



Market Summary

Hello, anybody there?

Silence in the North Sea. After a few weeks of ferocious bidding where Trafigura and Gunvor seemed to have an unquenchable thirst for any benchmark crudes, the absence of bidding is particularly deafening. What happened? You think about it.

Meanwhile, Brent flat price spiked again and with reason. The September futures contract jumped \$1.13 against yesterday to a new 2 month record of \$87.50/bbl. Buyers were covering needs as the hurricane races towards the Corpus Christi area in Texas. Perhaps Beryl will be spent out after parading across the Caribbean, but just in case, Shell and BP evacuated their platforms in the USG bringing production down by over 70kb/d. But this was not the only bullish signal, Chevron pulled a Midland cargo out of the chains. 'Refiners are taking cargoes in,' said a trader excitedly. Sources speculated the cargo will be re-destined for US consumption.

So, oil markets came back with a vengeance and for apparent fundamental reasons. China has asked state oil companies to find some oil for the nations reserves, 60mmbbls for delivery between July and March.

Saudi OSPs came out as expected. As noted earlier, we expected Asian grades to fall and European ones to rise strongly. For Saudi to Asia, OSP's fell 60c/bbl for lighter grades, whilst heavier grades fell 70c/bbl. For Saudi to Europe OSP's increased 90c/bbl for lighter grades, and 70c/bbl for heavy grades. This marks the second consecutive month of Asia cuts for Saudi Aramco, signaling a weak demand outlook for the exporter. Brent shed 24c on the announcement, but quickly rebounded. Flat price hears what flat price wants to hear. Currently, that is not weak demand in Asia. (See Figure 1)

In Western markets, products were mixed. They all rose but gasoil was in contango despite shrinking inventories. And 'gasoline is good and cracks are improving,' said a trader.

See 'In Detail' section overleaf.

Summary					
Physical and Futures			04-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)		87.500	+1.130	+2.250
WTI Sep (fut)	(\$/bbl)		83.110	+1.070	+2.180
Dubai Sep (phys)	(\$/bbl)		87.580	+1.080	+2.290
Crude Swaps Aug					
Brent	(\$/bbl)		86.630	+1.055	+2.145
DFL	(\$/bbl)		0.850	+0.080	+0.170
WTI	(\$/bbl)		82.785	+1.040	+2.130
Dubai	(\$/bbl)		86.730	+1.080	+1.970
Tenor			Sep-24	Oct-24	Nov-24
Crude Futures					
Brent (fut)	(\$/bbl)		87.500	86.660	85.920
WTI (fut)	(\$/bbl)		83.110	82.230	81.410



In detail

As at 16:30 BST, September WTI and Brent futures closed at \$83.11 and \$87.50/bbl, respectively. Against the same time yesterday, the Brent front month futures contract rallied by \$1.13/bbl, the WTI contracts increased by slightly less, gaining \$1.07/bbl over the last 24 hours. The M1/M2 spreads for Brent futures was little changed against yesterday at 84c/bbl.

If anybody cares about UK politics, Sunak is out and Starmer is in, according to YouGov. The poll has predicted a historic loss for the Conservative party. Their command over the commons would dwindle to only 108 seats, losing 257. Labour would achieve a massive majority, gaining 223 seats to hold 425 seats total. This is mostly irrelevant to the oil market, but we will follow any changes in UK policies for North Sea production.

European stocks are on the up too. France's CAC-40 benchmark index continued to make up ground. In the US, the case for the Federal Reserve to begin easing rates is also gaining strength. The ISM Services PMI printed at 48.8 yesterday, the deepest deterioration in services conditions since the pandemic. Initial jobless claims also remained elevated, signalling greater scope for the Federal Reserve to cut interest rates.

US oil exports to Europe declined to the lowest level in 2 years in June. According to Kpler, transatlantic shipments into Europe averaged 1.45mb/d, 14% below May and a huge 27% below the same month last year. Total crude exports from the US also fell in June to 3.94mb/d down 270kb/d from May. Many are pointing to the dramatic elevated freight costs in recent months. The Freightos Baltic index (FBX) has risen by 89% since the end of April, as of June 28.

The Japanese Topix index surpassed its previous 1989 high today. This is good news, right? A country with debt piling high and systemic economic stagnation fuelled by an ageing population, is breaking records in the stock market. But the index is priced in yen, and on a pound sterling basis, returns look far less attractive. Total returns are only 50% if measured in sterling. The 'rally' is of course synthetic and a product of a failing currency, only barely retaining a pulse thanks to the central bank life support.

