



### Market Summary

#### Red pill or blue pill

Sadly, blood got spilled at the Trump rally, which could have been prevented by better ringfencing. We hope security improves and the will of the people is respected. As Trump arose from under his security detail's protective pile, fist raised, the dichotomy in the presidential race was clear. On the Democrat side, frailty, while Trump never looked stronger, even golfing as per normal the following day. Sorry, we are a bit crass, but after the shooting we were speculating what the impact on markets would be. The main topic was the loss of confidence in the US credit market. High interest rates for longer. Oil may react to a rapprochement with Russia, but it will take time. The other clear effect is, those who depend on subsidies, favors and government contracts would immediately take the red pill, pledge their allegiance and send some cheques.

The oil market remains centered around \$85.00/bbl and struggling to get out of the plus or minus \$2.00 bbl straddle. The moment prices rise they get smacked down and the other way around. And markets got smacked! Brent came down over a dollar, with Dubai in the same neighborhood. 'The market is down but liquidity is low,' complained a trader.

The focus was on the WTI spreads, which remain strong, and some traders were vexed that the flat price was weak, while the structure remained strong, as WTI was sucked into Africa, India and Asia. In Asia, Dubai physical premium also remained elevated at \$1.79/bbl, (Figure 1) while simultaneously traders lamented about the weak GDP figures from China. The figures were released later than normal, leading to speculation that the Central Bank was massaging the numbers, with a trader noting, 'maybe the GDP is even lower because real estate is really bad.'

But what did the market do? Nothing much, a bit of back-end selling of treasuries pushed up longer dated yields, with the curve steepening the most since January. But the dollar was largely unaffected, the VIX remained near all-time lows, as did measure of Brent volatility. High import tariffs, especially from China, would push up consumer prices and increase supply chain friction. So, yields rising makes sense. Equity markets are less clear. Equities, such as energy and defense will likely benefit. Oil supply from the Gulf Coast will also likely increase, which could incentivize selling/hedging of longer dated contracts.

Summary				
Physical and Futures		15-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	84.970	-1.130	-1.090
WTI Sep (fut)	(\$/bbl)	80.910	-1.140	-0.810
Dubai Sep (phys)	(\$/bbl)	84.680	-0.970	-1.510
Crude Swaps Aug				
Brent	(\$/bbl)	83.985	-0.955	-1.240
DFL	(\$/bbl)	1.080	-0.190	+0.270
WTI	(\$/bbl)	80.520	-1.090	-0.905
Dubai	(\$/bbl)	83.690	-0.990	-1.630
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	84.970	84.030	83.220
WTI (fut)	(\$/bbl)	80.910	79.850	78.970



## In detail

As at 09:30 BST, crude markets fell against the close of Asia on Friday. September Brent futures dropped by \$1.13 to \$84.97/bbl. September WTI futures lost \$1.14/bbl, at \$80.91/bbl. Our Dubai assessment of physical cargoes for September fell by \$0.97/bbl, to close the window at \$84.68/bbl. Physical premiums for September Dubai eased by 3c but remained elevated at \$1.79/bbl.

In China, there was an average 16.5k flights per day last week according to data from Airportia, over a thousand flights per day higher than the same week in 2019. But, the broader macro economy remains in rough shape, ahead of the Third Plenum. China's economy grew by 4.7% against a year ago in the second quarter, below consensus forecasts of 5.1%, and down from 5.3% the prior quarter. Retail sales also disappointed markets, increasing by 2.0% against a year ago in June, 1.4% below consensus. The petroleum and petroleum products subindex slowed to 4.6% down from 5.1% the month prior. On a m-o-m basis, retail sales slid by 0.12%. Consumer discretionary spending is weak. But the sense overall is one of disbelief in the numbers as the sense is of an economy faltering.

Industrial production slowed, up 5.3% against a year ago, down from May's 5.6%. The second consecutive month of moderation in the industrial sector was largely driven by a weakening manufacturing (5.5% v 6.0% in May).

The Chinese economy has been constrained by a failing housing market following the implosion of Evergrande, starting in 2021. Since then, the housing market has been unable to recover. New home prices in China declined by 4.5% against the same time last year in June, 11 months of consecutive declines in the index. On a monthly basis, new house prices shrank by 0.7%, the steepest fall since October 2014.

