



Blue Pill, Red Pill, Blue Screen...Poof!

If someone is going to blow you up into the blue yonder, choose a nice summer Friday and maybe people will like it! So many traders went home early, or shutdown operations as the CrowdStrike pierced the sense of IT reliability in trading systems and all people could see was a blue screen. Back-office systems and spread sheets were not working and everybody was affected from shipping to airlines to supermarkets to, yes, trading companies. But things kept going!

WTI and Brent both closed lower as the rubber band pulled things up and started to fray. Is \$84 the old \$85.00/bbl for Brent? And physical was busy. 'Lively window,' said a trader, adding, 'Wow, we had a lot of trades.' Chevy, a company in the early part of the alphabet, was bidding for some, with Glencore accommodating and selling a cargo at Dated plus \$2.00/bbl. Equinor was also thirsty and bought, from China's Unipet, another American cargo at Dated plus \$1.65/bbl. And BP also sold a Forties to Equinor at Dated plus \$1.15/bbl. Overall values were flat and softening, with the crude spreads leading the way.

Swaps, by comparison, were almost comatose, with many players affected by the turncoat virus protector. 'I went home early,' said a trader with another wishing the same. 'We sent people home as screens were not working,' said a senior. The impact was far more severe than it initially appeared. Spreadsheets to account for exposure were not working at several shops, and seniors were instructed not to take additional positions. Vitol was one company mentioned again and again, with BP and Tupras, among others. ONYX was unperturbed by the mess and stood ready to help.

The Port of Houston closed two of its terminals. And almost 3600 flights have been cancelled today. ICE said: "We are aware of the issue, and markets are fully operational. We are in close dialogue with our customers on whether and how they're impacted." It sounds reassuring 😊

When infrastructure becomes concentrated, so does risk. In tech, the diversity of offerings is very limited. There are only two widely used operating systems in the world, Apple commands dominance over smartphone markets, NVidia over GPU chips, and TSMC over semiconductors. This, of course, has dire consequences, such that when something fails, the effects then become systemic.

Summary

Physical and Futures		19-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	84.020	-0.990	-1.800
WTI Sep (fut)	(\$/bbl)	80.040	-1.290	-1.720
Dubai Sep (phys)	(\$/bbl)	83.525	-0.955	-1.855
Crude Swaps Aug				
Brent	(\$/bbl)	82.870	-0.930	-1.865
DFL	(\$/bbl)	1.150	+0.010	+0.000
WTI	(\$/bbl)	79.590	-1.260	-1.755
Dubai	(\$/bbl)	82.480	-0.950	-1.880
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	84.020	82.910	82.070
WTI (fut)	(\$/bbl)	80.040	78.800	77.880



In detail

Rumours have it that President Biden will pull out of the race Sunday. If the ear grazing of Trump did not move markets, Biden's early retirement try-out will trigger some wide yawns if anything.

Finally, the rubber band snaps, following earlier rangebound price action. Crude crumpled towards \$83 shortly after the close of European trading. Sept WTI and Brent closed at \$80.04/bbl and \$84.02/bbl, down \$1.29 /bbl, and \$0.99/bbl, respectively. The M1/M2 spreads for Brent futures also eased by 6c to an elevated \$1.11/bbl. Activity was light and ICE refused to provide volume data for comparison between Friday and Thursday, as we attempted to measure the IT outage impact.

European indicators remain negative, UK retail sales disappointed, falling 1.2% m-o-m in June, and 0.2% below the same time last year. And bankruptcies have been rising across the US, and recently the UK, as tight monetary policy takes its toll. In June there were 2361 failures, an increase of 17% y-o-y, and the joint third highest since the Insolvency Service records began. In consistency with a theme emerging across many advanced economies, this weakness remained concentrated in construction.

The crackdown on the Russian shadow fleet has gained momentum, with the British government sanctioning 11 more tankers, bringing the total to 13. Alongside Britain, the US has sanctioned 39 tankers, and the EU has sanctioned 10. And what is the impact trade volumes? Very little, the shadow fleet is thought to be over 600 strong. Meanwhile, both India and China are both eagerly accepting Urals.

Seaborne exports of crude from Russia have fallen 600kbd from their previous peak in April on a 4-week moving average basis. This is likely the result of increased domestic refinery throughput, not sanctions. Ahead of harvest season in Russia, refining rates are on track to reach six-month highs in July.



