Euro Monthly Report

September 2024

Item One: Editor's Review

Hello, Dear Market Practitioner and Market Watcher:

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

Oil prices are under pressure but are still managing to avoid the abyss. Money managers have decided the sucker has to go down, macros look fragile, and we're the most bearish of them all! But we are pausing to check the impact of Chinese president Xi's gold sprinkling on his economy. He has taken powerful measures and if stocks are a yardstick to go by, he is winning this round and a strong economy is good for China, the world, and oil in particular. We will be following this closely. Read more about China in the Asian monthly! Even Middle Eastern conflict and threats of regional escalation over the past week with Israel's operations against Hezbollah's walkie talkies and bombardments into Lebanon couldn't pump up the flat price. The relative indifference really shows how pessimistic the markets are about the other factors in play. Namely the upcoming return of Libyan supply, OPEC's jitters about losing market share, and global macroeconomic frailty. The other ongoing major war looks to be turning ever more in favour of the big guy, as Russia pounds down on a Ukraine that's on the ropes, struggling to defend itself from the incessant blows, no matter how much money and weapons Europe and the US give their chosen son. We're fed up with all this fighting, so want to see all sides bash their heads together and come up with an alternative to the present appendage measuring contests. If you have time, please read some of the nuanced comments in the details section of our reports.

Macro conditions in Germany are looking more and more awful by the day. Once the hotbed for European ingenuity and productivity, the continent's biggest economy has struggled to break even on GDP growth for the past four years. In fact, last year the country's GDP contracted by 0.3% and is projected by many to contract again this year, by 0.1%. We think this is an understatement and that Q4 will hold some nasty surprises for the Germans. It's a sticky situation, but maybe they'll be helped by some fresh leadership as the Green Party's leaders stand down after trashing their economy. No recycling needed here.

Germany has been struggling to keep up as China speeds ahead on the EV front. Cheap and good quality electric vehicles that are swarming the roads like bees in China's cities are undercutting the fastidious German sector, which simply can't keep up. It doesn't matter how astronomical the tariffs are that the European governments impose, their industries just aren't competitive enough.

Volkswagen may close some of its German factories – for the first time ever! A once proud national industry has been hamstrung by political decisions and going cold turkey on cheap feedstocks and raw materials. Regulation and political motivation have derailed the continent's workshop. It's almost like if you make it more expensive to make stuff, it becomes harder to make.

The weakness in September's prints doesn't stop at the automotive sector. Broader industrial indicators for September show vast shortfalls across the continent. Continuing with Germany, manufacturing PMIs this month printed the weakest reading since the covid pandemic, accelerating contraction at 40.3 for September. Not good for diesel demand that's for sure. This is the story across Europe, as construction remains a sour point throughout all around the continent. S&P construction PMIs for September came out at a very disappointing 41.4, some way from the 50 breakeven level. The ECB needs to get cracking and start cutting faster, but they are hamstrung by sticky services inflation which continues to remain elevated.

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The Officials

While Power Powell and Midas Xi have been going bananas with their interest rate cuts, the ECB has been hauling on the brakes on its cutting cycle as it struggles to get a handle on the tricky inflation issue. The BoE's early move has been outpaced by the Fed's aggressive move, but is probably feeling quite pleased with UK inflation and the prospects for GDP growth. That being said, fortune favours the brave and Powell seems to be steering the ship expertly towards a landing on soft, plump pillows. We just hope the bed isn't made on rocky ground.

The physical market in the North Sea has had a rollercoaster ride into expiry. We saw Petroineos buying a really quite expensive Midland cargo from Trafigura at Dated +$2.75 while Exxon offered a Forties in the same session at +90c over Dated. We have to laugh at these funny goings on. And then guess what? PetroIneos flipped sell-side, offering a Brent down to +70c over Dated the following Thursday. But the direction of travel is clear, and physical differentials got squished in the lead up to expiry, at around 65c. Equinor couldn't stop offering their Sverdrup all the way down to -$1.60/bbl.

They weren't the only refineries offering North Sea grades this month. Phillips have been trying to shift Ekofisk, BP have been offering Brent and Ekofisk too. Even Shell have been offering into the window. Weak demand in Europe has driven product cracks to multi-year lows. Some, including Shell's Pernis refinery have already started cutting runs and conducting maintenance. Why not when margins are so low.

