



### Market Summary

#### Margins down, teapots cracking?

Physical premiums roofed to \$1.42 bbl for Dubai, with Oman at \$1.32 and Murban at \$1.46/bbl. 'This was all priced in the swaps markets, changes in structures and premiums in the swaps markets were only 1-3 cts,' said one of the practitioners (see Figure 1). Whilst nothing changed in the swaps structures, the changes in the physical markets are massive, as the premium for Dubai jumped by 90 cts from Friday to Monday, but for different loading months. One Asian refiner thought the strength was since 'Saudi exports came off by a fair bit last month'. While the Saudis are expected to release the monthly OSPs imminently, with Asian refiners hoping for as much as 90 cts, we think the Saudis' generosity will be tempered by the rise in premiums. Refiners were not too concerned about the high premiums noting that last month premiums were also elevated, but subsequently dropped off.

But if one uses the lens of flat price, the situation looks less robust as all benchmarks fell on a continuous contract basis, with Brent the weakest of the bunch. This continued to tighten the Brent/Dubai spread. But no relief for the Asian refiners as margins are worsening.

We have been commenting on the soft Asian outlook, despite OPEC foreseeing a massive 1.3mbbls/d growth for the region, with 720kbbls/d attributed to China. The PBOC announced an intervention in the Chinese bond markets, as yields continue to tumble. Doesn't sound healthy. Manufacturing continues to look bleak, as NBS Manufacturing PMI remains in contractionary territory in June. Sovereign yields often fall in times of uncertainty as investors seek a 'safe haven' for their wealth. Chinese oil imports are below last year, and margins are not robust. State owned refining margins are reportedly at all time lows, whilst teapot margins also tumble. India's growth prospects are wildly different from China. Manufacturing PMI's are near historical highs, but Asian currencies are struggling. Yen is the worst crossing 161 so, alert, the price of sushi is going up!

In France, investors relaxed somewhat, as far right candidate Le Pen was unable to obtain the extreme majority that many had feared. The Euro gained on the news to 1.0767 against the dollar as at 16:30 BST. But this is only the first round, so more volatility coming up for European markets.

Summary					
Physical and Futures			01-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	85.640	-0.220	+1.120	
WTI Sep (fut)	(\$/bbl)	81.290	-0.200	+1.140	
Dubai Sep (phys)	(\$/bbl)	85.660	-0.110	+1.115	
Crude Swaps Jul					
Brent	(\$/bbl)	84.795	-0.230	+1.065	
DFL	(\$/bbl)	0.810	+0.060	+0.100	
WTI	(\$/bbl)	80.960	-0.220	+1.110	
Dubai	(\$/bbl)	84.970	-0.280	+1.060	
Tenor			Sep-24	Oct-24	Nov-24
Crude Futures					
Brent (fut)	(\$/bbl)	85.640	84.840	84.130	
WTI (fut)	(\$/bbl)	81.290	80.390	79.620	



## In detail

As at 09:30 BST, crude markets saw relative weakening against the close of Asia on Friday. September Brent futures slid \$0.22 to \$85.64/bbl, whilst September WTI futures posted a \$0.20 fall over the same period, at \$81.29/bbl. Our Dubai assessment of physical cargos for September eased by 11 cts, to close the window at \$85.66/bbl. Physical premiums for September Dubai jumped by 90 ct to \$1.42 cts. Starting this addition, we have added an additional 2 tenors for Brent and WTI futures contracts in the summary table on page 1.

According to London Stock Exchange Group (LSEG), in the 6 months from January to June, Asia imported 27.16mbbls/d of crude, reflecting a 130kbbls/d decline against the same period in the year prior. The decrease was predominately driven by considerable weakness in Chinese figures, printing a 300kbbls/d fall against the year prior. The decline in imports was partially offset by India.

It was always going to be a challenge for Asian demand figures to confirm the predictions made by OPEC on June 2, but this data represents another nail in the coffin. The second half recovery that would be necessary to stimulate oil demand to the level OPEC have predicted, would be considerable. As more negative macro data prints in China, OPEC's forecast continues to entrench its position as nothing more than a pipe dream.

The fall in Chinese imports comes amidst refineries cutting runs. According to industry sources in China, refinery margins are well below their historical levels. State Owned Enterprises spot refining margins have dropped to historical lows, whilst Teapots' margins also fell m-o-m in June.

In India the situation has reversed according to data from LSEG. Imports for the first six months were up by 90kbbls/d against the same period the year prior. Although, despite showing signs of strength, the growth in oil demand still seems relatively timid given a Q1 GDP growth rate of 7.8% and strong momentum in Manufacturing PMI's, printing 58.3 for June, up from 57.5 the month prior (historical maximum is 59.1). Compared to OPEC's forecast, oil demand for India remains underperforming.

