

The Officials

The Benchmark Publication

Asia Edition (09:30 BST)

02-October-2024, Volume 1, Issue 86 (Asia)

Will Bibi's gun fire back?



The direct missile attack by Iran against Israel yesterday afternoon sent markets haywire. Brent peaked at about \$75.40/bbl, at around 18:05 BST yesterday. It cooled off later in the evening to below \$74/bbl before building back up overnight and into this morning to close Asian trading at \$75.10/bbl. Expect more to come if the conflict escalates further. The consensus seems to be that approximately 180 missiles were fired in the bombardment, but reports are conflicting. The IDF figure matches this number.

After the dust settled following Iran's bombardment, the damage is unclear. Both sides quote different statistics for interceptions and for direct hits. But it seems that numerous ballistic missiles were successful in passing through Israel's quad layered aerial defence system. Reports are emerging of damage to military assets, which seems to have been the main target. But the exact effects are unclear. As our mantra goes: nobody knows. The question is what next? Will Israel continue in their pager popping and assassination conquest, or will they opt for a more forthright retaliation?

While there are rumours floating around that Israel could strike Iran's oil facilities, we have also heard unconfirmed reports of the Iran's IRGC threatening to attack and disable refineries in Saudi Arabia, Kuwait, the UAE, and other regional countries, in the case that the US is involved in any attacks on Iranian refineries. This would, surely, provoke a real frenzy in markets. Markets sources were still generally bearish despite the clear escalation. One could say that prices went up five dollars and that without the attack the oil market could well be in the Sixties.

Summary

Physical and Futures

		02-Oct-24	1-Day Change	7-Day Change
Brent Dec (fut)	(\$/bbl)	75.090	+4.500	+0.800
WTI Dec (fut)	(\$/bbl)	70.920	+4.320	+0.260
Dubai Dec (phys)	(\$/bbl)	75.200	+4.430	+0.250

OBI Continuous

OBI Continuous	(\$/bbl)	75.090	+4.500	+0.800
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Crude Swaps Nov

Brent	(\$/bbl)	74.660	+4.380	+0.810
DFL	(\$/bbl)	0.090	+0.190	-0.050
WTI	(\$/bbl)	70.800	+4.300	+0.280
Dubai	(\$/bbl)	74.070	+4.340	+1.030

Tenor

Crude Futures

		Dec-24	Jan-25	Feb-25
Brent (fut)	(\$/bbl)	75.090	74.680	74.360
WTI (fut)	(\$/bbl)	70.920	70.520	70.210



In detail

October is the month of Halloween, but the markets didn't wait until the 31st to get spooked. The, rather delayed, culmination of Iran's innumerable threats of retribution against Israel sent all benchmarks skyward. All saw gains of around five bucks. Dubai's \$4.43/bbl gain places the Asian benchmark at \$75.20/bbl. WTI rose \$4.32/bbl, closing at \$70.92/bbl – finally back over the \$70/bbl mark! – but was outpaced by Brent's gain of \$4.50/bbl, which put it at \$75.09/bbl, above the stubborn \$75 level.

We're slightly surprised to see Brent outperform Dubai on a day when the Asian markets should have been most affected. But Brent is between oil and a financial asset. Iran produces around 3 mb/d of predominately medium sour crude, a similar grade to those traded in the Dubai window, which have increasingly been the target of Asian players such as NPI and Mitsui last month. With much of Iran's crude finding a home in Asia and already tight Dubai markets, further escalation could be supportive for Dubai. Dubai physical premium rose to \$1.66/bbl, still down from September's levels around the \$2/bbl point, but up from yesterday's \$1.47/bbl. If you have any ideas, please let us know, we'd love to hear your thoughts!

The Dubai window looked much more fragmented than we had become used to in September, as numerous new players muscled in on Mitsui and Exxon's favourite bartering post. These two kept up their activity, but no longer dominated the window as they had done; the sellside was broken up between various parties and BP made several sales, while Totsa was firmly on the buyside. It's worth noting that several refineries came in selling, Chevron and BP among them. The early-month power struggle has begun but October is yet to find its hegemon, but we expect that will come soon.

The markets seem to be holding their breath, attentively waiting for Israel's response and Brent remained elevated in the mid \$75/bbl range well into late morning BST. From an optics perspective, a larger retaliation would be consistent with Israel's fiery rhetoric. The region is on a knife edge, and the next steps taken by either side will determine the scale and scope of the future conflict, including potential involvement from the US, though we see this as unlikely. Markets haven't let go of possible further escalation. Safe haven capital flows have supported the dollar, which today held onto its largest gain in a week. The Swiss franc, another traditional safe haven, was up around 0.1%.