Weakness in product cracks has weighed on refinery margins and the refiners are feeling the burn; Eni, Repsol are cutting runs, while Vertex energy – a US refiner – recently filed for bankruptcy. But it seems this offline capacity is breathing new life into flatlining cracks. The Brent 321 crack has made a resurgence in the second half of the month, as weakening crude complements less product supply. Crack rolls have been the talk of the town amongst traders this month.

Things aren't entirely plain sailing in the heartland of US oil industry, especially with the prevalent hurricanes at the moment. Francine and Helene huffed and puffed as hard as they could, but didn't do much to significantly impact the region's productivity, forcing little more than temporary shut-ins of production and partial evacuations, but no notable material damage to infrastructure.

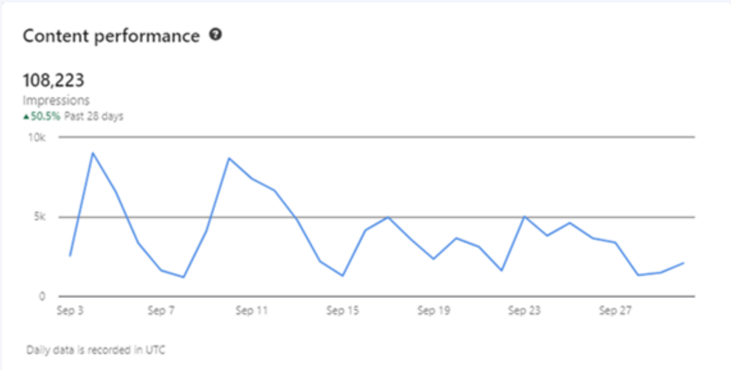
Item two: The Officials

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

Europe Edition (16:30 BST)

30-September-2024, Volume 1, Issue 84 (Europe)

Daily Summary + Monthly Review

The window showed no transactions at all, hardly surprising given expiry. The stalemate left physical diffs unchanged from yesterday at around 65c. While the big guns in the North Sea kept quiet, avoiding a reenactment of trench warfare, where nobody wins. But the fun for past deeds continued, if you are an observer and not a participant of course. This time it's an ex-Gunvor employee (unnamed due to Swiss legal requirements), who is facing allegations of corrupting officials in the Republic of Congo in exchange for oil contracts. Prosecutors allege that the defendant was involved in payments worth more than $35 million in 2010-2011. Court proceedings began today in Swiss court. Do note that Gunvor itself is not involved in the legal proceedings. That's how it goes.

Europe's aggregate weakness has been undermining product cracks, as diesel is trading down to multi-year lows. The Pernis refinery has recently entered a maintenance period, seizing the opportunity presented by such weak margins. In Italy Eni and, in Spain, Repsol have reportedly been cutting runs. Refineries coming offline should, in theory, support product cracks as they remove products from the market, and this will also reduce demand for crude. But with more products coming into Europe from India (see this morning's report), perhaps crack weakness in Europe will be more persistent than we thought.

The Brent 3-2-1 crack was down in the dumps early in September having entered the month at $11.60/bbl. However, it recovered to end the month at over $13/bbl, in a sign that maybe all hope isn't lost for Europe's refiners.

Summary

Physical and Futures		30-Sep-24	1-Day Change	7-Day Change
Brent Nov (fut)	($/bbl)	71.950	+0.340	-2.240
WTI Nov (fut)	($/bbl)	68.810	+1.020	-1.910
Dubai Nov (phys)	($/bbl)	73.205	+0.625	-0.905
OBI Continuous	($/bbl)	72.210	+1.050	-1.250
Crude Swaps Oct				
Brent	($/bbl)	72.190	+1.040	-1.250
DFL	($/bbl)	0.140	-0.050	-0.370
WTI	($/bbl)	68.650	+1.020	-1.800
Dubai	($/bbl)	71.870	+1.090	-0.970
Tenor		Nov-24	Dec-24	Jan-25
Crude Futures				
Brent (fut)	($/bbl)	71.950	72.210	71.930
WTI (fut)	($/bbl)	68.810	68.340	68.030