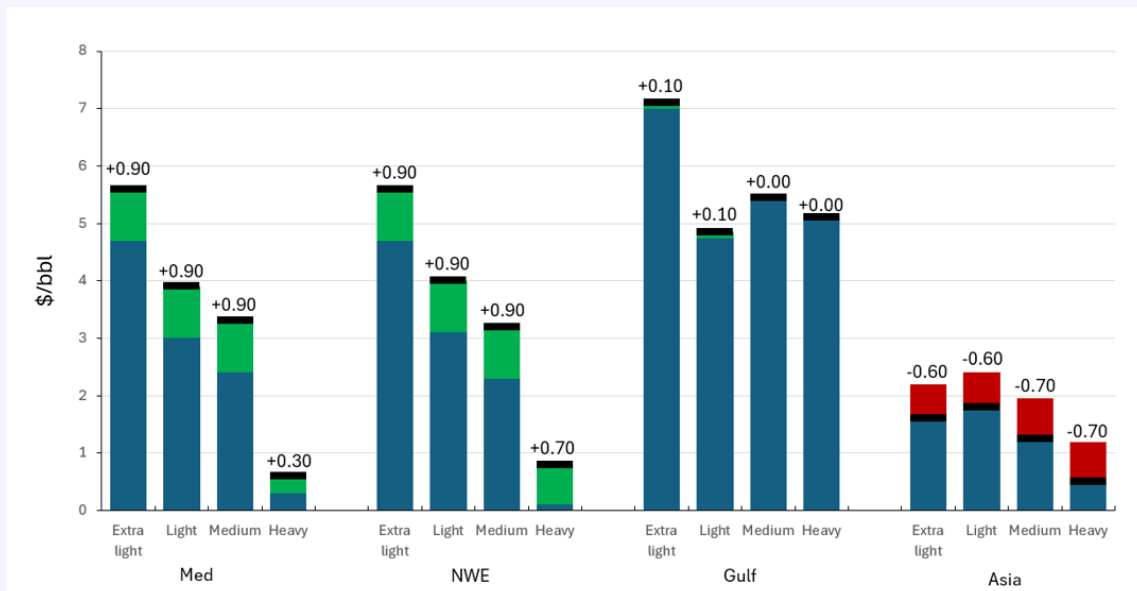



Figure 1: Saudi Aramco OSP's for September, change against August

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Front Month Outrights				
August Swaps		04-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	86.630	+1.055	+2.145
WTI	(\$/bbl)	82.785	+1.040	+2.130
Dubai	(\$/bbl)	86.730	+1.080	+1.970
Distillates				
Gasoil 0.1 NWE	(\$/mt)	803.810	+7.170	+13.120
NWE Jet	(\$/mt)	860.310	+10.670	+13.620
Singapore 10ppm	(\$/bbl)	104.160	+0.920	+1.440
Sing Kero	(\$/bbl)	103.160	+1.070	+1.810
Gasoline				
RBOB	(c/gal)	254.900	+3.170	+4.550
EBOB	(\$/mt)	856.040	+11.830	+16.080
Singapore 92	(\$/bbl)	93.860	+0.460	+2.180
Singapore 95	(\$/bbl)	98.200	+0.450	+2.220
Naphtha				
US C5 ENT	(c/gal)	161.940	+2.220	+4.480
NWE Naphtha	(\$/mt)	694.380	+9.170	+16.220
MOPJ Naphtha	(\$/mt)	710.880	+8.920	+15.380
Fuel Oil				
3.5% barges	(\$/mt)	495.430	+1.530	+12.840
Singapore 380	(\$/mt)	511.610	+6.460	+14.520
Singapore 180	(\$/mt)	516.930	+6.030	+12.410
0.5% barges	(\$/mt)	576.390	+5.330	+17.730
Singapore 0.5%	(\$/mt)	620.520	+7.300	+18.720
NGLs				
US Propane LST	(c/gal)	85.680	+1.050	+1.100
NWE Propane	(\$/mt)	575.390	+3.470	+16.460
Saudi Propane CP	(\$/mt)	592.390	+0.970	+3.960
Asian Propane FEI	(\$/mt)	648.390	-1.030	+11.960
US Butane ENT	(c/gal)	101.430	+0.920	+1.590
Saudi Butane CP	(\$/mt)	577.390	+0.970	+3.960