Despite threats of apocalypse and World War 3 from the Middle East, the world turns on its axis and today OPEC's Joint Ministerial Monitoring Committee (JMMC) meeting could provide some signals as to how the group will manoeuvre out of its predicament. Don't expect much in terms of policy direction, but rather to see the whip cracking to corral the members into stricter compliance with production cuts. We can look to OPEC as the grand saviours of the world, according to the UAE's energy minister, Suhail al-Mazrouei. He said that, without the group, the world "would be in chaos", perhaps overegging the group's benevolence and service. Isn't the world already pretty chaotic?

Over at Gulf Intelligence, UAE's Mazrouei also emphasised the importance of holding the group together. To us, however, mentioning this implies that there is a risk of the group breaking apart – why else bring it up at all? These comments suggest that today's JMMC is likely to imply that everything is going perfectly well in paradise. Why upset the apple cart when you're riding along the sunlit uplands? However, we've heard some rumours of the UAE and Iraq blatantly disregarding quotas and shipping beyond their assigned volumes, regardless of their comments to the contrary. He's also been thanking China for its sustainability and nuclear investments.

Opposing his counterpart from the UAE, the Saudi Oil Minister has said that "prices may fall to \$50/bbl if others cheat". Well done, Sherlock! Of course, it's the Saudis who have been bearing the brunt of production cuts, adding its own additional voluntary cuts. We reckon the Saudis are fed up with feeding other members' greed. We think it is a not-so-veiled threat where the Saudis would send the prices if the members do not behave. We don't think they will, by the way!

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Front Month Outrights					
November Swaps			02-Oct-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	74.660		+4.380	+0.810
WTI	(\$/bbl)	70.800		+4.300	+0.280
Dubai	(\$/bbl)	74.070		+4.340	+1.030
Distillates					
Gasoil 0.1 NWE	(\$/mt)	674.250		+33.000	+5.170
NWE Jet	(\$/mt)	711.250		+32.500	+2.170
Singapore 10ppm	(\$/bbl)	86.910		+4.330	+0.480
Sing Kero	(\$/bbl)	86.660		+4.420	+0.570
Gasoline					
RBOB	(c/gal)	196.640		+9.720	-0.580
EBOB	(\$/mt)	668.200		+32.080	+2.950
Singapore 92	(\$/bbl)	78.420		+4.210	+0.330
Singapore 95	(\$/bbl)	82.920		+4.210	+0.940
Naphtha					
US C5 ENT	(c/gal)	150.120		+8.140	+2.350
NWE Naphtha	(\$/mt)	644.980		+30.170	+13.110
MOPJ Naphtha	(\$/mt)	668.230		+31.420	+15.610
Fuel Oil					
3.5% barges	(\$/mt)	417.890		+32.570	+16.570
Singapore 380	(\$/mt)	412.390		+33.570	+12.320
Singapore 180	(\$/mt)	426.710		+30.890	+14.270
0.5% barges	(\$/mt)	498.600		+28.830	+3.200
Singapore 0.5%	(\$/mt)	550.350		+30.860	+1.360
NGLs					
US Propane LST	(c/gal)	75.871		+3.372	+1.209
NWE Propane	(\$/mt)	596.290		+21.570	+21.420
Saudi Propane CP	(\$/mt)	633.790		+16.570	+17.920
Asian Propane FEI	(\$/mt)	673.380		+23.160	+27.510
US Butane ENT	(c/gal)	108.890		+6.640	+4.980
Saudi Butane CP	(\$/mt)	628.880		+17.660	+9.510