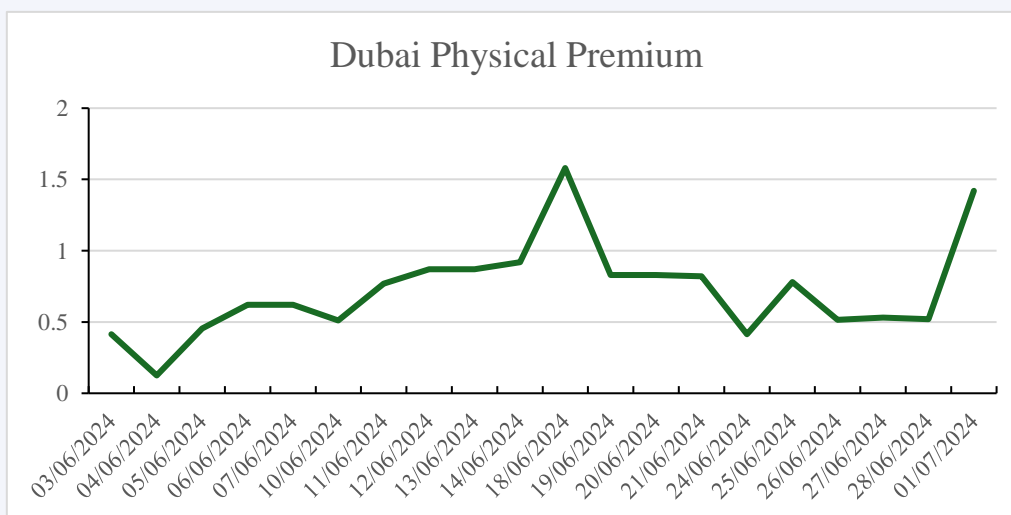

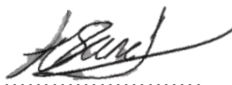



Figure 1: Dubai Physical premium, Onyx flux, Authors Calculations

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<b>Front Month Outrights</b>					
<b>August Swaps</b>			<b>01-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>					
Brent	(\$/bbl)	<b>84.795</b>		-0.230	+1.065
WTI	(\$/bbl)	<b>80.960</b>		-0.220	+1.110
Dubai	(\$/bbl)	<b>84.970</b>		-0.280	+1.060
<b>Distillates</b>					
Gasoil 0.1 NWE	(\$/mt)	<b>788.785</b>		-8.155	+11.660
NWE Jet	(\$/mt)	<b>842.280</b>		-10.160	+6.660
Singapore 10ppm	(\$/bbl)	<b>102.290</b>		-1.240	+1.590
Sing Kero	(\$/bbl)	<b>100.990</b>		-1.210	+1.650
<b>Gasoline</b>					
RBOB	(c/gal)	<b>250.010</b>		-1.200	+4.455
EBOB	(\$/mt)	<b>835.330</b>		-5.370	+6.970
Singapore 92	(\$/bbl)	<b>92.180</b>		+0.100	+1.790
Singapore 95	(\$/bbl)	<b>96.880</b>		+0.300	+2.360
<b>Naphtha</b>					
US C5 ENT	(c/gal)	<b>159.000</b>		+0.530	+3.740
NWE Naphtha	(\$/mt)	<b>684.500</b>		+0.540	+16.820
MOPJ Naphtha	(\$/mt)	<b>702.340</b>		+1.880	+16.910
<b>Fuel Oil</b>					
3.5% barges	(\$/mt)	<b>485.270</b>		-0.940	+5.090
Singapore 380	(\$/mt)	<b>497.770</b>		-1.940	+4.860
Singapore 180	(\$/mt)	<b>504.520</b>		-2.190	+2.930
0.5% barges	(\$/mt)	<b>560.450</b>		-0.040	+9.160
Singapore 0.5%	(\$/mt)	<b>603.570</b>		+0.320	+11.960
<b>NGLs</b>					
US Propane LST	(c/gal)	<b>85.220</b>		+0.380	+5.290
NWE Propane	(\$/mt)	<b>563.500</b>		+1.210	+20.470
Saudi Propane CP	(\$/mt)	<b>584.500</b>		-8.790	+7.470
Asian Propane FEI	(\$/mt)	<b>640.500</b>		+0.710	+12.970
US Butane ENT	(c/gal)	<b>100.470</b>		+0.370	+3.030
Saudi Butane CP	(\$/mt)	<b>569.390</b>		-8.900	+10.410



## Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>								
Brent	(\$/bbl)	85.595	84.795	84.100	83.470	82.900	82.910	81.472
WTI	(\$/bbl)	81.915	80.960	80.165	79.420	78.765	78.767	77.028
Dubai	(\$/bbl)	85.570	84.970	84.240	83.520	82.850	82.860	81.193
<b>Distillates</b>								
Gasoil 0.1 NWE	(\$/mt)	789.400	788.785	788.825	785.220	778.960	779.675	768.285
NWE Jet	(\$/mt)	840.900	842.280	843.320	840.720	835.960	836.173	827.283
Singapore 10ppm	(\$/bbl)	102.050	102.290	102.230	101.910	101.420	101.413	100.310
Sing Kero	(\$/bbl)	100.680	100.990	100.960	100.860	100.590	100.567	99.817
<b>Gasoline</b>								
RBOB	(c/gal)	253.425	250.010	230.930	224.820	220.710	221.493	226.457
EBOB	(\$/mt)	835.330	835.330	822.580	778.080	757.830	759.913	743.247
Singapore 92	(\$/bbl)	92.880	92.180	91.230	90.230	89.230	89.347	88.080
Singapore 95	(\$/bbl)	96.680	96.880	95.730	94.680	93.430	93.563	91.913
<b>Naphtha</b>								
US C5 ENT	(c/gal)	158.620	159.000	159.500	160.120	159.870	159.870	158.870
NWE Naphtha	(\$/mt)	698.750	684.500	676.000	670.750	665.500	665.500	651.083
MOP-Japan Naphtha	(\$/mt)	713.840	702.340	693.090	686.840	681.090	681.173	664.507
<b>Fuel Oil</b>								
3.5% barges	(\$/mt)	489.520	485.270	477.020	467.770	461.770	462.520	454.937
Singapore 380	(\$/mt)	505.020	497.770	486.020	475.020	469.270	470.020	460.997
Singapore 180	(\$/mt)	508.770	504.520	495.270	486.770	481.770	482.437	474.937
0.5% barges	(\$/mt)	562.950	560.450	556.950	552.450	548.200	548.283	538.033
Singapore 0.5%	(\$/mt)	611.070	603.570	597.070	592.570	588.570	588.570	577.070
<b>NGLs</b>								
US Propane LST	(c/gal)	84.470	85.220	85.470	86.220	86.470	86.347	84.183
NWE Propane	(\$/mt)	566.500	563.500	563.000	566.000	568.000	567.333	550.833
Saudi Propane CP	(\$/mt)	584.500	584.500	590.500	599.500	606.500	605.833	597.000
Asian Propane FEI	(\$/mt)	644.000	640.500	643.000	648.500	652.000	650.000	626.167
US Butane ENT	(c/gal)	99.970	100.470	100.350	101.470	101.850	101.640	98.683
Saudi Butane CP	(\$/mt)	569.390	569.390	582.390	592.390	600.390	599.223	589.057



<b>Front Month Spreads</b>				
<b>Aug/Sep</b>		<b>01-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>				
Brent	(\$/bbl)	0.695	+0.030	+0.050
WTI	(\$/bbl)	0.795	+0.040	+0.070
Dubai	(\$/bbl)	0.730	+0.020	+0.010
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	-0.040	-0.355	+0.265
NWE Jet	(\$/mt)	-1.040	-1.360	-1.230
Singapore 10ppm	(\$/bbl)	0.060	-0.120	-0.010
Sing Kero	(\$/bbl)	0.030	-0.040	+0.030
<b>Gasoline</b>				
RBOB	(c/gal)	19.080	-0.345	+0.415
EBOB	(\$/mt)	12.750	-1.250	-1.750
Singapore 92	(\$/bbl)	0.950	+0.100	+0.350
Singapore 95	(\$/bbl)	1.150	+0.250	+0.500
<b>Naphtha</b>				
US C5 ENT	(c/gal)	-0.500	+0.000	+0.000
NWE Naphtha	(\$/mt)	8.500	-0.250	+1.500
MOP-Japan Naphtha	(\$/mt)	9.250	+0.500	+2.000
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	8.250	+0.750	+0.250
Singapore 380	(\$/mt)	11.750	+0.500	+1.000
Singapore 180	(\$/mt)	9.250	+0.500	+0.750
0.5% barges	(\$/mt)	3.500	-0.120	+0.500
Singapore 0.5%	(\$/mt)	6.500	+0.250	+1.000
<b>NGLs</b>				
US Propane LST	(c/gal)	-0.250	+0.000	+0.250
NWE Propane	(\$/mt)	0.500	+0.000	+2.500
Saudi Propane CP	(\$/mt)	-6.000	-3.000	-2.500
Asian Propane FEI	(\$/mt)	-2.500	-0.500	+0.500
US Butane ENT	(c/gal)	0.120	+0.000	+0.000
Saudi Butane CP	(\$/mt)	-13.000	-1.000	-2.000



