



Market Summary

Cocoa, coffee and freshly squeezed orange juice

Hey, can someone stop this trader thing? First, they took the cocoa, now they have come after our coffee. Soon, we'll all be at our desks, half asleep and caffeine deprived. What is next, the baked beans? Coffee has surged with Arabica jumping to 251c/lb at 17:35 BST, and Robusta climbed to a new high of \$4866/mt, up 15% in July. Recently cocoa, and even orange juice have been hit, up almost 10% in July and over 60% this year. Smaller contracts seem to have been locked in traders' crosshairs recently. Less liquidity often means increased malleability. (Figure 1). Vietnam, Robusta's biggest dude, has seen exports shrunk by 10% so far this versus last year. Hot commodities from oil to OJ, getting goosed up one at a time, enjoy the rising foam whilst stocks last!

The DME announced it will rebrand to Gulf Mercantile Exchange (GME) effective Sep 2, 2024, following a 32.6% shareholding acquisition by Saudi Tadawul, a public investment fund and parent company of the Saudi Exchange. Size matters as we know.

Today in the Dubai window there were no convergences. But Dubai partials for September continued to be scooped up by PetroChina and Mitsui. Chinese refiners whose margins were thinning last month will be enjoying crude at these lower prices.

Recently there has been deliberation on what to do with Russia's international reserves and the profits generated by the investment. So far, only returns generated by those assets have been directly seized, but the US and UK have expressed desires to do more, wishing to take the \$300bn in assets in full. Saudi Arabia were not happy about the proposals. In private conversations, reportedly, the Kingdom implied they would respond by selling their current holdings of European debt. Although Saudi may only hold around \$10bn in French bonds, the Kingdom's liquidation of these holding could trigger a wider sell off, elevating yields. Macron can't catch a break. And maybe US treasuries if the confiscations continue.

See details over leaf.

Summary					
Physical and Futures			10-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	84.520	-0.890	-1.980	
WTI Sep (fut)	(\$/bbl)	80.440	-0.750	-1.730	
Dubai Sep (phys)	(\$/bbl)	84.585	-1.035	-1.995	
Crude Swaps Aug					
Brent	(\$/bbl)	83.685	-0.955	-1.945	
DFL	(\$/bbl)	0.770	+0.040	-0.070	
WTI	(\$/bbl)	80.115	-0.775	-1.730	
Dubai	(\$/bbl)	83.690	-1.020	-2.050	
Tenor		Sep-24	Oct-24	Nov-24	
Crude Futures					
Brent (fut)	(\$/bbl)	84.520	83.720	83.010	
WTI (fut)	(\$/bbl)	80.440	79.580	78.790	



In detail

As at 09:30 BST, crude markets continued to extend further losses against the close of Asia yesterday. September Brent futures dropped by \$0.89 to \$84.52/bbl, whilst September WTI futures lost \$0.75, at \$80.44/bbl. Our Dubai assessment of physical cargos for September fell by \$1.035/bbl, to close the window at \$84.585/bbl. Physical premiums for September Dubai remained unchanged at an elevated \$1.655/bbl.

In the US, API inventories posted further draws. Crude oil inventories fell by 1.9m bbls for the week to July 5, far bigger than the 250k bbl draw analyst had expected. Gasoline inventories also posted a draw of about 3m bbls over the July 4 long weekend, which had been touted to be a record breaker for driving in the US. Oil prices, however, continued to fall after the news. RBOB futures were practically unaffected, also continuing to fall throughout overnight trading. Almost as if traders might be taking API's with a pinch of salt, or completely ignoring them.

Soon after Russia initiated aggression in Ukraine, Russia's central bank had been denied access to international reserves held in banks around the world. These sanctions directly contradicted the presumed safety of central bank assets, and consequently it comes as no surprise that non-Western countries are seeking alternatives to dollar based trade. The warmth between India and Russia will impact forex markets further.

One clear development has been the increased adoption of the yuan, catalyzed by swap lines in Asia. Bilateral swap lines have become a staple feature of modern central bank strategy, whereby two central banks will exchange each other's currency for their own. Typically swap lines are deployed in order to alleviate tightness in offshore liquidity. Through their own domestic facilities, central banks can then distribute foreign currency to the private sector.

