

The Officials

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Trump barrels ahead



The US is looking ever more set for a return to Trump. Bookies are now giving the Donald a 65.6% chance of winning the election, less than two weeks before the polls. The polls still show the two on level pegging. Which do you trust more?

Additional supply coming from OPEC in December might offer some help to struggling margins, as crude prices should fall and thus open up the margin. Additional voluntary cuts from Saudi Arabia, Iraq, Russia, the UAE and some other members took 2.2 mb/d off the market. If the Saudis are bringing back around 1 mb/d, as we've heard they are, that leaves 1.2 mb/d unaccounted for and we don't imagine the Russians or Iraqis will want to miss out on that kind of market share and potential revenue. As our catchphrase goes: they need the money!

The UAE looks to be gearing up for some more activity. ADNOC didn't respond to requests for comment on the UAE's position regarding unwinding production cuts in December, but there are other indicators worth looking at. The awarding of contracts for downstream oil, gas and petchem developments has skyrocketed in the last couple of years, according to data from MEED Projects. 2023 saw \$7.75 billion committed to these projects, while 2024 stands near \$10 billion. Most of these contracts are for chemical developments, suggesting ADNOC sees the big bucks in future in petchems.

The window was a quiet one, with just one Forties cargo offered by Vitol. That was it, folks.

Summary

Physical and Futures

		25-Oct-24	1-Day Change	7-Day Change
Brent Dec (fut)	(\$/bbl)	75.830	+1.310	+3.210
WTI Dec (fut)	(\$/bbl)	71.640	+1.390	+3.360
Dubai Dec (phys)	(\$/bbl)	75.120	+1.010	+2.640
OBI Continuous	(\$/bbl)	75.830	+1.310	+3.210
Crude Swaps Oct				
Brent	(\$/bbl)	75.430	+1.320	+3.230
DFL	(\$/bbl)	0.240	-0.010	+0.150
WTI	(\$/bbl)	71.520	+1.390	+3.350
Dubai	(\$/bbl)	74.210	+1.380	+2.990

Tenor

		Dec-24	Jan-25	Feb-25
Crude Futures				
Brent (fut)	(\$/bbl)	75.830	75.450	75.060
WTI (fut)	(\$/bbl)	71.640	71.240	70.900



In detail

That feelgood feeling going into the weekend. Markets got the good vibes and bounced upwards into the two day hiatus from trading. Brent benefited and gained \$1.31/bbl to close the week at \$75.83/bbl, with front spreads holding pretty firm at 38c. WTI gained even more than Brent, closing at \$71.64/bbl, \$1.39/bbl up on the day. There have been some cagey days in the North Sea recently and today we only spotted Vitol offering a Forties CIF for 19-23 Nov at Dated +\$1.55. An offer that wasn't met with a buyer.

Russian refined product exports averaged 1.9 mb/d in the first 20 days of October, according to ship tracking data from Vortexa, an 11% m/m decline. This was slightly lower than August's level too and makes for the lowest volume of exports since 2016. Meanwhile, Russia's crude exports reached their high point since June. The four-week average of crude cargoes reached 3.47 mb/d on 20 October. The biggest exporting centres in October have been Primorsk (on the Baltic) and Kozmino (on the Pacific, near Vladivostok). India was the biggest taker, receiving around 1.6 mb/d in the first couple of weeks of October. No surprise there.

So, put on your Sherlock Holmes hat and smoke a pipe of something relaxing as you consider what that means. The first conclusion is that Russia's refineries don't need as much input as usual. This isn't overly surprising; we already knew numerous refineries were entering maintenance this month. Ever broader Western sanctions certainly aren't working to plug the hole of Russia's crude exports, which are only 1.3% lower so far this year than they were last year, on average.

Russia is among the OPEC members meant to be continuing those additional voluntary production cuts until the end of November. We ask ourselves how strictly they are conforming to that number, but who are we to speculate? It must be tempting to get a head start on unwinding those voluntary cuts, to steal a march on the Saudis.

On Friday, the EU agreed with China to keep rehashing the same debate on EV sanctions, just a week before the EU starts dishing out their duties. Germany and Spain have been vocal in their frustrations, but most of the EU delegation wants the tariffs to go ahead. Hey, that's democracy. Nobody asked us, we left a while ago. We will get cheap cars! If the tariffs do come into effect, the possibilities for a spiralling trade war are real and repercussions could be dramatic.