In detail

As we head into expiry, flat price bumped and rebounded during the day. Through the afternoon, Brent reverberated between about $71.30/bbl and $72.10/bbl after it had cooled from its post-weekend high. While traders rolled positions and looked ahead to October, Nov Brent saw a minor gain of 34c/bbl on the day, but Dec Brent futures closed much stronger, at $72.21/bbl, ready to break out of the blocks tomorrow. Nov WTI rose $1.02/bbl to finish September at $68.81/bbl. WTI rose consistently throughout the afternoon and surpassed $69/bbl soon after the market's close. That $70 ceiling is so close for the Americans again. It must be tantalising. Funny things happen at the end of the month.

Nothing funnier than the news that Libya has finally stopped dragging its feet and the bickering Western and Eastern governments have come to an agreement on the next central bank governor, hopefully resolving an unnecessarily drawn-out process that has lasted the entirety of September. The Eastern government today officially agreed to the nomination of Naji Mohamed Issa Belqasem, alongside Mari Muftah Rahil Barrasi as the deputy governor. Sources expect Libya to resume its full export capacity from tomorrow. How Libya will cope having lost much of its oil revenue for a whole month is unclear, given the country's great reliance on the resource. The return of hundreds of thousands of barrels onto the market will likely cause further headaches for an already embattled OPEC.

Having sputtered and coughed through recent months, the Dallas Fed Manufacturing index printed at -9 in September, a 0.7 improvement against the month prior and the strongest reading since January 2023. Pessimism has eased, despite new orders suffering further contraction, falling to -5.2 versus -4,2 in August, and production reversed last month's gains and more, with contraction accelerating to -3.2, versus 1.6 in August. Manufacturing remains an acute source of weakness for the US economy, and consequently for oil demand. Employment in southern factories, however, rebounded into expansionary territory, increasing to 2.9 from -0.7 in August, which will come as good news to a Fed that is increasingly obsessive over labour markets. Raw material costs will also reassure the FOMC, as these slowed dramatically from 28.2 to 18.2. Consequently, factories have moderated output costs marginally (8.4 this month v 8.5 last month). The aggressive easing from the Fed, relaxing rates from overly restrictive territory will only boost demand for manufactured products in the US.

We have already seen borrowing costs fall, and consequently increased remortgaging among households. It is only a matter of time before these benefits pass through to increased construction activity, at which point expect a resurgence in demand for those hydrocarbons we keep droning on about. Macro matters for oil, and while the rest of the world only seems to print disappointments, the US might just be at an inflexion point. Let's hope the Fed can keep on track and continue cutting back towards their long run neutral rate. Just keep an eye on those tanks at Cushing; down at just 22.8 mb of crude, they're starting to look a little dry 🧐

Things in Europe inspire less optimism; Germany's inflation printed at 1.6% on y/y in September, the lowest since February 2021, down from 1.9% in August, as systemic weakness continues to suppress consumers' appetite for spending in Germany. There is no domestic demand. Germany's industrial complex continues to lose exports to more competitive Chinese substitutes, indeed their trade surplus narrowed to the smallest level since December 2022. The effects are clear. PMIs continue to weaken, remaining deep in contractionary territory. Industrial production hasn't increased on a y/y basis since May 2023, and fell by 5.3% y/y in July. Where can Germany go from here? The saying goes that the only way is up, but they could yet inhabit this cold dark hole they've been digging for themselves for a while. Without accommodative monetary policy from the ECB, German options are limited to say the least. But the ECB has other issues to contend with: Euro Area Services inflation accelerated to 4.1% in August, compared with 4% in July. Communications from the ECB continue to strike a relatively Hawkish tone.