Long Tenor Swaps			Balmo	Nov-24	Dec-24	Jan-25	Feb-25	Q1-25	Q2-25
Crude									
Brent	(\$/bbl)	75.070	74.660	74.340	74.150	74.000	74.003	73.650	
WTI	(\$/bbl)	71.250	70.800	70.420	70.130	69.930	69.940	69.427	
Dubai	(\$/bbl)	74.960	74.070	73.540	73.260	73.070	73.087	72.730	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	677.480	674.250	673.560	674.110	674.250	673.980	673.143	
NWE Jet	(\$/mt)	708.980	711.250	714.310	717.110	720.750	719.313	722.393	
Singapore 10ppm	(\$/bbl)	87.210	86.910	86.790	87.030	87.330	87.277	87.853	
Sing Kero	(\$/bbl)	86.390	86.660	86.860	87.000	87.220	87.157	87.397	
Gasoline									
RBOB	(c/gal)	199.170	196.640	196.000	196.820	198.790	204.400	217.173	
EBOB	(\$/mt)	685.200	668.200	658.700	659.450	663.450	664.117	706.867	
Singapore 92	(\$/bbl)	78.170	78.420	78.470	78.570	78.920	78.920	79.337	
Singapore 95	(\$/bbl)	81.820	82.920	82.570	82.270	82.620	82.653	82.937	
Naphtha									
US C5 ENT	(c/gal)	149.740	150.120	150.370	150.990	150.370	150.160	145.537	
NWE Naphtha	(\$/mt)	646.230	644.980	640.480	636.980	632.480	632.480	619.897	
MOP-Japan Naphtha	(\$/mt)	672.140	668.230	662.890	657.390	651.980	651.920	636.557	
Fuel Oil									
3.5% barges	(\$/mt)	449.390	417.890	405.140	400.390	400.140	400.640	403.223	
Singapore 380	(\$/mt)	420.890	412.390	408.390	405.640	405.640	406.390	409.890	
Singapore 180	(\$/mt)	442.210	426.710	421.960	419.210	419.460	420.210	423.960	
0.5% barges	(\$/mt)	504.850	498.600	492.600	488.850	486.850	486.933	481.470	
Singapore 0.5%	(\$/mt)	559.850	550.350	541.600	534.350	529.350	529.977	520.513	
NGLs									
US Propane LST	(c/gal)	70.621	75.871	77.121	78.241	78.121	77.328	73.034	
NWE Propane	(\$/mt)	603.290	596.290	587.290	576.290	563.790	560.123	504.623	
Saudi Propane CP	(\$/mt)	633.790	633.790	630.290	625.790	619.790	615.957	553.623	
Asian Propane FEI	(\$/mt)	679.380	673.380	666.380	653.880	638.380	635.213	575.880	
US Butane ENT	(c/gal)	109.270	108.890	106.270	104.270	101.650	100.273	89.400	
Saudi Butane CP	(\$/mt)	628.880	628.880	625.380	621.880	614.380	609.047	547.713	



Front Month Spreads				
Nov/Dec		02-Oct-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.320	+0.160	+0.030
WTI	(\$/bbl)	0.380	+0.140	-0.080
Dubai	(\$/bbl)	0.530	+0.100	+0.140
Distillates				
Gasoil 0.1 NWE	(\$/mt)	0.690	+0.000	+0.170
NWE Jet	(\$/mt)	-3.060	+0.000	-0.580
Singapore 10ppm	(\$/bbl)	0.120	-0.010	+0.140
Sing Kero	(\$/bbl)	-0.200	-0.050	+0.030
Gasoline				
RBOB	(c/gal)	0.640	-0.100	-0.360
EBOB	(\$/mt)	9.500	-1.500	-0.750
Singapore 92	(\$/bbl)	-0.050	+0.150	-0.300
Singapore 95	(\$/bbl)	0.350	+0.150	-0.100
Naphtha				
US C5 ENT	(c/gal)	-0.250	+0.000	-0.250
NWE Naphtha	(\$/mt)	4.500	+0.250	+0.750
MOP-Japan Naphtha	(\$/mt)	5.340	+0.590	+0.840
Fuel Oil				
3.5% barges	(\$/mt)	12.750	+3.750	+5.750
Singapore 380	(\$/mt)	4.000	+2.500	+2.250
Singapore 180	(\$/mt)	4.750	+0.500	+2.750
0.5% barges	(\$/mt)	6.000	+0.500	-2.000
Singapore 0.5%	(\$/mt)	8.750	+1.250	-3.000
NGLs				
US Propane LST	(c/gal)	-1.250	+0.130	-0.250
NWE Propane	(\$/mt)	9.000	+0.000	+2.000
Saudi Propane CP	(\$/mt)	3.500	-0.500	+2.500
Asian Propane FEI	(\$/mt)	7.000	+1.000	+3.000
US Butane ENT	(c/gal)	2.620	+0.870	+0.870
Saudi Butane CP	(\$/mt)	3.500	+1.500	+3.500