The EU would, inevitably, be worse off. The bloc depends on China not only for much of its imports, but also lots of their exports. China has historically been the top destination for vehicles exported by Germany, but recently trade is drying up. EU exports to China were 11% lower in September on a y/y basis; further trade friction will only sever Europe's ties with global markets. The European trade balance flipped into deficit in August for the first time since May 2023. And the EU certainly cannot rely on their domestic activity to save them.

The EU's self-sabotaging trade strategy will, as history has shown time and time again, only result in more hurt. Imports necessary for production become more expensive, increasing the relative costs of their exports and worsening competitiveness. If the tariffs do go through and China responds with equivalent sanctions, the days of a trade surplus in the EU may very well be behind us. We hope that the trade talks will lead to some resolution, and trade wars can be avoided. But we're sceptical, the EU have a habit for own-foot shooting.

We also got durable goods orders for September from the US. Orders fell 0.8% m/m, the same as the month prior, but slightly better than expectations of a 1% fall. Most of this was driven by defence orders. Excluding defence, new orders shrank by 1.1% m/m. A quick update on the Boeing situation. The aerospace staple could sell its space business to survive its trials and tribulations. Striking staff, safety scares... Boeing's had enough and is getting desperate if it needs to sell its space interests. NASA might have to say bye-bye to its old friend.

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Front Month Outrights					
November Swaps			25-Oct-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)		75.430	+1.320	+3.230
WTI	(\$/bbl)		71.520	+1.390	+3.350
Dubai	(\$/bbl)		74.210	+1.380	+2.990
Distillates					
Gasoil 0.1 NWE	(\$/mt)		675.830	+9.330	+28.000
NWE Jet	(\$/mt)		730.830	+12.830	+38.500
Singapore 10ppm	(\$/bbl)		88.270	+1.420	+4.430
Sing Kero	(\$/bbl)		89.920	+2.090	+5.570
Gasoline					
RBOB	(c/gal)		203.330	+4.320	+7.650
EBOB	(\$/mt)		690.730	+12.670	+25.720
Singapore 92	(\$/bbl)		79.350	+1.400	+2.080
Singapore 95	(\$/bbl)		84.200	+1.410	+1.830
Naphtha					
US C5 ENT	(c/gal)		152.350	+3.430	+7.590
NWE Naphtha	(\$/mt)		650.860	+11.660	+31.060
MOPJ Naphtha	(\$/mt)		671.610	+9.660	+28.720
Fuel Oil					
3.5% barges	(\$/mt)		453.960	+5.210	+37.650
Singapore 380	(\$/mt)		453.710	+6.460	+34.150
Singapore 180	(\$/mt)		465.960	+5.460	+30.650
0.5% barges	(\$/mt)		509.840	+2.090	+18.920
Singapore 0.5%	(\$/mt)		564.320	-2.800	+22.350
NGLs					
US Propane LST	(c/gal)		79.291	+3.121	+5.856
NWE Propane	(\$/mt)		591.610	+8.760	+14.010
Saudi Propane CP	(\$/mt)		626.610	+3.760	+10.010
Asian Propane FEI	(\$/mt)		652.610	+5.760	+8.010
US Butane ENT	(c/gal)		111.550	+3.620	+4.610
Saudi Butane CP	(\$/mt)		621.650	+5.760	+12.050