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Front Month Outrights

October Swaps		30-Sep-24	1-Day Change	7-Day Change
Crude				
Brent	($/bbl)	72.190	+1.040	-1.250
WTI	($/bbl)	68.650	+1.020	-1.800
Dubai	($/bbl)	71.870	+1.090	-0.970
Distillates				
Gasoil 0.1 NWE	($/mt)	661.470	+7.270	+2.360
NWE Jet	($/mt)	695.470	+6.020	-0.140
Singapore 10ppm	($/bbl)	84.940	+0.810	+0.360
Sing Kero	($/bbl)	84.010	+0.680	-0.190
Gasoline				
RBOB	(c/gal)	195.050	+1.350	-3.040
EBOB	($/mt)	679.150	+7.070	+1.860
Singapore 92	($/bbl)	76.230	+0.290	-2.680
Singapore 95	($/bbl)	80.730	+0.540	-2.430
Naphtha				
US C5 ENT	(c/gal)	144.840	+2.240	-1.610
NWE Naphtha	($/mt)	630.210	+10.680	-2.310
MOPJ Naphtha	($/mt)	655.710	+13.020	+6.690
Fuel Oil				
3.5% barges	($/mt)	421.070	+8.320	+11.370
Singapore 380	($/mt)	401.380	+5.130	-11.320
Singapore 180	($/mt)	422.880	+7.130	-3.820
0.5% barges	($/mt)	496.060	+6.790	-8.570
Singapore 0.5%	($/mt)	546.730	+6.540	-13.780
NGLs				
US Propane LST	(c/gal)	67.995	-0.713	-3.439
NWE Propane	($/mt)	589.250	+10.280	+12.810
Saudi Propane CP	($/mt)	633.300	+11.880	+20.360
Asian Propane FEI	($/mt)	662.300	+13.880	+22.360
US Butane ENT	(c/gal)	104.380	+1.300	+0.110
Saudi Butane CP	($/mt)	629.750	+5.830	+15.810

Long Tenor Swaps

		Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude								
Brent	($/bbl)	72.200	72.190	71.910	71.730	71.640	71.943	71.587
WTI	($/bbl)	68.790	68.650	68.240	67.950	67.760	68.280	67.650
Dubai	($/bbl)	N/A	71.870	71.260	70.880	70.660	71.337	70.557
Distillates								
Gasoil 0.1 NWE	($/mt)	664.250	661.470	657.750	656.500	656.500	658.573	656.413
NWE Jet	($/mt)	N/A	695.470	696.250	699.500	701.750	697.073	702.497
Singapore 10ppm	($/bbl)	N/A	84.940	84.650	84.490	84.650	84.693	84.863
Sing Kero	($/bbl)	N/A	84.010	84.280	84.420	84.500	84.237	84.600
Gasoline								
RBOB	(c/gal)	198.360	195.050	192.070	191.200	191.970	192.773	199.443
EBOB	($/mt)	N/A	679.150	653.400	641.150	641.080	657.900	645.793
Singapore 92	($/bbl)	N/A	76.230	76.130	76.180	76.400	76.180	76.750
Singapore 95	($/bbl)	N/A	80.730	80.230	79.880	80.100	80.280	80.517
Naphtha								
US C5 ENT	(c/gal)	143.340	144.840	145.220	145.470	146.090	145.177	145.260
NWE Naphtha	($/mt)	N/A	630.210	627.210	622.710	619.210	626.710	614.710
MOP-Japan Naphtha	($/mt)	N/A	655.710	650.210	644.710	638.960	650.210	633.710
Fuel Oil								
3.5% barges	($/mt)	N/A	421.070	396.820	388.070	384.070	401.987	384.903
Singapore 380	($/mt)	N/A	401.380	393.380	390.630	388.880	395.130	390.297
Singapore 180	($/mt)	N/A	422.880	408.630	404.880	402.880	412.130	404.297
0.5% barges	($/mt)	N/A	496.060	484.560	478.060	474.310	486.227	472.393
Singapore 0.5%	($/mt)	N/A	546.730	536.730	527.480	520.230	536.980	515.897
NGLs								
US Propane LST	(c/gal)	50.995	67.995	73.995	75.375	76.495	72.455	75.495
NWE Propane	($/mt)	N/A	589.250	584.250	575.250	565.750	582.917	550.250
Saudi Propane CP	($/mt)	N/A	633.300	633.300	629.300	623.300	631.967	612.800
Asian Propane FEI	($/mt)	N/A	662.300	657.050	651.300	641.800	656.883	623.800
US Butane ENT	(c/gal)	102.630	104.380	103.760	102.010	100.630	103.383	97.050
Saudi Butane CP	($/mt)	N/A	629.750	629.750	626.750	621.750	628.750	608.250

