($/mt)	695.870	+4.150	-4.240
Singapore 10ppm	($/bbl)	84.780	+0.560	-0.130
Sing Kero	($/bbl)	83.960	+0.590	-0.600
Gasoline				
RBOB	(c/gal)	194.100	+0.410	-6.030
EBOB	($/mt)	676.800	+6.500	-9.030
Singapore 92	($/bbl)	76.210	+0.060	-3.170
Singapore 95	($/bbl)	80.610	+0.200	-3.020
Naphtha				
US C5 ENT	(c/gal)	145.780	+2.300	-1.010
NWE Naphtha	($/mt)	632.430	+10.140	+0.710
MOPJ Naphtha	($/mt)	655.430	+12.140	+6.960
Fuel Oil				
3.5% barges	($/mt)	421.390	+14.860	+9.720
Singapore 380	($/mt)	400.640	+7.930	-15.530
Singapore 180	($/mt)	421.140	+9.430	-8.470
0.5% barges	($/mt)	497.140	+6.540	-5.780
Singapore 0.5%	($/mt)	549.210	+8.440	-10.350
NGLs				
US Propane LST	(c/gal)	69.857	+2.535	-1.462
NWE Propane	($/mt)	589.450	+12.700	+16.380
Saudi Propane CP	($/mt)	630.950	+10.200	+21.380
Asian Propane FEI	($/mt)	659.950	+13.200	+24.380
US Butane ENT	(c/gal)	105.080	+2.260	+2.010
Saudi Butane CP	($/mt)	630.870	+8.120	+18.300

Long Tenor Swaps

		Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude								
Brent	($/bbl)	72.270	72.260	71.960	71.780	71.680	72.000	71.617
WTI	($/bbl)	68.800	68.660	68.250	67.960	67.770	68.290	67.657
Dubai	($/bbl)	0.000	72.050	71.380	70.980	70.750	71.470	70.660
Distillates								
Gasoil 0.1 NWE	($/mt)	663.500	660.370	656.830	655.900	656.550	657.700	656.597
NWE Jet	($/mt)	693.750	695.870	696.330	699.900	702.300	697.367	703.347
Singapore 10ppm	($/bbl)	0.000	84.780	84.530	84.390	84.650	84.567	84.900
Sing Kero	($/bbl)	0.000	83.960	84.210	84.350	84.530	84.173	84.667
Gasoline								
RBOB	(c/gal)	196.770	194.100	191.430	190.680	191.470	192.070	198.907
EBOB	($/mt)	696.800	676.800	652.800	640.050	639.800	656.550	644.383
Singapore 92	($/bbl)	0.000	76.210	76.060	76.140	76.340	76.137	76.690
Singapore 95	($/bbl)	0.000	80.610	80.060	79.840	80.040	80.170	80.457
Naphtha								
US C5 ENT	(c/gal)	144.280	145.780	146.160	146.410	147.030	146.117	146.200
NWE Naphtha	($/mt)	635.430	632.430	628.680	623.680	620.180	628.263	615.680
MOP-Japan Naphtha	($/mt)	0.000	655.430	650.430	645.430	640.180	650.430	634.930
Fuel Oil								
3.5% barges	($/mt)	432.890	421.390	397.890	388.390	383.890	402.557	384.723
Singapore 380	($/mt)	0.000	400.640	393.140	390.640	388.890	394.807	390.307
Singapore 180	($/mt)	0.000	421.140	407.640	404.640	402.640	411.140	404.057
0.5% barges	($/mt)	503.760	497.140	485.260	478.390	474.260	486.930	472.347
Singapore 0.5%	($/mt)	0.000	549.210	538.460	528.460	520.710	538.710	516.127
NGLs								
US Propane LST	(c/gal)	56.107	69.857	73.357	74.477	75.477	72.564	74.477
NWE Propane	($/mt)	592.450	589.450	582.950	573.950	564.450	582.117	548.950
Saudi Propane CP	($/mt)	0.000	630.950	630.950	627.950	621.450	629.950	610.950
Asian Propane FEI	($/mt)	0.000	659.950	654.450	648.700	639.200	654.367	621.700
US Butane ENT	(c/gal)	104.080	105.080	104.080	102.200	100.950	103.787	97.450
Saudi Butane CP	($/mt)	0.000	630.870	630.870	628.870	622.370	630.203	608.870