Naturally, a big proponent of de-dollarization has been Russia. Tuesday, the yuan share traded on Russia's foreign exchange jumped to 99.6%. But this was largely the West's doing. A new set of sanctions, that took effect in mid-June forced the halt of trading in US dollars and Euros on the Moscow Exchange. Since the new set of sanctions came into play, the between Russian yuan overnight rates and the Shibor has widened. Everyone wants Yuan, and in Russia there isn't enough to go around. Consequently, the Bank of Russia has doubled its offer of yuan liquidity through the swap line facility. It's almost as if the US are pushing for a diminished dollar role themselves.

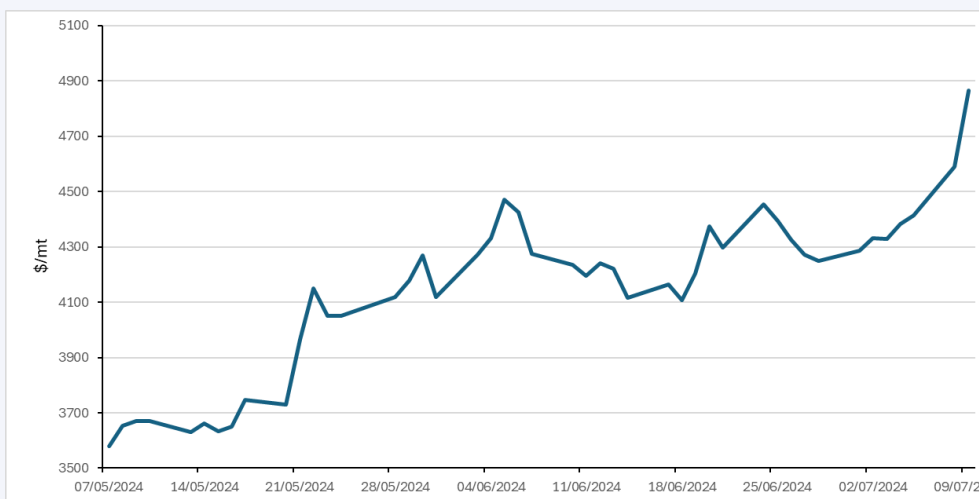





Figure 1: Robusta coffee prompt futures contract, Bloomberg

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Front Month Outrights				
August Swaps			10-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	83.685	-0.955	-1.945
WTI	(\$/bbl)	80.115	-0.775	-1.730
Dubai	(\$/bbl)	83.690	-1.020	-2.050
Distillates				
Gasoil 0.1 NWE	(\$/mt)	770.310	-11.500	-29.740
NWE Jet	(\$/mt)	824.310	-12.000	-28.740
Singapore 10ppm	(\$/bbl)	99.810	-1.440	-3.890
Sing Kero	(\$/bbl)	98.890	-1.260	-3.660
Gasoline				
RBOB	(c/gal)	247.475	-2.120	-5.080
EBOB	(\$/mt)	827.700	-7.770	-19.140
Singapore 92	(\$/bbl)	90.460	-1.190	-2.900
Singapore 95	(\$/bbl)	94.820	-1.180	-3.040
Naphtha				
US C5 ENT	(c/gal)	154.880	-2.450	-4.500
NWE Naphtha	(\$/mt)	668.920	-10.510	-18.430
MOPJ Naphtha	(\$/mt)	685.670	-10.760	-18.930
Fuel Oil				
3.5% barges	(\$/mt)	480.060	-7.240	-15.180
Singapore 380	(\$/mt)	500.810	-2.740	-1.930
Singapore 180	(\$/mt)	505.560	-1.740	-2.930
0.5% barges	(\$/mt)	555.690	-6.860	-16.060
Singapore 0.5%	(\$/mt)	598.800	-6.290	-15.370
NGLs				
US Propane LST	(c/gal)	82.720	-0.920	-2.010
NWE Propane	(\$/mt)	560.970	-4.790	-14.970
Saudi Propane CP	(\$/mt)	583.970	-0.790	-9.970
Asian Propane FEI	(\$/mt)	635.970	-3.290	-16.970
US Butane ENT	(c/gal)	98.970	-0.670	-1.750
Saudi Butane CP	(\$/mt)	568.970	-0.790	-9.920