Front Month Spreads

Oct/Nov		30-Sep-24	1-Day Change	7-Day Change
Crude				
Brent	($/bbl)	0.280	-0.020	-0.160
WTI	($/bbl)	0.410	-0.040	-0.340
Dubai	($/bbl)	0.610	-0.020	-0.030
Distillates				
Gasoil 0.1 NWE	($/mt)	3.720	+0.270	+1.610
NWE Jet	($/mt)	-0.780	-0.230	+0.610
Singapore 10ppm	($/bbl)	0.290	+0.060	+0.360
Sing Kero	($/bbl)	-0.270	-0.010	-0.090
Gasoline				
RBOB	(c/gal)	2.980	+0.080	+0.430
EBOB	($/mt)	25.750	+0.000	+9.000
Singapore 92	($/bbl)	0.100	-0.450	-1.080
Singapore 95	($/bbl)	0.500	-0.300	-1.030
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	-0.630
NWE Naphtha	($/mt)	3.000	-0.250	-3.250
MOP-Japan Naphtha	($/mt)	5.500	+0.750	+1.500
Fuel Oil				
3.5% barges	($/mt)	24.250	+1.750	+9.500
Singapore 380	($/mt)	8.000	-0.500	-2.750
Singapore 180	($/mt)	14.250	+0.750	+2.000
0.5% barges	($/mt)	11.500	-0.250	-2.000
Singapore 0.5%	($/mt)	10.000	-1.000	-6.750
NGLs				
US Propane LST	(c/gal)	-6.000	-2.750	-4.000
NWE Propane	($/mt)	5.000	-1.500	-1.500
Saudi Propane CP	($/mt)	0.000	+0.000	-3.000
Asian Propane FEI	($/mt)	5.250	-0.250	+2.750
US Butane ENT	(c/gal)	0.620	-0.500	-1.130
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 ($/bbl)	0.340	-0.020	-0.260
WTI/Brent ($/bbl)	-3.530	-0.010	-0.540
Distillates			
Gasoil 0.1 NWE crack ($/bbl)	16.550	-0.150	+1.510
NWE Jet crack ($/bbl)	16.020	-0.360	+1.200
NWE Jet Diff ($/mt)	34.000	-1.250	-2.500
Gasoil E/W ($/bbl)	-28.500	-1.000	+0.500
Regrade (Sing Kero vs Sing 10ppm) ($/bbl)	-0.930	-0.130	-0.550
Gasoline			
TA Arb (RBOB vs EBOB)(c/gal)	0.950	-0.650	-3.550
EBOB crack ($/bbl)	9.330	-0.190	+1.450
Singapore 92 crack ($/bbl)	4.030	-0.760	-1.450
Gasoline E/W (Sing 92 vs EBOB) ($/bbl)	-5.300	-0.560	-2.900
European Gasnaph (EBOB vs Naphtha) ($/mt)	48.900	-3.670	+4.170
Asian Gasnaph (Sing 92 vs MOPJ) ($/mt)	-20.640	-10.540	-28.840
Naphtha			
US C5 ENT vs WTI Crack	-7.850	-0.090	+1.080
NWE Naphtha Crack ($/bbl)	-1.400	+0.150	+0.950
MOPJ Naphtha Crack ($/bbl)	1.470	+0.410	+1.970
Naphtha E/W (NWE vs MOPJ) ($/mt)	25.500	+2.250	+9.000
Fuel Oil			
3.5% barges crack ($/bbl)	-5.900	+0.250	+3.000
Singapore 380 crack ($/bbl)	-9.020	-0.270	-0.590
Singapore 180 crack ($/bbl)	-5.630	+0.050	+0.590
Visco (180-380) ($/mt)	21.500	+2.000	+7.500
HSFO E/W (380 vs 3.5% barges) ($/mt)	-19.750	-3.250	-22.750
0.5% barges crack ($/bbl)	5.900	+0.000	-0.150
Singapore 0.5% crack ($/bbl)	13.900	+0.000	-0.950
VLSFO E/W (Sing 0.5% vs 0.5% barges) ($/mt)	50.800	+0.000	-5.080
European Hi5 (0.5% barges vs 3.5% barges) ($/mt)	74.930	-1.590	-20.000
Asian Hi5 (Sing 0.5% vs 380) ($/mt)	145.480	+1.660	-2.330
0.5% barges/gasoil ($/mt)	-165.040	+0.210	-10.620
Sing 0.5% vs Sing 10ppm ($/mt)	-86.020	+0.900	-16.460
NGLs			
US Propane LST vs NWE Propane ($/mt)	-235.000	-14.000	-30.500
US Propane LST vs Asian Propane FEI ($/mt)	-308.000	-17.500	-40.000
Asian Propane FEI vs NWE Propane ($/mt)	73.000	+3.500	+9.500
Asian Propane FEI vs Saudi Propane CP ($/mt)	29.000	+2.000	+2.000
European Pronap (NWE Propane vs NWE Naphtha) ($/mt)	-40.910	-0.440	+15.030
Asian Pronap (FEI vs MOPJ) ($/mt)	-22.410	-1.010	+13.530