Front Month Spreads

Oct/Nov		30-Sep-24	1-Day Change	7-Day Change
Crude				
Brent	($/bbl)	0.300	-0.040	-0.180
WTI	($/bbl)	0.410	-0.050	-0.380
Dubai	($/bbl)	0.670	+0.010	+0.000
Distillates				
Gasoil 0.1 NWE	($/mt)	3.540	-0.250	+0.930
NWE Jet	($/mt)	-0.460	-0.350	+0.930
Singapore 10ppm	($/bbl)	0.250	+0.030	+0.280
Sing Kero	($/bbl)	-0.250	+0.020	-0.170
Gasoline				
RBOB	(c/gal)	2.670	+0.070	-0.290
EBOB	($/mt)	24.000	+0.500	+5.500
Singapore 92	($/bbl)	0.150	-0.550	-1.130
Singapore 95	($/bbl)	0.550	-0.500	-1.080
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	-0.630
NWE Naphtha	($/mt)	3.750	-0.750	-2.250
MOP-Japan Naphtha	($/mt)	5.000	+0.500	+0.750
Fuel Oil				
3.5% barges	($/mt)	23.500	+4.250	+8.250
Singapore 380	($/mt)	7.500	-0.250	-4.000
Singapore 180	($/mt)	13.500	+0.750	+1.000
0.5% barges	($/mt)	11.880	-0.370	-0.620
Singapore 0.5%	($/mt)	10.750	-0.250	-5.500
NGLs				
US Propane LST	(c/gal)	-3.500	-0.250	-1.880
NWE Propane	($/mt)	6.500	+0.000	-0.500
Saudi Propane CP	($/mt)	0.000	+0.000	-3.000
Asian Propane FEI	($/mt)	5.500	+0.500	+2.500
US Butane ENT	(c/gal)	1.000	-0.380	-0.620
Saudi Butane CP	($/mt)	0.000	+0.000	-1.000

Front Month Cracks and Diffs

October	30-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai ($/bbl)	0.210	-0.180	-0.440
WTI/Brent ($/bbl)	-3.600	-0.060	-0.650
Distillates			
Gasoil 0.1 NWE crack ($/bbl)	16.370	-0.220	+1.220
NWE Jet crack ($/bbl)	16.040	-0.410	+0.850
NWE Jet Diff ($/mt)	35.500	-1.250	-3.000
Gasoil E/W ($/bbl)	-28.750	-1.250	+0.250
Regrade (Sing Kero vs Sing 10ppm) ($/bbl)	-0.820	+0.030	-0.470
Gasoline			
TA Arb (RBOB vs EBOB)(c/gal)	0.650	-1.450	-3.450
EBOB crack ($/bbl)	8.980	-0.160	+0.340
Singapore 92 crack ($/bbl)	3.950	-0.870	-1.750
Gasoline E/W (Sing 92 vs EBOB) ($/bbl)	-5.040	-0.720	-2.090
European Gasnaph (EBOB vs Naphtha) ($/mt)	44.480	-3.470	-9.560
Asian Gasnaph (Sing 92 vs MOPJ) ($/mt)	-20.500	-11.440	-33.270
Naphtha			
US C5 ENT vs WTI Crack	-7.450	+0.070	+1.630
NWE Naphtha Crack ($/bbl)	-1.200	+0.200	+1.500
MOPJ Naphtha Crack ($/bbl)	1.380	+0.420	+2.200
Naphtha E/W (NWE vs MOPJ) ($/mt)	23.000	+2.000	+6.250
Fuel Oil			
3.5% barges crack ($/bbl)	-5.900	+1.400	+2.950
Singapore 380 crack ($/bbl)	-9.170	+0.300	-1.030
Singapore 180 crack ($/bbl)	-5.940	+0.530	+0.070
Visco (180-380) ($/mt)	20.500	+1.500	+7.000
HSFO E/W (380 vs 3.5% barges) ($/mt)	-20.750	-7.000	-25.250
0.5% barges crack ($/bbl)	6.030	+0.080	+0.500
Singapore 0.5% crack ($/bbl)	14.250	+0.400	-0.200
VLSFO E/W (Sing 0.5% vs 0.5% barges) ($/mt)	52.200	+2.030	-4.440
European Hi5 (0.5% barges vs 3.5% barges) ($/mt)	75.750	-8.390	-15.560
Asian Hi5 (Sing 0.5% vs 380) ($/mt)	148.700	+0.650	+5.250
0.5% barges/gasoil ($/mt)	-163.230	+1.080	-4.620
Sing 0.5% vs Sing 10ppm ($/mt)	-82.330	+4.290	-9.380
NGLs			
US Propane LST vs NWE Propane ($/mt)	-225.500	+0.500	-24.000
US Propane LST vs Asian Propane FEI ($/mt)	-296.000	+0.000	-32.000
Asian Propane FEI vs NWE Propane ($/mt)	70.500	+0.500	+8.000
Asian Propane FEI vs Saudi Propane CP ($/mt)	29.000	+3.000	+3.000
European Pronap (NWE Propane vs NWE Naphtha) ($/mt)	-42.810	+2.820	+15.840
Asian Pronap (FEI vs MOPJ) ($/mt)	-24.310	-1.680	+14.590