Front Month Cracks and Diffs			
November	02-Oct-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.590	+0.040	-0.230
WTI/Brent (\$/bbl)	-3.860	-0.070	-0.520
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	15.820	+0.110	-0.120
NWE Jet crack (\$/bbl)	15.580	-0.190	-0.530
NWE Jet Diff (\$/mt)	37.000	-0.500	-3.000
Gasoil E/W (\$/bbl)	-26.750	-0.750	-1.650
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.240	+0.100	+0.100
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	5.650	+0.550	-1.430
EBOB crack (\$/bbl)	5.610	-0.390	-0.390
Singapore 92 crack (\$/bbl)	3.830	-0.020	-0.400
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-1.800	+0.350	-0.030
European Gasnaph (EBOB vs Naphtha) (\$/mt)	23.800	+2.760	-9.410
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-14.480	+4.420	-12.160
Naphtha			
US C5 ENT vs WTI Crack	-7.760	-0.850	+0.690
NWE Naphtha Crack (\$/bbl)	-2.200	-0.950	+0.650
MOPJ Naphtha Crack (\$/bbl)	0.410	-0.810	+0.930
Naphtha E/W (NWE vs MOPJ) (\$/mt)	23.250	+1.250	+2.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.850	+0.800	+1.800
Singapore 380 crack (\$/bbl)	-9.720	+0.950	+1.130
Singapore 180 crack (\$/bbl)	-7.510	+0.490	+1.370
Visco (180-380) (\$/mt)	14.000	-3.000	+1.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-5.250	+1.250	-4.000
0.5% barges crack (\$/bbl)	3.850	+0.200	-0.340
Singapore 0.5% crack (\$/bbl)	12.000	+0.500	-0.620
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	51.750	+1.900	-1.840
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	80.640	-3.810	-13.570
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	137.900	-2.900	-11.150
0.5% barges/gasoil (\$/mt)	-175.630	-4.330	-2.080
Sing 0.5% vs Sing 10ppm (\$/mt)	-97.130	-1.700	-2.350
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-201.000	-4.000	-15.120
US Propane LST vs Asian Propane FEI (\$/mt)	-278.000	-5.410	-21.120
Asian Propane FEI vs NWE Propane (\$/mt)	77.000	+1.500	+6.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	39.500	+6.500	+9.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-48.690	-8.600	+8.310
Asian Pronap (FEI vs MOPJ) (\$/mt)	-34.440	-14.850	+2.310