Long Tenor Cracks / Diffs

	Balmo	Oct-24	Nov-24	Dec-24	Jan-25	Q4-24	Q1-25
Crude							
Brent/Dubai ($/bbl)	0.000	0.340	0.650	0.870	0.990	0.620	1.033
WTI/Brent ($/bbl)	-3.400	-3.530	-3.670	-3.770	-3.870	-3.657	-3.933
Distillates							
Gasoil 0.1 NWE crack ($/bbl)	16.89	16.55	16.32	16.32	16.46	16.40	16.51
NWE Jet crack ($/bbl)	15.67	16.02	16.39	16.97	17.39	16.46	17.54
NWE Jet Diff ($/mt)	28.75	34.00	38.50	43.00	45.25	38.50	46.08
Gasoil E/W ($/bbl)	N/A	-28.50	-26.79	-27.03	-25.86	-27.44	-24.23
Regrade (Sing Kero vs Sing 10ppm) ($/bbl)	N/A	-0.93	-0.37	-0.07	-0.15	-0.46	-0.26
Gasoline							
TA Arb (RBOB vs EBOB)(c/gal)	N/A	0.950	5.320	7.940	8.730	4.737	14.853
EBOB crack ($/bbl)	N/A	9.330	6.510	5.210	5.310	7.017	5.927
Singapore 92 crack ($/bbl)	N/A	4.030	4.200	4.430	4.740	4.220	5.150
Gasoline E/W (Sing 92 vs EBOB) ($/bbl)	N/A	-5.300	-2.310	-0.790	-0.570	-2.800	-0.780
European Gasnaph (EBOB vs Naphtha) ($/mt)	N/A	48.900	26.150	18.400	21.900	31.150	31.067
Asian Gasnaph (Sing 92 vs MOPJ) ($/mt)	N/A	-20.640	-15.970	-10.050	-2.470	-15.553	5.693
Naphtha							
US C5 ENT vs WTI Crack	-8.620	-7.850	-7.270	-6.890	-6.430	-7.337	-6.667
NWE Naphtha Crack ($/bbl)	N/A	-1.400	-1.470	-1.820	-2.130	-1.563	-2.553
MOPJ Naphtha Crack ($/bbl)	N/A	1.470	1.120	0.650	0.090	1.080	-0.420
Naphtha E/W (NWE vs MOPJ) ($/mt)	N/A	25.500	23.000	22.000	19.750	23.500	19.000
Fuel Oil							
3.5% bgs crack ($/bbl)	N/A	-5.900	-9.450	-10.640	-11.180	-8.663	-10.990
Singapore 380 crack ($/bbl)	N/A	-9.020	-10.000	-10.240	-10.430	-9.753	-10.150
Singapore 180 crack ($/bbl)	N/A	-5.630	-7.600	-8.000	-8.220	-7.077	-7.943
Visco (180-380) ($/mt)	N/A	21.500	15.250	14.250	14.000	17.000	14.000
HSFO E/W (380 vs 3.5% bgs) ($/mt)	N/A	-19.750	-3.500	2.500	4.750	-6.917	5.333
0.5% bgs crack ($/bbl)	N/A	5.900	4.360	3.530	3.020	4.597	2.777
Singapore 0.5% crack ($/bbl)	N/A	13.900	12.590	11.330	10.280	12.607	9.653
VLSFO E/W (Sing 0.5% vs 0.5% bgs) ($/mt)	N/A	50.800	52.300	49.550	46.050	50.883	43.633
European Hi5 (0.5% bgs vs 3.5% bgs) ($/mt)	N/A	74.930	87.680	89.930	90.180	84.180	87.430
Asian Hi5 (Sing 0.5% vs 380) ($/mt)	N/A	145.480	143.480	136.980	131.480	141.980	125.730
0.5% bgs/gasoil ($/mt)	N/A	-165.040	-173.020	-178.190	-182.560	-172.083	-184.317
Sing 0.5% vs Sing 10ppm ($/mt)	N/A	-86.020	-93.860	-101.620	-110.620	-93.833	-116.530
NGLs							
US Propane LST vs NWE Propane ($/mt)	N/A	-235	-198.74	-182.55	-167.22	-205.43	-156.927
US Propane LST vs Asian Propane FEI ($/mt)	N/A	-308	-271.49	-258.55	-243.21	-279.347	-230.42
Asian Propane FEI vs NWE Propane ($/mt)	N/A	73	72.75	76	76	73.917	73.5
Asian Propane FEI vs Saudi Propane CP ($/mt)	N/A	29	23.75	22	18.5	24.917	11
European Pronap ($/mt)	N/A	-40.91	-42.91	-47.41	-53.41	-43.743	-64.38
Asian Pronap (FEI vs MOPJ) ($/mt)	N/A	-22.41	-16.91	-15.41	-15.66	-18.243	-20.91