Long Tenor Swaps

		Balmo	Nov-24	Dec-24	Jan-25	Feb-25	Q1-25	Q2-25
Crude								
Brent	(\$/bbl)	75.760	75.430	75.030	74.770	74.540	74.560	74.023
WTI	(\$/bbl)	71.640	71.520	71.130	70.780	70.530	70.537	69.893
Dubai	(\$/bbl)	75.120	74.210	73.980	73.520	73.270	73.297	72.800
Distillates								
Gasoil 0.1 NWE	(\$/mt)	675.500	675.830	676.460	677.840	678.580	678.223	676.980
NWE Jet	(\$/mt)	730.000	730.830	732.710	733.090	733.830	733.473	731.980
Singapore 10ppm	(\$/bbl)	88.770	88.270	87.860	87.770	87.840	87.857	88.157
Sing Kero	(\$/bbl)	90.770	89.920	89.020	88.380	88.040	88.093	87.783
Gasoline								
RBOB	(c/gal)	206.910	203.330	201.310	201.770	203.510	208.767	219.503
EBOB	(\$/mt)	706.730	690.730	673.980	671.230	672.980	673.980	714.230
Singapore 92	(\$/bbl)	79.850	79.350	79.570	79.770	80.000	80.003	79.957
Singapore 95	(\$/bbl)	83.500	84.200	83.720	83.570	83.750	83.803	83.723
Naphtha								
US C5 ENT	(c/gal)	152.600	152.350	151.850	152.600	151.980	151.770	147.147
NWE Naphtha	(\$/mt)	654.860	650.860	645.110	640.110	634.360	634.443	619.360
MOP-Japan Naphtha	(\$/mt)	675.610	671.610	666.360	660.610	654.610	654.610	637.860
Fuel Oil								
3.5% barges	(\$/mt)	476.960	453.960	430.960	422.460	417.710	418.793	412.960
Singapore 380	(\$/mt)	461.710	453.710	437.460	428.210	422.960	424.293	418.377
Singapore 180	(\$/mt)	475.210	465.960	447.960	438.710	433.710	435.043	430.127
0.5% barges	(\$/mt)	519.340	509.840	501.840	497.090	493.340	493.550	484.970
Singapore 0.5%	(\$/mt)	572.570	564.320	551.820	544.450	539.320	539.573	526.950
NGLs								
US Propane LST	(c/gal)	71.291	79.291	80.166	80.916	80.541	79.833	74.583
NWE Propane	(\$/mt)	600.610	591.610	579.610	565.610	551.610	548.777	495.777
Saudi Propane CP	(\$/mt)	626.610	626.610	623.610	617.610	610.610	607.610	549.277
Asian Propane FEI	(\$/mt)	655.110	652.610	649.110	640.110	626.110	623.110	568.110
US Butane ENT	(c/gal)	116.050	111.550	109.170	107.170	104.670	103.377	92.283
Saudi Butane CP	(\$/mt)	621.650	621.650	618.150	613.150	605.150	601.483	545.650



Front Month Spreads				
Nov/Dec		25-Oct-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.400	+0.010	+0.060
WTI	(\$/bbl)	0.390	+0.030	+0.000
Dubai	(\$/bbl)	0.230	-0.020	-0.190
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.630	-0.730	-0.250
NWE Jet	(\$/mt)	-1.880	+1.520	+1.000
Singapore 10ppm	(\$/bbl)	0.410	+0.010	+0.140
Sing Kero	(\$/bbl)	0.900	+0.300	+0.480
Gasoline				
RBOB	(c/gal)	2.020	+0.280	+0.330
EBOB	(\$/mt)	16.750	+0.000	-0.250
Singapore 92	(\$/bbl)	-0.220	-0.070	-0.490
Singapore 95	(\$/bbl)	0.480	-0.070	-0.540
Naphtha				
US C5 ENT	(c/gal)	0.500	+0.500	+0.500
NWE Naphtha	(\$/mt)	5.750	+0.500	+2.750
MOP-Japan Naphtha	(\$/mt)	5.250	-0.500	+0.750
Fuel Oil				
3.5% barges	(\$/mt)	23.000	-1.500	+8.000
Singapore 380	(\$/mt)	16.250	+2.000	+6.750
Singapore 180	(\$/mt)	18.000	+1.000	+4.750
0.5% barges	(\$/mt)	8.000	-2.000	-0.500
Singapore 0.5%	(\$/mt)	12.500	-3.500	+2.750
NGLs				
US Propane LST	(c/gal)	-0.875	+0.500	+0.375
NWE Propane	(\$/mt)	12.000	+2.000	+3.000
Saudi Propane CP	(\$/mt)	3.000	-0.500	-1.000
Asian Propane FEI	(\$/mt)	3.500	+0.250	-1.500
US Butane ENT	(c/gal)	2.380	+0.380	-0.120
Saudi Butane CP	(\$/mt)	3.500	+0.000	+0.000