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	87.460	86.630	85.895	85.250	84.645	84.660	83.133
WTI	(\$/bbl)	83.645	82.785	81.985	81.190	80.475	80.490	78.655
Dubai	(\$/bbl)	87.480	86.730	85.930	85.200	84.530	84.540	82.810
Distillates								
Gasoil 0.1 NWE	(\$/mt)	803.000	803.810	804.590	801.570	795.460	796.150	784.702
NWE Jet	(\$/mt)	857.500	860.310	861.010	859.030	853.460	854.137	845.203
Singapore 10ppm	(\$/bbl)	103.910	104.160	104.260	103.970	103.470	103.470	102.240
Sing Kero	(\$/bbl)	103.060	103.160	103.240	103.130	102.810	102.803	101.790
Gasoline								
RBOB	(c/gal)	258.310	254.900	235.875	229.745	225.565	226.330	230.975
EBOB	(\$/mt)	857.540	856.040	840.790	794.540	772.540	774.790	756.457
Singapore 92	(\$/bbl)	94.610	93.860	92.860	91.830	90.830	90.937	89.600
Singapore 95	(\$/bbl)	99.100	98.200	97.100	96.020	94.820	94.963	93.200
Naphtha								
US C5 ENT	(c/gal)	161.440	161.940	162.320	162.700	162.820	162.697	161.820
NWE Naphtha	(\$/mt)	707.380	694.380	687.130	682.630	677.630	677.630	663.213
MOP-Japan Naphtha	(\$/mt)	718.880	710.880	703.380	698.130	692.880	692.880	676.463
Fuel Oil								
3.5% barges	(\$/mt)	502.930	495.430	485.930	475.680	469.430	470.263	462.680
Singapore 380	(\$/mt)	520.410	511.610	496.110	483.360	476.610	477.527	467.693
Singapore 180	(\$/mt)	524.730	516.930	504.430	494.430	488.930	489.763	481.930
0.5% barges	(\$/mt)	580.140	576.390	570.890	565.140	559.770	559.933	547.723
Singapore 0.5%	(\$/mt)	626.770	620.520	613.020	606.520	601.020	601.270	587.853
NGLs								
US Propane LST	(c/gal)	84.680	85.680	86.300	87.300	87.800	87.593	85.763
NWE Propane	(\$/mt)	579.390	575.390	574.390	577.390	579.390	578.890	562.723
Saudi Propane CP	(\$/mt)	592.390	592.390	599.890	609.890	617.390	616.557	610.390
Asian Propane FEI	(\$/mt)	651.390	648.390	650.890	656.390	660.890	658.723	636.057
US Butane ENT	(c/gal)	100.430	101.430	101.810	103.190	103.690	103.440	100.570
Saudi Butane CP	(\$/mt)	577.390	577.390	592.390	603.890	612.390	611.223	603.223



Front Month Spreads				
Aug/Sep		04-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.735	+0.050	+0.095
WTI	(\$/bbl)	0.800	+0.030	+0.065
Dubai	(\$/bbl)	0.800	+0.040	+0.100
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.780	+0.070	-1.095
NWE Jet	(\$/mt)	-0.700	+1.150	-1.010
Singapore 10ppm	(\$/bbl)	-0.100	-0.090	-0.320
Sing Kero	(\$/bbl)	-0.080	-0.020	-0.190
Gasoline				
RBOB	(c/gal)	19.025	-0.045	-0.270
EBOB	(\$/mt)	15.250	+0.750	+1.000
Singapore 92	(\$/bbl)	1.000	-0.200	+0.250
Singapore 95	(\$/bbl)	1.100	-0.200	+0.300
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.120
NWE Naphtha	(\$/mt)	7.250	+0.750	-1.250
MOP-Japan Naphtha	(\$/mt)	7.500	+0.750	-1.250
Fuel Oil				
3.5% barges	(\$/mt)	9.500	-1.750	+2.500
Singapore 380	(\$/mt)	15.500	+1.000	+4.250
Singapore 180	(\$/mt)	12.500	+1.250	+3.500
0.5% barges	(\$/mt)	5.500	+0.000	+1.750
Singapore 0.5%	(\$/mt)	7.500	+0.380	+0.750
NGLs				
US Propane LST	(c/gal)	-0.620	+0.000	-0.370
NWE Propane	(\$/mt)	1.000	-0.500	+1.000
Saudi Propane CP	(\$/mt)	-7.500	-0.500	-4.000
Asian Propane FEI	(\$/mt)	-2.500	-1.000	+0.000
US Butane ENT	(c/gal)	-0.380	-0.130	-0.500
Saudi Butane CP	(\$/mt)	-15.000	-1.000	-3.000