Inter-month Crack Spreads

Oct/Nov	30-Sep-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai ($/bbl)	-0.310	+0.010	-0.100
WTI/Brent ($/bbl)	0.140	+0.000	-0.170
Distillates			
Gasoil 0.1 NWE crack ($/bbl)	0.230	+0.080	+0.370
NWE Jet crack ($/bbl)	-0.370	-0.020	+0.250
NWE Jet Diff ($/mt)	-4.500	-0.500	-1.000
Gasoil E/W ($/bbl)	-1.710	+0.210	+1.010
Regrade (Sing Kero vs Sing 10ppm) ($/bbl)	-0.560	-0.040	-0.450
Gasoline			
TA Arb (RBOB vs EBOB)(c/gal)	-4.370	+0.120	-2.160
EBOB crack ($/bbl)	2.820	+0.040	+1.240
Singapore 92 crack ($/bbl)	-0.170	-0.420	-0.920
Gasoline E/W (Sing 92 vs EBOB) ($/bbl)	-2.990	-0.450	-2.160
European Gasnaph (EBOB vs Naphtha) ($/mt)	22.750	+0.250	+12.250
Asian Gasnaph (Sing 92 vs MOPJ) ($/mt)	-4.670	-4.500	-10.500
Naphtha			
US C5 ENT vs WTI Crack	-0.580	+0.030	+0.060
NWE Naphtha Crack ($/bbl)	0.070	+0.000	-0.200
MOPJ Naphtha Crack ($/bbl)	0.350	+0.120	+0.330
Naphtha E/W (NWE vs MOPJ) ($/mt)	2.500	+1.000	+4.750
Fuel Oil			
3.5% barges crack ($/bbl)	3.550	+0.310	+1.660
Singapore 380 crack ($/bbl)	0.980	-0.060	-0.280
Singapore 180 crack ($/bbl)	1.970	+0.150	+0.470
Visco (180-380) ($/mt)	6.250	+1.250	+4.750
HSFO E/W (380 vs 3.5% barges) ($/mt)	-16.250	-2.250	-12.250
0.5% barges crack ($/bbl)	1.540	-0.010	-0.160
Singapore 0.5% crack ($/bbl)	1.310	-0.120	-0.900
VLSFO E/W (Sing 0.5% vs 0.5% barges) ($/mt)	-1.500	-0.750	-4.750
European Hi5 (0.5% barges vs 3.5% barges) ($/mt)	-12.750	-2.000	-11.500
Asian Hi5 (Sing 0.5% vs 380) ($/mt)	2.000	-0.500	-4.000
0.5% barges/gasoil ($/mt)	7.980	-0.250	-3.340
Sing 0.5% vs Sing 10ppm ($/mt)	7.840	-1.450	-9.430
NGLs			
US Propane LST vs NWE Propane ($/mt)	-36.260	-12.830	-19.340
US Propane LST vs Asian Propane FEI ($/mt)	-36.510	-14.080	-23.590
Asian Propane FEI vs NWE Propane ($/mt)	0.250	+1.250	+4.250
Asian Propane FEI vs Saudi Propane CP ($/mt)	5.250	-0.250	+5.750
European Pronap (NWE Propane vs NWE Naphtha) ($/mt)	2.000	-1.250	+1.750