Long Tenor Cracks / Diffs

	Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude							
Brent/Dubai ($/bbl)	-0.880	0.210	0.590	0.800	0.930	0.533	0.963
WTI/Brent ($/bbl)	-3.470	-3.600	-3.720	-3.820	-3.910	-3.713	-3.963
Distillates							
Gasoil 0.1 NWE crack ($/bbl)	16.80	16.37	16.20	16.28	16.43	16.28	16.50
NWE Jet crack ($/bbl)	15.78	16.04	16.41	17.06	17.44	16.50	17.63
NWE Jet Diff ($/mt)	30.25	35.50	39.50	44.00	45.75	39.67	46.75
Gasoil E/W ($/bbl)	-33.35	-28.75	-27.13	-27.17	-25.90	-27.68	-24.07
Regrade (Sing Kero vs Sing 10ppm) ($/bbl)	0.00	-0.82	-0.32	-0.04	-0.12	-0.39	-0.23
Gasoline							
TA Arb (RBOB vs EBOB)(c/gal)	-2.420	0.650	4.820	7.730	8.580	4.400	14.713
EBOB crack ($/bbl)	11.380	8.980	6.400	5.050	5.110	6.810	5.730
Singapore 92 crack ($/bbl)	0.000	3.950	4.090	4.350	4.650	4.130	5.063
Gasoline E/W (Sing 92 vs EBOB) ($/bbl)	0.000	-5.040	-2.310	-0.700	-0.470	-2.683	-0.667
European Gasnaph (EBOB vs Naphtha) ($/mt)	61.480	44.480	24.230	16.480	19.730	28.397	28.813
Asian Gasnaph (Sing 92 vs MOPJ) ($/mt)	0.000	-20.500	-16.750	-11.080	-4.170	-16.110	3.997
Naphtha							
US C5 ENT vs WTI Crack	-8.220	-7.450	-6.870	-6.490	-6.030	-6.937	-6.260
NWE Naphtha Crack ($/bbl)	-0.870	-1.200	-1.330	-1.700	-2.010	-1.410	-2.457
MOPJ Naphtha Crack ($/bbl)	0.000	1.380	1.110	0.740	0.240	1.077	-0.293
Naphtha E/W (NWE vs MOPJ) ($/mt)	0.000	23.000	21.750	21.750	20.000	22.167	19.250
Fuel Oil							
3.5% bgs crack ($/bbl)	-4.100	-5.900	-9.310	-10.620	-11.230	-8.610	-11.047
Singapore 380 crack ($/bbl)	0.000	-9.170	-10.060	-10.260	-10.440	-9.830	-10.167
Singapore 180 crack ($/bbl)	0.000	-5.940	-7.780	-8.060	-8.270	-7.260	-7.997
Visco (180-380) ($/mt)	0.000	20.500	14.500	14.000	13.750	16.333	13.750
HSFO E/W (380 vs 3.5% bgs) ($/mt)	0.000	-20.750	-4.750	2.250	5.000	-7.750	5.583
0.5% bgs crack ($/bbl)	7.080	6.030	4.470	3.560	3.030	4.687	2.763
Singapore 0.5% crack ($/bbl)	0.000	14.250	12.850	11.460	10.340	12.853	9.667
VLSFO E/W (Sing 0.5% vs 0.5% bgs) ($/mt)	0.000	52.200	53.200	50.200	46.450	51.867	43.867
European Hi5 (0.5% bgs vs 3.5% bgs) ($/mt)	71.000	75.750	87.500	90.000	90.500	84.417	87.667
Asian Hi5 (Sing 0.5% vs 380) ($/mt)	0.000	148.700	145.450	137.950	131.950	144.033	125.950
0.5% bgs/gasoil ($/mt)	-159.610	-163.230	-171.440	-177.890	-182.220	-170.853	-184.227
Sing 0.5% vs Sing 10ppm ($/mt)	0.000	-82.330	-91.210	-100.540	-109.590	-91.360	-116.120
NGLs							
US Propane LST vs NWE Propane ($/mt)	-300.14	-225.5	-200.76	-185.92	-171.22	-204.06	-160.93
US Propane LST vs Asian Propane FEI ($/mt)	0	-296	-272.26	-260.67	-245.97	-276.31	-233.68
Asian Propane FEI vs NWE Propane ($/mt)	0	70.5	71.5	74.75	74.75	72.25	72.75
Asian Propane FEI vs Saudi Propane CP ($/mt)	0	29	23.5	20.75	17.75	24.417	10.75
European Pronap ($/mt)	-42.93	-42.81	-45.68	-49.56	-55.68	-46.017	-66.68
Asian Pronap (FEI vs MOPJ) ($/mt)	0	-24.31	-19.31	-17.43	-18.68	-20.35	-23.93