Front Month Cracks and Diffs			
November	25-Oct-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	1.220	-0.050	+0.240
WTI/Brent (\$/bbl)	-3.920	+0.050	+0.120
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	15.320	+0.020	+0.560
NWE Jet crack (\$/bbl)	17.350	+0.410	+1.690
NWE Jet Diff (\$/mt)	55.000	+3.500	+10.500
Gasoil E/W (\$/bbl)	-18.250	+1.250	+5.000
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	1.650	+0.670	+1.100
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	5.900	+0.700	+0.300
EBOB crack (\$/bbl)	7.490	+0.230	-0.160
Singapore 92 crack (\$/bbl)	3.920	+0.100	-1.170
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-3.570	-0.120	-1.000
European Gasnaph (EBOB vs Naphtha) (\$/mt)	40.310	+1.540	-4.920
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-10.190	+2.620	-11.130
Naphtha			
US C5 ENT vs WTI Crack	-7.620	-0.010	-0.260
NWE Naphtha Crack (\$/bbl)	-2.350	-0.050	+0.200
MOPJ Naphtha Crack (\$/bbl)	-0.070	-0.330	-0.100
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.750	-2.000	-2.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-4.000	-0.550	+2.650
Singapore 380 crack (\$/bbl)	-4.040	-0.350	+2.100
Singapore 180 crack (\$/bbl)	-2.110	-0.510	+1.550
Visco (180-380) (\$/mt)	12.250	-1.000	-3.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-0.250	+1.250	-3.500
0.5% barges crack (\$/bbl)	4.800	-1.050	-0.300
Singapore 0.5% crack (\$/bbl)	13.400	-1.800	+0.250
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	54.610	-4.760	+3.490
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	55.880	-3.170	-18.730
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	110.740	-9.190	-11.740
0.5% barges/gasoil (\$/mt)	-166.790	-8.180	-9.810
Sing 0.5% vs Sing 10ppm (\$/mt)	-93.710	-14.010	-11.070
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-178.500	+7.500	+16.500
US Propane LST vs Asian Propane FEI (\$/mt)	-239.500	+10.500	+22.500
Asian Propane FEI vs NWE Propane (\$/mt)	61.000	-3.000	-6.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	26.000	+2.000	-2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-59.170	-2.600	-16.750
Asian Pronap (FEI vs MOPJ) (\$/mt)	-44.920	-5.690	-18.500



Long Tenor Cracks / Diffs

	Balmo	Nov-24	Dec-24	Jan-25	Feb-25	Q1-25	Q2-25
Crude							
Brent/Dubai (\$/bbl)	0.640	1.220	1.040	1.230	1.270	1.253	1.217
WTI/Brent (\$/bbl)	-4.110	-3.920	-3.910	-3.970	-4.020	-4.020	-4.133
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	14.97	15.32	15.79	16.21	16.56	16.49	16.87
NWE Jet crack (\$/bbl)	16.94	17.35	17.98	18.26	18.60	18.53	18.88
NWE Jet Diff (\$/mt)	54.50	55.00	56.25	55.25	55.25	55.25	55.00
Gasoil E/W (\$/bbl)	-14.17	-18.25	-22.13	-23.93	-24.17	-23.67	-20.22
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	2.00	1.65	1.16	0.61	0.20	0.24	-0.37
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	4.900	5.900	8.680	9.900	11.110	16.097	15.327
EBOB crack (\$/bbl)	9.110	7.490	5.880	5.830	6.260	6.367	11.743
Singapore 92 crack (\$/bbl)	4.110	3.920	4.550	5.020	5.470	5.460	5.953
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-5.000	-3.570	-1.340	-0.810	-0.790	-0.907	-5.793
European Gasnaph (EBOB vs Naphtha) (\$/mt)	52.310	40.310	29.310	31.560	39.060	39.977	95.310
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-10.030	-10.190	-3.110	4.300	12.220	12.247	28.607
Naphtha							
US C5 ENT vs WTI Crack	-7.640	-7.620	-7.440	-6.780	-6.780	-6.877	-8.173
NWE Naphtha Crack (\$/bbl)	-2.270	-2.350	-2.640	-2.940	-3.360	-3.367	-4.520
MOPJ Naphtha Crack (\$/bbl)	0.060	-0.070	-0.250	-0.630	-1.090	-1.100	-2.440
Naphtha E/W (NWE vs MOPJ) (\$/mt)	20.750	20.750	21.250	20.500	20.250	20.167	18.500
Fuel Oil							
3.5% bgs crack (\$/bbl)	-0.700	-4.000	-7.230	-8.290	-8.820	-8.660	-9.043
Singapore 380 crack (\$/bbl)	-3.100	-4.040	-6.210	-7.380	-7.990	-7.793	-8.190
Singapore 180 crack (\$/bbl)	-0.970	-2.110	-4.550	-5.730	-6.300	-6.103	-6.340
Visco (180-380) (\$/mt)	13.500	12.250	10.500	10.500	10.750	10.750	11.750
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	-15.250	-0.250	6.500	5.750	5.250	5.500	5.417
0.5% bgs crack (\$/bbl)	5.980	4.800	3.930	3.460	3.090	3.110	2.297
Singapore 0.5% crack (\$/bbl)	14.380	13.400	11.820	10.920	10.350	10.363	8.903
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	53.360	54.610	50.110	47.360	46.110	46.067	41.980
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	42.380	55.880	70.880	74.630	75.630	74.757	72.010
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	110.990	110.740	114.490	116.240	116.490	115.323	108.573
0.5% bgs/gasoil (\$/mt)	-156.660	-166.790	-175.220	-181.140	-185.870	-185.173	-192.513
Sing 0.5% vs Sing 10ppm (\$/mt)	-89.180	-93.710	-103.150	-109.690	-115.430	-115.363	-130.327
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-229.18	-178.5	-161.95	-144.04	-131.99	-132.847	-107.2
US Propane LST vs Asian Propane FEI (\$/mt)	-283.68	-239.5	-231.44	-218.53	-206.49	-207.177	-179.533
Asian Propane FEI vs NWE Propane (\$/mt)	54.5	61	69.5	74.5	74.5	74.333	72.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	28.5	26	25.5	22.5	15.5	15.5	18.833
European Pronap (\$/mt)	-54.12	-59.17	-65.37	-74.37	-82.62	-85.537	-123.487
Asian Pronap (FEI vs MOPJ) (\$/mt)	-48.92	-44.92	-42.67	-42.92	-43.92	-46.92	-88.503