<b>Front Month Cracks and Diffs</b>			
<b>August</b>	<b>01-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.170	+0.060	+0.010
WTI/Brent (\$/bbl)	-3.840	+0.000	+0.030
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	21.080	-0.870	+0.500
NWE Jet crack (\$/bbl)	22.090	-1.070	-0.220
NWE Jet Diff (\$/mt)	53.500	-2.000	-5.000
Gasoil E/W (\$/bbl)	-26.750	-1.110	+0.160
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.300	+0.000	+0.060
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	11.250	+0.340	+2.460
EBOB crack (\$/mt)	15.480	-0.420	-0.240
Singapore 92 crack (\$/bbl)	7.380	+0.320	+0.710
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.100	+0.740	+0.950
European Gasnaph (EBOB vs Naphtha) (\$/mt)	150.840	-5.900	-10.050
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	65.690	-0.880	-2.000
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-14.200	+0.420	+0.450
NWE Naphtha Crack (\$/bbl)	-7.900	+0.270	+0.810
MOPJ Naphtha Crack (\$/bbl)	-5.910	+0.410	+0.800
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.750	+1.250	+0.000
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	-8.400	+0.050	-0.300
Singapore 380 crack (\$/bbl)	-6.430	-0.100	-0.310
Singapore 180 crack (\$/bbl)	-5.370	-0.150	-0.630
Visco (180-380) (\$/mt)	6.750	-0.250	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	12.500	-1.000	-0.100
0.5% barges crack (\$/bbl)	3.450	+0.200	+0.370
Singapore 0.5% crack (\$/bbl)	10.240	+0.240	+0.800
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.110	+0.350	+2.730
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	75.240	+0.960	+4.260
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	105.860	+2.320	+7.100
0.5% barges/gasoil (\$/mt)	-228.560	+7.890	-2.770
Sing 0.5% vs Sing 10ppm (\$/mt)	-158.710	+9.110	-0.040
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-119.500	+0.770	+7.100
US Propane LST vs Asian Propane FEI (\$/mt)	-196.500	+1.270	+14.600
Asian Propane FEI vs NWE Propane (\$/mt)	77.000	-0.500	-7.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	56.000	+9.500	+5.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-121.020	+0.650	+3.680
Asian Pronap (FEI vs MOPJ) (\$/mt)	-117.720	-10.550	-9.270



## Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>							
Brent/Dubai (\$/bbl)	0.030	-0.170	-0.140	-0.050	0.050	0.050	0.280
WTI/Brent (\$/bbl)	-3.680	-3.840	-3.940	-4.050	-4.140	-4.143	-4.447
<b>Distillates</b>							
Gasoil 0.1 NWE crack (\$/bbl)	20.36	21.08	21.78	21.93	21.66	21.75	21.65
NWE Jet crack (\$/bbl)	21.11	22.09	22.92	23.22	23.19	23.20	23.51
NWE Jet Diff (\$/mt)	51.50	53.50	54.50	55.50	57.00	56.50	59.00
Gasoil E/W (\$/bbl)	-29.13	-26.75	-27.21	-26.01	-23.41	-24.16	-20.98
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.37	-1.30	-1.27	-1.05	-0.83	-0.85	-0.49
<b>Gasoline</b>							
TA Arb (RBOB vs EBOB) (c/gal)	14.660	11.250	-4.190	2.420	4.100	4.287	14.017
EBOB crack (\$/mt)	14.680	15.480	14.650	9.930	8.080	8.317	7.757
Singapore 92 crack (\$/bbl)	7.280	7.380	7.130	6.750	6.330	6.433	6.607
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.400	-8.100	-7.520	-3.180	-1.750	-1.883	-1.150
European Gasnaph (EBOB vs Naphtha) (\$/mt)	136.590	150.840	146.590	107.340	92.340	94.423	92.173
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	60.020	65.690	67.020	64.940	62.360	63.250	69.363
<b>Naphtha</b>							
US C5 ENT vs WTI Crack	-15.310	-14.200	-13.190	-12.180	-11.620	-11.633	-10.317
NWE Naphtha Crack (\$/bbl)	-7.100	-7.900	-8.150	-8.110	-8.130	-8.140	-8.327
MOPJ Naphtha Crack (\$/bbl)	-5.410	-5.910	-6.250	-6.330	-6.400	-6.400	-6.837
Naphtha E/W (NWE vs MOPJ) (\$/mt)	15.000	17.750	17.000	16.000	15.500	15.583	13.333
<b>Fuel Oil</b>							
3.5% bgs crack (\$/bbl)	-8.540	-8.400	-9.010	-9.840	-10.210	-10.107	-9.860
Singapore 380 crack (\$/bbl)	-6.090	-6.430	-7.570	-8.680	-9.020	-8.907	-8.890
Singapore 180 crack (\$/bbl)	-5.500	-5.370	-6.130	-6.840	-7.060	-6.963	-6.703
Visco (180-380) (\$/mt)	3.750	6.750	9.250	11.750	12.500	12.417	13.917
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	15.500	12.500	9.000	7.250	7.500	7.500	6.083
0.5% bgs crack (\$/bbl)	3.040	3.450	3.590	3.500	3.410	3.410	3.247
Singapore 0.5% crack (\$/bbl)	10.620	10.240	9.910	9.820	9.770	9.757	9.397
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	48.110	43.110	40.110	40.110	40.360	40.277	39.027
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	73.490	75.240	79.990	84.740	86.490	85.823	83.157
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	106.110	105.860	111.110	117.610	119.360	118.610	116.110
0.5% bgs/gasoil (\$/mt)	-226.760	-228.560	-232.140	-232.910	-230.740	-231.410	-230.427
Sing 0.5% vs Sing 10ppm (\$/mt)	-149.420	-158.710	-164.760	-166.730	-166.930	-166.930	-170.383
<b>NGLs</b>							
US Propane LST vs NWE Propane (\$/mt)	-126.41	-119.5	-117.7	-116.79	-117.49	-117.463	-112.233
US Propane LST vs Asian Propane FEI (\$/mt)	-203.91	-196.5	-197.7	-199.29	-201.49	-200.13	-187.567
Asian Propane FEI vs NWE Propane (\$/mt)	77.5	77	80	82.5	84	82.667	75.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	59.5	56	52.5	49	45.5	44.167	29.167
European Pronap (\$/mt)	-132.27	-121.02	-113.02	-104.77	-97.52	-98.187	-100.27
Asian Pronap (FEI vs MOPJ) (\$/mt)	-129.22	-117.72	-102.47	-87.22	-74.47	-75.22	-67.387



<b>Inter-month Crack Spreads</b>			
<b>Aug/Sep</b>	<b>01-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.030	+0.020	+0.050
WTI/Brent (\$/bbl)	0.100	+0.000	+0.010
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	-0.700	-0.080	-0.020
NWE Jet crack (\$/bbl)	-0.830	-0.210	-0.210
NWE Jet Diff (\$/mt)	-1.000	-1.000	-1.500
Gasoil E/W (\$/bbl)	0.460	-0.540	-0.390
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.030	+0.080	+0.040
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	15.440	+0.020	+0.920
EBOB crack (\$/mt)	0.830	-0.180	-0.250
Singapore 92 crack (\$/bbl)	0.250	+0.070	+0.310
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.580	+0.250	+0.560
European Gasnaph (EBOB vs Naphtha) (\$/mt)	4.250	-1.000	-3.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-1.330	+0.340	+0.920
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-1.010	-0.040	-0.050
NWE Naphtha Crack (\$/bbl)	0.250	-0.060	+0.100
MOPJ Naphtha Crack (\$/bbl)	0.340	+0.030	+0.170
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.750	+0.750	+0.500
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	0.610	+0.100	-0.010
Singapore 380 crack (\$/bbl)	1.140	+0.040	+0.090
Singapore 180 crack (\$/bbl)	0.760	+0.050	+0.060
Visco (180-380) (\$/mt)	-2.500	+0.000	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	3.500	-0.250	+0.750
0.5% barges crack (\$/bbl)	-0.140	-0.040	+0.020
Singapore 0.5% crack (\$/bbl)	0.330	+0.010	+0.100
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	3.000	+0.370	+0.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-4.750	-0.870	+0.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-5.250	-0.250	+0.000
0.5% barges/gasoil (\$/mt)	3.580	+0.280	+0.190
Sing 0.5% vs Sing 10ppm (\$/mt)	6.050	+1.140	+0.990
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-1.800	+0.000	-1.190
US Propane LST vs Asian Propane FEI (\$/mt)	1.200	+0.500	+0.810
Asian Propane FEI vs NWE Propane (\$/mt)	-3.000	-0.500	-2.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.500	+2.500	+3.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-8.000	+0.250	+1.000