Figure 1: September Brent futures price, Onyx Flux

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Front Month Outrights				
August Swaps		19-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	82.870	-0.930	-1.865
WTI	(\$/bbl)	79.590	-1.260	-1.755
Dubai	(\$/bbl)	82.480	-0.950	-1.880
Distillates				
Gasoil 0.1 NWE	(\$/mt)	755.860	-8.000	-24.190
NWE Jet	(\$/mt)	805.860	-10.000	-25.190
Singapore 10ppm	(\$/bbl)	98.140	-1.200	-2.870
Sing Kero	(\$/bbl)	96.990	-1.230	-2.920
Gasoline				
RBOB	(c/gal)	245.070	-1.410	-4.165
EBOB	(\$/mt)	816.640	-6.020	-21.060
Singapore 92	(\$/bbl)	90.090	-0.770	-2.070
Singapore 95	(\$/bbl)	94.450	-0.750	-2.060
Naphtha				
US C5 ENT	(c/gal)	153.350	-2.040	-4.540
NWE Naphtha	(\$/mt)	670.080	-7.570	-10.590
MOPJ Naphtha	(\$/mt)	685.580	-9.320	-11.090
Fuel Oil				
3.5% barges	(\$/mt)	466.340	-5.080	-17.720
Singapore 380	(\$/mt)	485.840	-7.080	-17.470
Singapore 180	(\$/mt)	492.340	-7.080	-17.470
0.5% barges	(\$/mt)	551.050	-6.420	-12.130
Singapore 0.5%	(\$/mt)	591.690	-5.910	-13.970
NGLs				
US Propane LST	(c/gal)	78.133	-0.627	-3.407
NWE Propane	(\$/mt)	564.070	-4.770	-7.200
Saudi Propane CP	(\$/mt)	578.070	-6.270	-9.650
Asian Propane FEI	(\$/mt)	627.070	-6.680	-12.200
US Butane ENT	(c/gal)	96.880	-0.600	-1.270
Saudi Butane CP	(\$/mt)	567.070	-5.130	-4.700



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	83.900	82.870	82.040	81.410	80.860	80.883	79.583
WTI	(\$/bbl)	80.400	79.590	78.520	77.650	76.920	76.953	75.273
Dubai	(\$/bbl)	83.480	82.480	81.730	81.010	80.390	80.417	79.043
Distillates								
Gasoil 0.1 NWE	(\$/mt)	754.500	755.860	757.740	756.070	752.330	752.720	745.430
NWE Jet	(\$/mt)	810.500	805.860	807.740	808.070	805.830	806.220	802.430
Singapore 10ppm	(\$/bbl)	97.990	98.140	98.290	98.190	97.830	97.827	97.203
Sing Kero	(\$/bbl)	96.790	96.990	97.250	97.350	97.190	97.177	96.710
Gasoline								
RBOB	(c/gal)	248.780	245.070	225.960	220.040	215.980	216.767	222.030
EBOB	(\$/mt)	819.640	816.640	803.640	758.140	737.390	739.640	723.807
Singapore 92	(\$/bbl)	90.690	90.090	88.940	87.890	87.040	87.147	86.010
Singapore 95	(\$/bbl)	95.200	94.450	93.200	92.100	91.050	91.190	89.620
Naphtha								
US C5 ENT	(c/gal)	152.600	153.350	153.970	154.470	154.590	154.550	153.840
NWE Naphtha	(\$/mt)	683.080	670.080	661.580	657.080	652.080	651.997	637.913
MOP-Japan Naphtha	(\$/mt)	691.580	685.580	679.080	673.580	668.330	668.247	652.163
Fuel Oil								
3.5% barges	(\$/mt)	470.340	466.340	460.340	450.840	444.090	445.090	437.090
Singapore 380	(\$/mt)	492.340	485.840	473.840	462.340	453.340	455.007	444.673
Singapore 180	(\$/mt)	497.590	492.340	481.840	472.340	464.340	465.923	457.673
0.5% barges	(\$/mt)	554.550	551.050	544.050	537.800	532.300	532.383	519.717
Singapore 0.5%	(\$/mt)	597.940	591.690	585.190	579.190	573.940	574.107	560.690
NGLs								
US Propane LST	(c/gal)	77.253	78.133	79.013	80.263	81.013	80.763	79.593
NWE Propane	(\$/mt)	569.570	564.070	559.570	557.070	556.570	556.737	537.237
Saudi Propane CP	(\$/mt)	578.070	578.070	581.070	589.570	597.570	596.403	587.903
Asian Propane FEI	(\$/mt)	630.070	627.070	628.570	633.070	637.070	635.070	611.903
US Butane ENT	(c/gal)	96.130	96.880	97.380	98.000	98.620	98.373	95.790
Saudi Butane CP	(\$/mt)	567.070	567.070	575.070	585.570	593.570	592.403	583.737