Front Month Cracks and Diffs			
August	04-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.100	-0.010	+0.160
WTI/Brent (\$/bbl)	-3.830	+0.010	+0.010
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	21.260	-0.090	-0.370
NWE Jet crack (\$/bbl)	22.550	+0.310	-0.400
NWE Jet Diff (\$/mt)	56.500	+3.500	+0.500
Gasoil E/W (\$/bbl)	-27.850	-0.350	-2.420
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.000	+0.150	+0.370
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.200	-0.200	-0.070
EBOB crack (\$/mt)	16.140	+0.360	-0.190
Singapore 92 crack (\$/bbl)	7.240	-0.600	+0.080
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.900	-0.950	+0.260
European Gasnaph (EBOB vs Naphtha) (\$/mt)	161.640	+2.820	-0.130
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	71.060	-4.920	+2.860
Naphtha			
US C5 ENT vs WTI Crack	-14.750	-0.090	-0.220
NWE Naphtha Crack (\$/bbl)	-8.600	-0.030	-0.290
MOPJ Naphtha Crack (\$/bbl)	-6.750	-0.060	-0.380
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.500	-0.250	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.600	-0.800	-0.070
Singapore 380 crack (\$/bbl)	-6.040	-0.010	+0.210
Singapore 180 crack (\$/bbl)	-5.210	-0.090	-0.150
Visco (180-380) (\$/mt)	5.250	-0.500	-2.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	16.250	+5.000	+1.750
0.5% barges crack (\$/bbl)	4.150	-0.200	+0.690
Singapore 0.5% crack (\$/bbl)	11.100	+0.110	+0.840
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	44.130	+1.970	+0.980
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	80.970	+3.810	+4.830
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	108.840	+0.780	+4.060
0.5% barges/gasoil (\$/mt)	-227.000	-1.290	+5.450
Sing 0.5% vs Sing 10ppm (\$/mt)	-155.020	+1.030	+8.590
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-129.000	+2.000	-10.730
US Propane LST vs Asian Propane FEI (\$/mt)	-202.000	+6.500	-6.230
Asian Propane FEI vs NWE Propane (\$/mt)	73.000	-4.500	-4.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	56.000	-2.000	+8.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-118.990	-5.520	+0.420
Asian Pronap (FEI vs MOPJ) (\$/mt)	-118.490	-7.950	-11.330