Inter-month Crack Spreads			
Nov/Dec	25-Oct-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.180	+0.040	+0.260
WTI/Brent (\$/bbl)	-0.010	+0.020	-0.040
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.470	-0.050	-0.100
NWE Jet crack (\$/bbl)	-0.630	+0.250	+0.060
NWE Jet Diff (\$/mt)	-1.250	+2.250	+1.250
Gasoil E/W (\$/bbl)	3.880	+1.160	+1.640
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.490	+0.290	+0.340
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-2.780	+0.270	+0.370
EBOB crack (\$/bbl)	1.610	+0.000	-0.100
Singapore 92 crack (\$/bbl)	-0.630	-0.090	-0.580
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-2.230	-0.070	-0.460
European Gasnaph (EBOB vs Naphtha) (\$/mt)	11.000	-0.500	-3.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-7.080	-0.080	-4.830
Naphtha			
US C5 ENT vs WTI Crack	-0.180	+0.200	+0.180
NWE Naphtha Crack (\$/bbl)	0.290	+0.090	+0.290
MOPJ Naphtha Crack (\$/bbl)	0.180	-0.080	+0.020
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.500	-1.000	-2.000
Fuel Oil			
3.5% barges crack (\$/bbl)	3.230	-0.240	+1.210
Singapore 380 crack (\$/bbl)	2.170	+0.320	+1.020
Singapore 180 crack (\$/bbl)	2.440	+0.150	+0.700
Visco (180-380) (\$/mt)	1.750	-1.000	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-6.750	+3.500	-1.250
0.5% barges crack (\$/bbl)	0.870	-0.320	-0.130
Singapore 0.5% crack (\$/bbl)	1.580	-0.550	+0.380
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	4.500	-1.500	+3.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-15.000	-0.500	-8.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-3.750	-5.500	-4.000
0.5% barges/gasoil (\$/mt)	8.430	-1.550	-0.420
Sing 0.5% vs Sing 10ppm (\$/mt)	9.440	-3.580	+1.700
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-16.550	+0.610	-1.040
US Propane LST vs Asian Propane FEI (\$/mt)	-8.060	+2.360	+3.450
Asian Propane FEI vs NWE Propane (\$/mt)	-8.500	-1.750	-4.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	0.500	+0.750	-0.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	6.200	+1.540	+0.200