This clearly doesn't bode well for oil demand, and refining volumes are dropping. China's average daily refinery throughput printed the third consecutive month of decline in June. Some of this drop can be attributed to maintenance related closures, which amidst weak margins have been higher than typical. In June, China processed 58.32 million tons of crude, a 4.3% fall against a year ago, according to official figures. Driven by weak demand and tight margins, processing is looking weak.

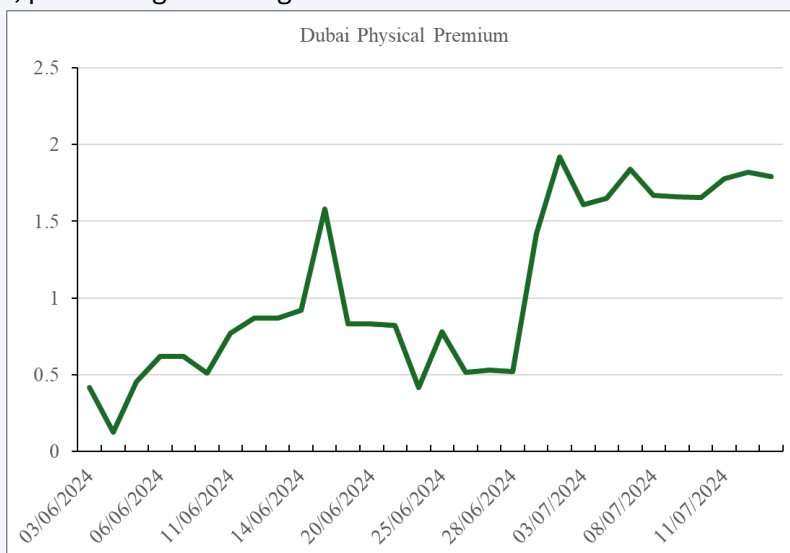
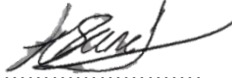



Figure 1: Dubai physical premium, Onyx Flux and authors calculations

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<b>Front Month Outrights</b>				
<b>August Swaps</b>			15-Jul-24	1-Day Change 7-Day Change
<b>Crude</b>				
Brent	(\$/bbl)	83.985	-0.955	-1.240
WTI	(\$/bbl)	80.520	-1.090	-0.905
Dubai	(\$/bbl)	83.690	-0.990	-1.630
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	771.470	-9.480	-17.340
NWE Jet	(\$/mt)	822.470	-11.480	-22.840
Singapore 10ppm	(\$/bbl)	99.860	-1.210	-2.260
Sing Kero	(\$/bbl)	98.850	-1.070	-2.040
<b>Gasoline</b>				
RBOB	(c/gal)	247.650	-2.300	-3.365
EBOB	(\$/mt)	831.550	-8.040	-10.980
Singapore 92	(\$/bbl)	91.540	-0.750	-1.000
Singapore 95	(\$/bbl)	95.900	-0.740	-0.940
<b>Naphtha</b>				
US C5 ENT	(c/gal)	157.440	-0.730	-2.620
NWE Naphtha	(\$/mt)	678.630	-2.310	-8.180
MOPJ Naphtha	(\$/mt)	694.880	-2.810	-8.430
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	481.460	-2.600	-9.200
Singapore 380	(\$/mt)	499.710	-5.600	-6.950
Singapore 180	(\$/mt)	506.210	-6.100	-4.700
0.5% barges	(\$/mt)	558.800	-3.370	-9.020
Singapore 0.5%	(\$/mt)	600.070	-4.320	-10.610
<b>NGLs</b>				
US Propane LST	(c/gal)	80.960	-0.850	-3.150
NWE Propane	(\$/mt)	568.250	-5.980	-1.520
Saudi Propane CP	(\$/mt)	584.300	-5.980	-2.470
Asian Propane FEI	(\$/mt)	636.300	-3.930	-6.910
US Butane ENT	(c/gal)	97.580	-0.850	-2.410
Saudi Butane CP	(\$/mt)	568.800	-5.430	-3.910



## Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>								
Brent	(\$/bbl)	84.885	83.985	83.190	82.525	81.940	81.965	80.578
WTI	(\$/bbl)	81.490	80.520	79.585	78.745	78.065	78.075	76.343
Dubai	(\$/bbl)	84.590	83.690	82.890	82.190	81.570	81.583	80.097
<b>Distillates</b>								
Gasoil 0.1 NWE	(\$/mt)	771.125	771.470	772.165	769.715	764.580	765.278	756.830
NWE Jet	(\$/mt)	822.620	822.470	824.660	824.720	820.080	820.753	813.733
Singapore 10ppm	(\$/bbl)	99.710	99.860	99.950	99.750	99.360	99.353	98.577
Sing Kero	(\$/bbl)	98.550	98.850	99.070	99.000	98.760	98.753	98.147
<b>Gasoline</b>								
RBOB	(c/gal)	250.750	247.650	228.595	222.660	218.710	219.472	224.625
EBOB	(\$/mt)	834.550	831.550	816.800	771.300	749.050	751.217	733.467
Singapore 92	(\$/bbl)	92.140	91.540	90.290	89.140	88.090	88.207	86.840
Singapore 95	(\$/bbl)	96.650	95.900	94.550	93.350	92.100	92.250	90.450
<b>Naphtha</b>								
US C5 ENT	(c/gal)	156.940	157.440	157.820	158.200	158.320	158.197	157.570
NWE Naphtha	(\$/mt)	693.630	678.630	670.130	665.380	660.130	660.130	645.713
MOP-Japan Naphtha	(\$/mt)	701.880	694.880	687.130	681.380	675.880	675.963	659.713
<b>Fuel Oil</b>								
3.5% barges	(\$/mt)	487.710	481.460	472.460	461.460	454.710	455.627	447.293
Singapore 380	(\$/mt)	505.960	499.710	484.460	471.460	463.710	464.960	454.793
Singapore 180	(\$/mt)	511.210	506.210	492.210	481.710	474.960	476.127	467.793
0.5% barges	(\$/mt)	562.300	558.800	552.800	546.680	541.180	541.347	529.263
Singapore 0.5%	(\$/mt)	605.820	600.070	593.570	587.320	582.070	582.153	568.570
<b>NGLs</b>								
US Propane LST	(c/gal)	79.960	80.960	81.840	83.090	83.840	83.590	82.420
NWE Propane	(\$/mt)	573.250	568.250	565.250	564.250	563.250	563.583	545.083
Saudi Propane CP	(\$/mt)	584.300	584.300	588.300	597.800	606.300	605.133	598.967
Asian Propane FEI	(\$/mt)	641.300	636.300	637.300	642.300	646.300	644.133	621.300
US Butane ENT	(c/gal)	96.580	97.580	98.200	99.580	100.200	100.033	97.860
Saudi Butane CP	(\$/mt)	568.800	568.800	581.300	592.800	601.800	600.467	592.967



## Front Month Spreads

Aug/Sep		15-Jul-24	1-Day Change	7-Day Change
<b>Crude</b>				
Brent	(\$/bbl)	0.795	-0.090	+0.090
WTI	(\$/bbl)	0.935	-0.125	+0.165
Dubai	(\$/bbl)	0.800	-0.050	+0.000
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	-0.695	-0.465	+0.085
NWE Jet	(\$/mt)	-2.190	-0.960	-1.910
Singapore 10ppm	(\$/bbl)	-0.090	+0.010	-0.010
Sing Kero	(\$/bbl)	-0.220	+0.010	-0.110
<b>Gasoline</b>				
RBOB	(c/gal)	19.055	-0.145	-0.030
EBOB	(\$/mt)	14.750	-0.500	+0.250
Singapore 92	(\$/bbl)	1.250	+0.000	+0.350
Singapore 95	(\$/bbl)	1.350	+0.000	+0.400
<b>Naphtha</b>				
US C5 ENT	(c/gal)	-0.380	+0.000	+0.000
NWE Naphtha	(\$/mt)	8.500	+0.500	+0.000
MOP-Japan Naphtha	(\$/mt)	7.750	+0.750	-0.250
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	9.000	+0.500	-1.000
Singapore 380	(\$/mt)	15.250	-0.250	-2.250
Singapore 180	(\$/mt)	14.000	-0.250	-0.750
0.5% barges	(\$/mt)	6.000	+0.750	+0.250
Singapore 0.5%	(\$/mt)	6.500	+0.250	-0.750
<b>NGLs</b>				
US Propane LST	(c/gal)	-0.880	+0.000	-0.130
NWE Propane	(\$/mt)	3.000	-2.000	+0.500
Saudi Propane CP	(\$/mt)	-4.000	-2.500	+4.000
Asian Propane FEI	(\$/mt)	-1.000	-0.250	+1.000
US Butane ENT	(c/gal)	-0.620	+0.000	-0.120
Saudi Butane CP	(\$/mt)	-12.500	-1.000	+1.500