Inter-month Crack Spreads

Oct/Nov	30-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai ($/bbl)	-0.380	-0.050	-0.190
WTI/Brent ($/bbl)	0.120	-0.010	-0.200
Distillates			
Gasoil 0.1 NWE crack ($/bbl)	0.170	+0.000	+0.300
NWE Jet crack ($/bbl)	-0.370	+0.010	+0.310
NWE Jet Diff ($/mt)	-4.000	+0.000	+0.000
Gasoil E/W ($/bbl)	-1.620	+0.440	+1.260
Regrade (Sing Kero vs Sing 10ppm) ($/bbl)	-0.500	-0.010	-0.450
Gasoline			
TA Arb (RBOB vs EBOB)(c/gal)	-4.170	-0.050	-1.820
EBOB crack ($/bbl)	2.580	+0.100	+0.850
Singapore 92 crack ($/bbl)	-0.140	-0.500	-0.940
Gasoline E/W (Sing 92 vs EBOB) ($/bbl)	-2.730	-0.610	-1.790
European Gasnaph (EBOB vs Naphtha) ($/mt)	20.250	+1.250	+7.750
Asian Gasnaph (Sing 92 vs MOPJ) ($/mt)	-3.750	-5.080	-10.160
Naphtha			
US C5 ENT vs WTI Crack	-0.580	+0.060	+0.120
NWE Naphtha Crack ($/bbl)	0.130	-0.040	-0.060
MOPJ Naphtha Crack ($/bbl)	0.270	+0.100	+0.270
Naphtha E/W (NWE vs MOPJ) ($/mt)	1.250	+1.250	+3.000
Fuel Oil			
3.5% barges crack ($/bbl)	3.410	+0.720	+1.490
Singapore 380 crack ($/bbl)	0.890	+0.010	-0.440
Singapore 180 crack ($/bbl)	1.840	+0.170	+0.350
Visco (180-380) ($/mt)	6.000	+1.000	+5.000
HSFO E/W (380 vs 3.5% barges) ($/mt)	-16.000	-4.500	-12.250
0.5% barges crack ($/bbl)	1.560	-0.030	+0.070
Singapore 0.5% crack ($/bbl)	1.400	+0.010	-0.680
VLSFO E/W (Sing 0.5% vs 0.5% barges) ($/mt)	-1.000	+0.250	-4.750
European Hi5 (0.5% barges vs 3.5% barges) ($/mt)	-11.750	-4.750	-9.000
Asian Hi5 (Sing 0.5% vs 380) ($/mt)	3.250	+0.000	-1.500
0.5% barges/gasoil ($/mt)	8.210	-0.250	-1.780
Sing 0.5% vs Sing 10ppm ($/mt)	8.880	-0.480	-7.590
NGLs			
US Propane LST vs NWE Propane ($/mt)	-24.740	-1.310	-9.300
US Propane LST vs Asian Propane FEI ($/mt)	-23.740	-1.810	-12.300
Asian Propane FEI vs NWE Propane ($/mt)	-1.000	+0.500	+3.000
Asian Propane FEI vs Saudi Propane CP ($/mt)	5.500	+0.500	+5.500
European Pronap (NWE Propane vs NWE Naphtha) ($/mt)	2.870	+0.870	+1.870