Monthly Summary

After the dust settled on the final European session in September, Brent stands just under $7/bbl down from the end of August, while WTI has lost exactly $5/bbl. The 60s have been calling to Brent ever since markets dipped their toes in on the 17th Sep. Brent has seen a month of reconciliation between fundamentals and prices. The overly plump physical diffs over the previous months have dissipated, closing the month at around 65c. Compared to the $2 diffs we saw in previous months, that's pretty cheap. Brent is cheap again, compared to Dubai at least.

In stark contrast to its Asian counterpart, the Brent 3-2-1 crack has strengthened in September to over $13/bbl up from $11.90/bbl at the end of August, as product cracks close above their monthly averages. Front month EBOB crack averaged $7.50/bbl through September, but closed much higher at $9.33/bbl. We seem to have seen the bottom in margins, which are benefiting from crude weakness and reduced product supply, as refinery maintenance season kicks off.

European Benchmark Monthly Summary

Average of Closing Values on Trading Days for September

Calendar Months		September	October	November	December
Crude Futures / Physical					
Brent (fut)	($/bbl)	72.990	72.450	72.060	71.820
Dubai (phys)	($/bbl)	77.590	76.330	75.700	75.320
WTI (fut) cont.	($/bbl)	69.150	68.510	68.090	67.810
OBI Continuous	$/bbl	73.010	N/A	N/A	N/A
Crude Swaps					
Brent	($/bbl)	72.930	72.430	72.050	71.810
Dubai	($/bbl)	73.170	71.910	71.280	70.900
WTI	($/bbl)	69.460	68.960	68.380	68.000
Gasoline Swaps					
RBOB	(c/gal)	197.360	194.800	192.280	191.260
EBOB	($/mt)	685.970	665.340	650.500	641.150
Singapore 92	($/bbl)	78.070	77.530	76.870	76.710
Singapore 95	($/bbl)	81.750	81.320	80.400	80.070
Distillates Swaps					
Gasoil 0.1 NWE	($/mt)	659.940	658.790	656.600	656.230
NWE Jet	($/mt)	697.710	700.040	700.750	702.990
Singapore 10ppm	($/bbl)	84.440	84.800	84.860	84.900
Sing Kero	($/bbl)	84.360	84.540	84.680	84.790
Naphtha Swaps					
US C5 ENT	(c/gal)	143.790	144.670	144.600	144.510
NWE Naphtha	($/mt)	625.850	622.150	616.730	611.650
MOPJ Naphtha	($/mt)	645.630	641.890	637.000	631.900
Fuel Oil Swaps					
3.5% barges	($/mt)	402.670	392.510	382.760	378.330
Singapore 380	($/mt)	411.870	398.100	390.440	387.700
Singapore 180	($/mt)	420.690	410.100	401.990	399.710
0.5% barges	($/mt)	497.730	488.860	478.980	473.300
Singapore 0.5%	($/mt)	559.440	541.020	528.490	520.380
NGLs Swaps					
US Propane LST	(c/gal)	65.400	70.610	72.460	73.230
NWE Propane	($/mt)	568.050	563.900	557.250	550.830
Saudi Propane CP	($/mt)	607.710	607.710	605.930	606.180
Asian Propane FEI	($/mt)	642.330	638.940	635.460	631.660
US Butane ENT	(c/gal)	98.680	99.350	98.520	97.620
Saudi Butane CP	($/mt)	608.220	608.220	607.550	609.100

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