<b>Front Month Cracks and Diffs</b>			
<b>August</b>	<b>15-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	0.290	+0.030	+0.390
WTI/Brent (\$/bbl)	-3.450	-0.120	+0.350
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	19.570	-0.320	-1.090
NWE Jet crack (\$/bbl)	20.390	-0.500	-1.660
NWE Jet Diff (\$/mt)	51.000	-2.000	-5.500
Gasoil E/W (\$/bbl)	-27.500	+0.500	+0.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.010	+0.140	+0.220
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	10.000	+0.000	-0.200
EBOB crack (\$/mt)	15.850	+0.030	-0.070
Singapore 92 crack (\$/bbl)	7.540	+0.200	+0.220
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.300	+0.200	+0.300
European Gasnaph (EBOB vs Naphtha) (\$/mt)	153.060	-5.590	-2.630
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.730	-3.360	+0.180
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-14.430	+0.780	-0.240
NWE Naphtha Crack (\$/bbl)	-7.750	+0.700	+0.300
MOPJ Naphtha Crack (\$/bbl)	-5.920	+0.650	+0.280
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.250	-0.500	-0.250
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	-8.180	+0.570	-0.230
Singapore 380 crack (\$/bbl)	-5.310	+0.090	+0.120
Singapore 180 crack (\$/bbl)	-4.280	+0.020	+0.480
Visco (180-380) (\$/mt)	6.500	-0.500	+2.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	18.250	-3.000	+2.250
0.5% barges crack (\$/bbl)	4.000	+0.450	-0.200
Singapore 0.5% crack (\$/bbl)	10.500	+0.300	-0.450
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	41.270	-0.950	-1.590
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	77.340	-0.770	+0.190
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	100.360	+1.280	-3.650
0.5% barges/gasoil (\$/mt)	-212.750	+6.180	+8.180
Sing 0.5% vs Sing 10ppm (\$/mt)	-143.960	+4.760	+6.090
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-146.500	+1.500	-15.000
US Propane LST vs Asian Propane FEI (\$/mt)	-214.500	-0.500	-9.500
Asian Propane FEI vs NWE Propane (\$/mt)	68.000	+2.000	-5.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	52.000	+2.000	-4.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-110.390	-3.500	+6.800
Asian Pronap (FEI vs MOPJ) (\$/mt)	-110.640	-3.000	+6.050



## Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
<b>Crude</b>							
Brent/Dubai (\$/bbl)	0.290	0.290	0.280	0.330	0.370	0.377	0.480
WTI/Brent (\$/bbl)	-3.390	-3.450	-3.610	-3.760	-3.900	-3.890	-4.240
<b>Distillates</b>							
Gasoil 0.1 NWE crack (\$/bbl)	18.63	19.57	20.48	20.80	20.69	20.76	21.01
NWE Jet crack (\$/bbl)	19.51	20.39	21.47	22.14	22.13	22.20	22.70
NWE Jet Diff (\$/mt)	51.50	51.00	52.50	55.00	55.50	55.50	57.00
Gasoil E/W (\$/bbl)	-28.28	-27.50	-27.53	-26.58	-24.33	-25.08	-22.43
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.16	-1.01	-0.88	-0.75	-0.60	-0.60	-0.43
<b>Gasoline</b>							
TA Arb (RBOB vs EBOB) (c/gal)	12.240	10.000	-4.830	2.230	4.640	4.780	15.010
EBOB crack (\$/mt)	15.310	15.850	14.870	10.060	7.970	8.210	7.470
Singapore 92 crack (\$/bbl)	7.240	7.540	7.090	6.600	6.130	6.227	6.247
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.060	-8.300	-7.780	-3.460	-1.840	-1.983	-1.220
European Gasnaph (EBOB vs Naphtha) (\$/mt)	141.060	153.060	146.810	106.060	89.060	91.227	87.893
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	65.730	67.730	65.070	61.240	57.990	58.880	63.747
<b>Naphtha</b>							
US C5 ENT vs WTI Crack	-15.610	-14.430	-13.320	-12.340	-11.590	-11.660	-10.190
NWE Naphtha Crack (\$/bbl)	-6.960	-7.750	-7.900	-7.770	-7.790	-7.807	-8.040
MOPJ Naphtha Crack (\$/bbl)	-6.040	-5.920	-5.990	-5.970	-6.020	-6.027	-6.467
Naphtha E/W (NWE vs MOPJ) (\$/mt)	8.250	16.250	17.000	16.000	15.750	15.833	14.000
<b>Fuel Oil</b>							
3.5% bgs crack (\$/bbl)	-8.110	-8.180	-8.800	-9.870	-10.350	-10.233	-10.157
Singapore 380 crack (\$/bbl)	-5.220	-5.310	-6.910	-8.290	-8.930	-8.760	-8.977
Singapore 180 crack (\$/bbl)	-4.390	-4.280	-5.690	-6.680	-7.160	-6.997	-6.923
Visco (180-380) (\$/mt)	5.250	6.500	7.750	10.250	11.250	11.167	13.000
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	18.250	18.250	12.000	10.000	9.000	9.333	7.500
0.5% bgs crack (\$/bbl)	3.650	4.000	3.860	3.550	3.270	3.270	2.757
Singapore 0.5% crack (\$/bbl)	10.500	10.500	10.280	9.950	9.700	9.693	8.943
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.520	41.270	40.770	40.640	40.890	40.807	39.307
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	74.590	77.340	80.340	85.220	86.470	85.720	81.970
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	99.860	100.360	109.110	115.860	118.360	117.193	113.777
0.5% bgs/gasoil (\$/mt)	-209.080	-212.750	-219.360	-223.040	-223.400	-223.933	-227.593
Sing 0.5% vs Sing 10ppm (\$/mt)	-137.090	-143.960	-151.130	-155.890	-158.240	-158.103	-165.927
<b>NGLs</b>							
US Propane LST vs NWE Propane (\$/mt)	-156.71	-146.5	-138.91	-131.4	-126.49	-128.127	-115.723
US Propane LST vs Asian Propane FEI (\$/mt)	-224.71	-214.5	-210.91	-209.4	-209.49	-208.627	-191.89
Asian Propane FEI vs NWE Propane (\$/mt)	68	68	72	78	83	80.5	76.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	57	52	49	44.5	40	39	22.333
European Pronap (\$/mt)	-120.39	-110.39	-104.89	-101.14	-96.89	-96.557	-100.64
Asian Pronap (FEI vs MOPJ) (\$/mt)	-117.64	-110.64	-98.89	-83.64	-69.64	-70.89	-60.807





<b>Inter-month Crack Spreads</b>			
<b>Aug/Sep</b>	<b>15-Jul-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	0.010	-0.020	+0.110
WTI/Brent (\$/bbl)	0.160	-0.020	+0.100
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	-0.910	+0.000	-0.100
NWE Jet crack (\$/bbl)	-1.080	-0.040	-0.340
NWE Jet Diff (\$/mt)	-1.500	-0.500	-2.000
Gasoil E/W (\$/bbl)	0.030	+0.570	-0.170
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.130	+0.000	-0.100
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	14.830	-0.010	-0.140
EBOB crack (\$/mt)	0.980	+0.050	-0.060
Singapore 92 crack (\$/bbl)	0.450	+0.090	+0.250
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.520	+0.060	+0.320
European Gasnaph (EBOB vs Naphtha) (\$/mt)	6.250	-1.000	+0.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	2.660	-0.760	+3.160
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-1.110	+0.130	-0.190
NWE Naphtha Crack (\$/bbl)	0.150	+0.130	-0.110
MOPJ Naphtha Crack (\$/bbl)	0.070	+0.170	-0.130
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-0.750	+0.250	-0.250
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	0.620	+0.160	-0.260
Singapore 380 crack (\$/bbl)	1.600	+0.050	-0.460
Singapore 180 crack (\$/bbl)	1.410	+0.050	-0.210
Visco (180-380) (\$/mt)	-1.250	+0.000	+1.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.250	-0.750	-1.250
0.5% barges crack (\$/bbl)	0.140	+0.200	-0.050
Singapore 0.5% crack (\$/bbl)	0.220	+0.130	-0.200
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.500	-0.500	-1.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-3.000	+0.250	+1.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-8.750	+0.500	+1.500
0.5% barges/gasoil (\$/mt)	6.610	+1.210	+0.240
Sing 0.5% vs Sing 10ppm (\$/mt)	7.170	+0.180	-0.680
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-7.590	+1.990	-1.180
US Propane LST vs Asian Propane FEI (\$/mt)	-3.590	+0.240	-1.680
Asian Propane FEI vs NWE Propane (\$/mt)	-4.000	+1.750	+0.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	+2.250	-3.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-5.500	-2.500	+0.500