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	84.470	83.685	82.985	82.370	81.835	81.853	80.570
WTI	(\$/bbl)	80.930	80.115	79.335	78.575	77.910	77.932	76.322
Dubai	(\$/bbl)	84.490	83.690	82.930	82.230	81.620	81.640	80.173
Distillates								
Gasoil 0.1 NWE	(\$/mt)	769.690	770.310	771.550	769.775	765.170	765.848	757.925
NWE Jet	(\$/mt)	822.690	824.310	826.550	825.780	821.670	822.350	815.923
Singapore 10ppm	(\$/bbl)	99.620	99.810	99.930	99.750	99.380	99.380	98.577
Sing Kero	(\$/bbl)	98.690	98.890	99.040	98.980	98.750	98.753	98.107
Gasoline								
RBOB	(c/gal)	250.950	247.475	228.315	222.355	218.475	219.233	224.597
EBOB	(\$/mt)	830.700	827.700	813.450	768.700	747.450	749.533	733.533
Singapore 92	(\$/bbl)	91.010	90.460	89.670	88.870	88.080	88.160	87.060
Singapore 95	(\$/bbl)	95.520	94.820	93.930	93.080	92.090	92.203	90.670
Naphtha								
US C5 ENT	(c/gal)	154.380	154.880	155.260	155.640	155.760	155.637	154.760
NWE Naphtha	(\$/mt)	679.420	668.920	662.670	658.920	654.670	654.587	641.837
MOP-Japan Naphtha	(\$/mt)	690.920	685.670	679.920	675.170	670.420	670.420	655.337
Fuel Oil								
3.5% barges	(\$/mt)	488.810	480.060	471.060	460.810	454.310	455.227	447.393
Singapore 380	(\$/mt)	507.810	500.810	484.060	470.560	463.060	464.227	454.477
Singapore 180	(\$/mt)	511.810	505.560	491.060	480.560	474.810	475.643	467.977
0.5% barges	(\$/mt)	558.440	555.690	550.690	545.190	540.070	540.237	528.867
Singapore 0.5%	(\$/mt)	605.050	598.800	591.800	585.800	580.920	581.047	568.587
NGLs								
US Propane LST	(c/gal)	81.720	82.720	83.470	84.470	84.970	84.803	83.303
NWE Propane	(\$/mt)	564.970	560.970	557.470	559.970	562.970	561.970	545.303
Saudi Propane CP	(\$/mt)	583.970	583.970	587.470	597.470	605.470	604.303	598.637
Asian Propane FEI	(\$/mt)	640.970	635.970	636.470	641.470	645.970	643.803	621.637
US Butane ENT	(c/gal)	98.220	98.970	99.470	100.850	101.230	101.063	98.447
Saudi Butane CP	(\$/mt)	568.970	568.970	579.970	591.970	600.470	599.137	592.137



Front Month Spreads				
Aug/Sep		10-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.700	+0.040	-0.030
WTI	(\$/bbl)	0.780	+0.050	-0.015
Dubai	(\$/bbl)	0.760	+0.010	-0.010
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.240	-0.150	-0.860
NWE Jet	(\$/mt)	-2.240	-0.150	+0.140
Singapore 10ppm	(\$/bbl)	-0.120	+0.010	-0.140
Sing Kero	(\$/bbl)	-0.150	+0.000	-0.110
Gasoline				
RBOB	(c/gal)	19.160	+0.190	-0.345
EBOB	(\$/mt)	14.250	-0.250	-0.500
Singapore 92	(\$/bbl)	0.790	-0.030	-0.360
Singapore 95	(\$/bbl)	0.890	-0.030	-0.310
Naphtha				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.000
NWE Naphtha	(\$/mt)	6.250	-1.250	-0.250
MOP-Japan Naphtha	(\$/mt)	5.750	-1.250	-1.000
Fuel Oil				
3.5% barges	(\$/mt)	9.000	-1.000	-2.750
Singapore 380	(\$/mt)	16.750	+0.750	+3.250
Singapore 180	(\$/mt)	14.500	+0.750	+4.000
0.5% barges	(\$/mt)	5.000	-0.250	-0.500
Singapore 0.5%	(\$/mt)	7.000	+0.250	-0.250
NGLs				
US Propane LST	(c/gal)	-0.750	+0.000	-0.130
NWE Propane	(\$/mt)	3.500	+1.000	+1.000
Saudi Propane CP	(\$/mt)	-3.500	+4.000	+3.500
Asian Propane FEI	(\$/mt)	-0.500	+1.500	+0.000
US Butane ENT	(c/gal)	-0.500	+0.000	-0.250
Saudi Butane CP	(\$/mt)	-11.000	+3.500	+3.000