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	-0.020	-0.100	-0.040	0.040	0.110	0.113	0.317
WTI/Brent (\$/bbl)	-3.810	-3.830	-3.910	-4.050	-4.170	-4.167	-4.473
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	20.33	21.26	22.12	22.35	22.13	22.21	22.21
NWE Jet crack (\$/bbl)	21.36	22.55	23.37	23.77	23.67	23.74	24.13
NWE Jet Diff (\$/mt)	54.50	56.50	56.50	57.50	58.00	58.00	60.50
Gasoil E/W (\$/bbl)	-28.87	-27.85	-27.77	-26.92	-24.62	-25.25	-22.94
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.85	-1.00	-1.02	-0.84	-0.66	-0.67	-0.45
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.180	10.200	-4.460	2.620	4.730	4.850	14.737
EBOB crack (\$/mt)	15.500	16.140	15.040	10.140	8.100	8.353	7.683
Singapore 92 crack (\$/bbl)	7.170	7.240	6.980	6.600	6.190	6.290	6.490
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.330	-8.900	-8.070	-3.540	-1.900	-2.063	-1.200
European Gasnaph (EBOB vs Naphtha) (\$/mt)	150.140	161.640	153.640	111.890	94.890	97.140	93.223
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	69.310	71.060	70.230	66.900	63.820	64.710	69.820
Naphtha							
US C5 ENT vs WTI Crack	-15.810	-14.750	-13.780	-12.830	-12.060	-12.130	-10.663
NWE Naphtha Crack (\$/bbl)	-7.960	-8.600	-8.670	-8.530	-8.500	-8.510	-8.603
MOPJ Naphtha Crack (\$/bbl)	-6.670	-6.750	-6.860	-6.800	-6.800	-6.810	-7.127
Naphtha E/W (NWE vs MOPJ) (\$/mt)	11.500	16.500	16.250	15.500	15.250	15.250	13.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.250	-8.600	-9.360	-10.310	-10.710	-10.583	-10.247
Singapore 380 crack (\$/bbl)	-5.470	-6.040	-7.760	-9.090	-9.570	-9.430	-9.457
Singapore 180 crack (\$/bbl)	-4.810	-5.210	-6.440	-7.380	-7.630	-7.520	-7.233
Visco (180-380) (\$/mt)	4.250	5.250	8.250	11.000	12.250	12.167	14.167
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	17.550	16.250	10.250	7.750	7.250	7.333	5.083
0.5% bgs crack (\$/bbl)	3.910	4.150	4.020	3.760	3.520	3.530	3.127
Singapore 0.5% crack (\$/bbl)	11.250	11.100	10.650	10.290	10.010	10.043	9.450
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	46.630	44.130	42.130	41.380	41.250	41.337	40.130
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	77.220	80.970	84.970	89.470	90.350	89.680	85.053
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	106.290	108.840	116.840	123.090	124.340	123.673	120.090
0.5% bgs/gasoil (\$/mt)	-222.580	-227.000	-233.350	-236.100	-235.560	-236.013	-236.683
Sing 0.5% vs Sing 10ppm (\$/mt)	-146.910	-155.020	-163.270	-167.610	-169.530	-169.257	-173.437
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-138.21	-129	-124.77	-122.56	-121.95	-122.53	-115.893
US Propane LST vs Asian Propane FEI (\$/mt)	-210.21	-202	-201.27	-201.56	-203.45	-202.363	-189.227
Asian Propane FEI vs NWE Propane (\$/mt)	72	73	76.5	79	81.5	79.833	73.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	59	56	51	46.5	43.5	42.167	25.667
European Pronap (\$/mt)	-127.99	-118.99	-112.74	-105.24	-98.24	-98.74	-100.49
Asian Pronap (FEI vs MOPJ) (\$/mt)	-126.49	-118.49	-103.49	-88.24	-75.49	-76.323	-66.073



Inter-month Crack Spreads			
Aug/Sep	04-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.060	+0.020	+0.000
WTI/Brent (\$/bbl)	0.080	+0.000	-0.010
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.860	-0.040	-0.260
NWE Jet crack (\$/bbl)	-0.820	+0.120	-0.220
NWE Jet Diff (\$/mt)	0.000	+1.000	+0.000
Gasoil E/W (\$/bbl)	-0.080	-0.860	-1.230
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.020	+0.070	+0.130
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.660	-0.270	-0.560
EBOB crack (\$/mt)	1.100	+0.040	+0.030
Singapore 92 crack (\$/bbl)	0.260	-0.250	+0.150
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.830	-0.290	+0.140
European Gasnaph (EBOB vs Naphtha) (\$/mt)	8.000	+0.000	+2.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.830	-2.420	+3.330
Naphtha			
US C5 ENT vs WTI Crack	-0.970	-0.040	-0.020
NWE Naphtha Crack (\$/bbl)	0.070	+0.020	-0.250
MOPJ Naphtha Crack (\$/bbl)	0.110	+0.040	-0.240
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.250	+0.000	+0.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.760	-0.320	+0.300
Singapore 380 crack (\$/bbl)	1.720	+0.120	+0.590
Singapore 180 crack (\$/bbl)	1.230	+0.150	+0.460
Visco (180-380) (\$/mt)	-3.000	+0.250	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.000	+2.750	+1.750
0.5% barges crack (\$/bbl)	0.130	-0.050	+0.180
Singapore 0.5% crack (\$/bbl)	0.450	+0.020	+0.030
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.000	+0.380	-1.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-4.000	+1.750	-0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-8.000	-0.620	-3.500
0.5% barges/gasoil (\$/mt)	6.350	+0.000	+2.990
Sing 0.5% vs Sing 10ppm (\$/mt)	8.250	+1.060	+3.060
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-4.230	+0.500	-2.930
US Propane LST vs Asian Propane FEI (\$/mt)	-0.730	+1.000	-1.930
Asian Propane FEI vs NWE Propane (\$/mt)	-3.500	-0.500	-1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	5.000	-0.500	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-6.250	-1.250	+2.250