Monthly Summary

As we close the final Asian session for September, Dubai stands just over $5/bbl down from the end of August, while Brent has lost almost $8/bbl. Just one step on the downhill road towards the 60s. Dubai was the outperformer through September, averaging a 23.6c premium over Brent and closing today 63.5c higher than Brent. The Dubai physical premium was also very strong this month, averaging $2.03/bbl, up from 90c/bbl average in August. The Arab Gulf 3-2-1 crack has further tightened throughout September to $5.62/bbl down from $8.44/bbl at the start of the month, as product cracks close below their monthly averages. The front month Sing 92 crack averaged $5.05/bbl through September, but closed much lower at $3.95/bbl. But we are seeing a bottom to the deterioration in margins; the tide is beginning to turn. The kick-off of refinery maintenance season should continue to provide support for product cracks.

Asian Benchmark Monthly Summary

Average of Closing Values on Trading Days for September

Calendar Months		September	October	November	December
Crude Futures / Physical					
Brent (fut)	($/bbl)	73.360	72.760	72.360	72.100
Dubai (phys)	($/bbl)	73.510	73.200	72.940	72.810
WTI (fut) cont.	($/bbl)	69.450	68.790	68.360	68.060
OBI Continuous	($/bbl)	73.260	N/A	N/A	N/A
Crude Swaps					
Brent	($/bbl)	73.260	72.740	72.340	72.090
Dubai	($/bbl)	73.520	72.220	71.560	71.170
WTI	($/bbl)	69.770	69.240	68.660	68.260
Gasoline Swaps					
RBOB	(c/gal)	198.070	195.420	192.900	191.850
EBOB	($/mt)	688.450	667.740	652.900	643.470
Singapore 92	($/bbl)	78.390	77.890	77.200	77.020
Singapore 95	($/bbl)	82.080	81.610	80.670	80.330
Distillates Swaps					
Gasoil 0.1 NWE	($/mt)	661.960	660.950	658.760	658.360
NWE Jet	($/mt)	700.630	702.980	703.510	705.530
Singapore 10ppm	($/bbl)	84.690	85.070	85.150	85.200
Sing Kero	($/bbl)	84.660	84.830	84.950	85.060
Naphtha Swaps					
US C5 ENT	(c/gal)	144.390	145.230	145.140	145.020
NWE Naphtha	($/mt)	628.330	624.470	619.010	613.940
MOPJ Naphtha	($/mt)	647.410	643.590	638.730	633.670
Fuel Oil Swaps					
3.5% barges	($/mt)	404.120	394.240	384.520	380.140
Singapore 380	($/mt)	413.660	399.700	392.170	389.550
Singapore 180	($/mt)	421.840	411.220	403.550	401.400
0.5% barges	($/mt)	500.050	490.970	481.170	475.530
Singapore 0.5%	($/mt)	561.880	542.940	530.280	522.240
NGLs Swaps					
US Propane LST	(c/gal)	66.650	71.350	72.920	73.600
NWE Propane	($/mt)	569.390	564.790	558.210	551.840
Saudi Propane CP	($/mt)	607.160	607.160	605.790	606.260
Asian Propane FEI	($/mt)	642.830	639.200	635.960	632.360
US Butane ENT	(c/gal)	98.680	99.310	98.570	97.710
Saudi Butane CP	($/mt)	607.540	607.540	607.090	608.910