Front Month Cracks and Diffs			
August	10-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.000	+0.070	+0.110
WTI/Brent (\$/bbl)	-3.560	+0.190	+0.230
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.720	-0.580	-2.040
NWE Jet crack (\$/bbl)	20.930	-0.560	-1.700
NWE Jet Diff (\$/mt)	54.000	-0.500	+1.000
Gasoil E/W (\$/bbl)	-26.750	+0.750	+0.750
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.920	+0.180	+0.230
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	10.900	+0.100	+0.400
EBOB crack (\$/mt)	15.660	+0.000	-0.390
Singapore 92 crack (\$/bbl)	6.760	-0.250	-0.990
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.900	-0.250	-0.600
European Gasnaph (EBOB vs Naphtha) (\$/mt)	158.950	+2.910	-0.540
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.940	+0.930	-5.150
Naphtha			
US C5 ENT vs WTI Crack	-15.100	-0.280	-0.200
NWE Naphtha Crack (\$/bbl)	-8.550	-0.250	-0.160
MOPJ Naphtha Crack (\$/bbl)	-6.670	-0.280	-0.220
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.750	-0.250	-0.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.100	-0.200	-0.470
Singapore 380 crack (\$/bbl)	-4.830	+0.510	+1.620
Singapore 180 crack (\$/bbl)	-4.080	+0.670	+1.460
Visco (180-380) (\$/mt)	4.750	+1.000	-1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	20.750	+4.500	+13.250
0.5% barges crack (\$/bbl)	3.810	-0.140	-0.610
Singapore 0.5% crack (\$/bbl)	10.600	-0.050	-0.500
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.110	+0.570	+0.690
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	75.620	+0.370	-0.890
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	97.990	-3.550	-13.440
0.5% barges/gasoil (\$/mt)	-214.940	+4.320	+13.360
Sing 0.5% vs Sing 10ppm (\$/mt)	-145.070	+4.150	+13.320
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-130.000	+0.000	+4.500
US Propane LST vs Asian Propane FEI (\$/mt)	-205.000	-1.500	+6.500
Asian Propane FEI vs NWE Propane (\$/mt)	75.000	+1.500	-2.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	52.000	-2.500	-7.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-107.740	+5.870	+3.720
Asian Pronap (FEI vs MOPJ) (\$/mt)	-101.580	+10.030	+9.130