Long Tenor Cracks / Diffs							
	Balmo	Nov-24	Dec-24	Jan-25	Feb-25	Q1-25	Q2-25
Crude							
Brent/Dubai (\$/bbl)	0.110	0.590	0.800	0.890	0.930	0.917	0.920
WTI/Brent (\$/bbl)	-3.830	-3.860	-3.930	-4.020	-4.070	-4.070	-4.227
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	15.82	15.82	16.02	16.30	16.49	16.44	16.68
NWE Jet crack (\$/bbl)	14.86	15.58	16.27	16.81	17.45	17.25	18.00
NWE Jet Diff (\$/mt)	31.50	37.00	40.75	43.00	46.50	45.33	49.25
Gasoil E/W (\$/bbl)	-27.95	-26.75	-26.80	-25.75	-23.64	-23.77	-18.64
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.81	-0.24	0.08	0.00	-0.10	-0.11	-0.46
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	3.280	5.650	7.720	8.330	9.150	14.567	15.107
EBOB crack (\$/bbl)	7.240	5.610	4.780	5.070	5.700	5.770	11.267
Singapore 92 crack (\$/bbl)	3.150	3.830	4.180	4.490	4.970	4.970	5.750
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.100	-1.800	-0.610	-0.600	-0.730	-0.810	-5.533
European Gasnaph (EBOB vs Naphtha) (\$/mt)	39.550	23.800	18.800	23.050	31.550	32.217	87.550
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-20.570	-14.480	-8.820	-2.490	5.930	5.930	24.737
Naphtha							
US C5 ENT vs WTI Crack	-8.370	-7.760	-7.270	-6.720	-6.780	-6.880	-8.317
NWE Naphtha Crack (\$/bbl)	-2.480	-2.200	-2.390	-2.600	-2.940	-2.953	-4.023
MOPJ Naphtha Crack (\$/bbl)	0.440	0.410	0.140	-0.300	-0.750	-0.763	-2.140
Naphtha E/W (NWE vs MOPJ) (\$/mt)	26.000	23.250	22.500	20.500	19.500	19.500	16.750
Fuel Oil							
3.5% bgs crack (\$/bbl)	-4.310	-8.850	-10.540	-11.110	-10.990	-10.920	-10.160
Singapore 380 crack (\$/bbl)	-8.800	-9.720	-10.030	-10.280	-10.120	-10.013	-9.113
Singapore 180 crack (\$/bbl)	-5.490	-7.510	-7.940	-8.190	-7.990	-7.883	-6.950
Visco (180-380) (\$/mt)	21.000	14.000	13.250	13.250	13.500	13.500	13.750
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	-28.500	-5.250	3.250	5.250	5.500	5.750	6.667
0.5% bgs crack (\$/bbl)	4.410	3.850	3.230	2.810	2.660	2.660	2.150
Singapore 0.5% crack (\$/bbl)	13.080	12.000	10.940	9.980	9.350	9.440	8.297
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	55.000	51.750	49.000	45.500	42.500	43.043	39.043
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	55.390	80.640	87.390	88.390	86.640	86.223	78.177
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	138.900	137.900	133.150	128.650	123.650	123.527	110.563
0.5% bgs/gasoil (\$/mt)	-172.630	-175.630	-180.860	-185.260	-187.560	-187.073	-191.717
Sing 0.5% vs Sing 10ppm (\$/mt)	-89.850	-97.130	-104.990	-114.020	-121.410	-120.280	-133.977
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-235.36	-201	-185.49	-168.65	-156.78	-157.247	-124.117
US Propane LST vs Asian Propane FEI (\$/mt)	-311.36	-278	-264.49	-246.16	-231.28	-232.25	-195.283
Asian Propane FEI vs NWE Propane (\$/mt)	76	77	79	77.5	74.5	75	71.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	45.5	39.5	36	28	18.5	19.167	22.167
European Pronap (\$/mt)	-42.94	-48.69	-53.19	-60.69	-68.69	-72.357	-115.273
Asian Pronap (FEI vs MOPJ) (\$/mt)	-38.44	-34.44	-32.69	-31.69	-32.19	-36.023	-83.023



Inter-month Crack Spreads			
Nov/Dec	02-Oct-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.210	+0.050	-0.110
WTI/Brent (\$/bbl)	0.070	-0.010	-0.100
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.200	-0.110	+0.020
NWE Jet crack (\$/bbl)	-0.690	-0.110	-0.080
NWE Jet Diff (\$/mt)	-3.750	+0.000	-0.750
Gasoil E/W (\$/bbl)	0.050	-0.580	+0.650
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.320	-0.040	-0.140
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-2.070	+0.320	-0.140
EBOB crack (\$/bbl)	0.830	-0.320	-0.110
Singapore 92 crack (\$/bbl)	-0.350	+0.030	-0.310
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-1.190	+0.330	-0.210
European Gasnaph (EBOB vs Naphtha) (\$/mt)	5.000	-1.750	-1.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-5.660	+0.760	-3.240
Naphtha			
US C5 ENT vs WTI Crack	-0.490	-0.150	-0.030
NWE Naphtha Crack (\$/bbl)	0.190	-0.120	+0.070
MOPJ Naphtha Crack (\$/bbl)	0.270	-0.090	+0.060
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.750	+0.250	+0.000
Fuel Oil			
3.5% barges crack (\$/bbl)	1.690	+0.430	+0.890
Singapore 380 crack (\$/bbl)	0.310	+0.230	+0.340
Singapore 180 crack (\$/bbl)	0.430	-0.080	+0.420
Visco (180-380) (\$/mt)	0.750	-2.000	+0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-8.500	-1.000	-3.250
0.5% barges crack (\$/bbl)	0.620	-0.080	-0.340
Singapore 0.5% crack (\$/bbl)	1.060	+0.050	-0.480
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.750	+0.750	-1.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-6.750	-3.250	-7.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	4.750	-1.250	-5.250
0.5% barges/gasoil (\$/mt)	5.230	+0.310	-2.250
Sing 0.5% vs Sing 10ppm (\$/mt)	7.860	+1.330	-4.040
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-15.510	+0.680	-3.300
US Propane LST vs Asian Propane FEI (\$/mt)	-13.510	-0.320	-4.300
Asian Propane FEI vs NWE Propane (\$/mt)	-2.000	+1.000	+1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.500	+1.500	+0.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	4.500	-0.250	+1.250