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	-0.020	0.000	0.060	0.140	0.220	0.217	0.400
WTI/Brent (\$/bbl)	-3.540	-3.560	-3.640	-3.780	-3.940	-3.927	-4.260
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	18.85	19.72	20.58	20.96	20.87	20.94	21.17
NWE Jet crack (\$/bbl)	19.94	20.93	21.91	22.42	22.43	22.50	22.98
NWE Jet Diff (\$/mt)	53.00	54.00	55.00	56.00	56.50	56.50	58.00
Gasoil E/W (\$/bbl)	-27.52	-26.75	-27.07	-26.67	-24.82	-25.48	-23.52
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.93	-0.92	-0.89	-0.77	-0.63	-0.63	-0.47
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.520	10.900	-4.190	2.640	4.850	5.003	14.950
EBOB crack (\$/mt)	15.240	15.660	14.650	9.890	7.870	8.103	7.467
Singapore 92 crack (\$/bbl)	6.530	6.760	6.670	6.480	6.220	6.283	6.480
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.710	-8.900	-7.970	-3.400	-1.640	-1.810	-0.990
European Gasnaph (EBOB vs Naphtha) (\$/mt)	151.450	158.950	150.950	109.950	92.950	95.117	91.867
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.270	67.940	67.110	65.200	63.370	64.033	69.953
Naphtha							
US C5 ENT vs WTI Crack	-16.110	-15.100	-14.160	-13.220	-12.510	-12.580	-11.337
NWE Naphtha Crack (\$/bbl)	-8.160	-8.550	-8.550	-8.360	-8.310	-8.333	-8.470
MOPJ Naphtha Crack (\$/bbl)	-6.870	-6.670	-6.600	-6.530	-6.530	-6.550	-6.953
Naphtha E/W (NWE vs MOPJ) (\$/mt)	11.500	16.750	17.250	16.250	15.750	15.833	13.500
Fuel Oil							
3.5% bgs crack (\$/bbl)	-7.510	-8.100	-8.810	-9.800	-10.310	-10.177	-10.123
Singapore 380 crack (\$/bbl)	-4.510	-4.830	-6.770	-8.280	-8.930	-8.763	-9.000
Singapore 180 crack (\$/bbl)	-3.890	-4.080	-5.670	-6.700	-7.090	-6.970	-6.890
Visco (180-380) (\$/mt)	4.000	4.750	7.000	10.000	11.750	11.417	13.500
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	19.000	20.750	13.000	9.750	8.750	9.000	7.083
0.5% bgs crack (\$/bbl)	3.450	3.810	3.720	3.480	3.190	3.207	2.700
Singapore 0.5% crack (\$/bbl)	10.790	10.600	10.200	9.860	9.620	9.627	8.950
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	46.610	43.110	41.110	40.610	40.850	40.810	39.720
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	69.620	75.620	79.620	84.380	85.760	85.010	81.473
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	97.240	97.990	107.740	115.240	117.860	116.820	114.110
0.5% bgs/gasoil (\$/mt)	-211.560	-214.940	-221.030	-224.740	-225.210	-225.723	-229.240
Sing 0.5% vs Sing 10ppm (\$/mt)	-137.400	-145.070	-152.960	-157.550	-159.670	-159.543	-166.093
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-139.21	-130	-122.59	-119.88	-120.28	-120.147	-111.293
US Propane LST vs Asian Propane FEI (\$/mt)	-215.21	-205	-201.59	-201.38	-203.28	-201.98	-187.627
Asian Propane FEI vs NWE Propane (\$/mt)	76	75	79	81.5	83	81.833	76.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	57	52	49	44	40.5	39.5	23
European Pronap (\$/mt)	-114.24	-107.74	-104.99	-98.74	-91.49	-92.407	-96.323
Asian Pronap (FEI vs MOPJ) (\$/mt)	-106.83	-101.58	-92.33	-77.58	-64.83	-65.997	-56.58



Inter-month Crack Spreads			
Aug/Sep	10-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.060	+0.030	-0.020
WTI/Brent (\$/bbl)	0.080	+0.010	+0.020
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.860	-0.050	-0.080
NWE Jet crack (\$/bbl)	-0.980	-0.050	+0.050
NWE Jet Diff (\$/mt)	-1.000	+0.000	+1.000
Gasoil E/W (\$/bbl)	0.320	+0.200	-0.190
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.030	-0.010	+0.030
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	15.090	+0.260	-0.200
EBOB crack (\$/mt)	1.010	-0.070	-0.050
Singapore 92 crack (\$/bbl)	0.090	-0.070	-0.340
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.930	-0.010	-0.310
European Gasnaph (EBOB vs Naphtha) (\$/mt)	8.000	+1.000	-0.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.830	+1.000	-2.000
Naphtha			
US C5 ENT vs WTI Crack	-0.940	-0.040	+0.010
NWE Naphtha Crack (\$/bbl)	0.000	-0.180	-0.010
MOPJ Naphtha Crack (\$/bbl)	-0.070	-0.200	-0.110
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.500	+0.000	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	0.710	-0.200	-0.420
Singapore 380 crack (\$/bbl)	1.940	+0.080	+0.540
Singapore 180 crack (\$/bbl)	1.590	+0.080	+0.650
Visco (180-380) (\$/mt)	-2.250	+0.000	+0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.750	+1.750	+6.000
0.5% barges crack (\$/bbl)	0.090	-0.080	-0.060
Singapore 0.5% crack (\$/bbl)	0.400	+0.000	-0.020
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	2.000	+0.500	+0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-4.000	+0.750	+2.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-9.750	-0.500	-3.500
0.5% barges/gasoil (\$/mt)	6.090	-0.250	+0.210
Sing 0.5% vs Sing 10ppm (\$/mt)	7.890	+0.170	+0.780
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-7.410	-1.010	-1.680
US Propane LST vs Asian Propane FEI (\$/mt)	-3.410	-1.510	-0.680
Asian Propane FEI vs NWE Propane (\$/mt)	-4.000	+0.500	-1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	-2.500	-3.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-2.750	+2.250	+1.250