Front Month Spreads

Aug/Sep		19-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.830	-0.030	-0.035
WTI	(\$/bbl)	1.070	-0.110	+0.035
Dubai	(\$/bbl)	0.750	-0.050	-0.050
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.880	+0.000	-1.340
NWE Jet	(\$/mt)	-1.880	-1.000	+0.160
Singapore 10ppm	(\$/bbl)	-0.150	-0.040	-0.100
Sing Kero	(\$/bbl)	-0.260	-0.040	-0.070
Gasoline				
RBOB	(c/gal)	19.110	+0.210	+0.020
EBOB	(\$/mt)	13.000	+0.000	-1.750
Singapore 92	(\$/bbl)	1.150	+0.100	-0.100
Singapore 95	(\$/bbl)	1.250	+0.100	-0.100
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	-0.240
NWE Naphtha	(\$/mt)	8.500	+0.000	+0.000
MOP-Japan Naphtha	(\$/mt)	6.500	-1.000	-1.000
Fuel Oil				
3.5% barges	(\$/mt)	6.000	+0.500	-3.000
Singapore 380	(\$/mt)	12.000	-0.750	-3.250
Singapore 180	(\$/mt)	10.500	-0.750	-3.500
0.5% barges	(\$/mt)	7.000	+0.250	+1.250
Singapore 0.5%	(\$/mt)	6.500	+0.000	-0.250
NGLs				
US Propane LST	(c/gal)	-0.880	+0.000	+0.000
NWE Propane	(\$/mt)	4.500	+0.000	+1.500
Saudi Propane CP	(\$/mt)	-3.000	+0.000	+0.500
Asian Propane FEI	(\$/mt)	-1.500	+0.000	-0.500
US Butane ENT	(c/gal)	-0.500	-0.110	+0.120
Saudi Butane CP	(\$/mt)	-8.000	+0.000	+4.500



Front Month Cracks and Diffs			
August	19-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.400	+0.030	+0.030
WTI/Brent (\$/bbl)	-3.280	-0.330	+0.120
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.590	-0.140	-1.370
NWE Jet crack (\$/bbl)	19.400	-0.340	-1.330
NWE Jet Diff (\$/mt)	50.000	-2.000	-1.000
Gasoil E/W (\$/bbl)	-24.750	-1.000	+2.750
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.150	-0.030	-0.050
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.650	+0.250	+1.850
EBOB crack (\$/mt)	15.180	+0.270	-0.650
Singapore 92 crack (\$/bbl)	7.230	+0.220	-0.200
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.950	-0.050	+0.450
European Gasnaph (EBOB vs Naphtha) (\$/mt)	146.790	+1.670	-10.240
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	65.120	+3.060	-5.900
Naphtha			
US C5 ENT vs WTI Crack	-15.200	+0.400	-0.170
NWE Naphtha Crack (\$/bbl)	-7.590	+0.110	+0.660
MOPJ Naphtha Crack (\$/bbl)	-5.850	-0.090	+0.600
Naphtha E/W (NWE vs MOPJ) (\$/mt)	15.500	-1.750	-0.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.440	+0.160	-0.940
Singapore 380 crack (\$/bbl)	-6.370	-0.160	-0.900
Singapore 180 crack (\$/bbl)	-5.350	-0.160	-0.910
Visco (180-380) (\$/mt)	6.500	+0.000	+0.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	19.500	-2.000	+0.250
0.5% barges crack (\$/bbl)	3.900	-0.050	-0.060
Singapore 0.5% crack (\$/bbl)	10.300	+0.050	-0.350
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	40.640	+0.640	-1.590
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	84.710	-1.330	+5.340
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	105.850	+1.300	+3.500
0.5% barges/gasoil (\$/mt)	-204.680	+1.970	+12.000
Sing 0.5% vs Sing 10ppm (\$/mt)	-139.320	+3.480	+7.600
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-157.000	+1.500	-10.500
US Propane LST vs Asian Propane FEI (\$/mt)	-220.000	+3.500	-5.500
Asian Propane FEI vs NWE Propane (\$/mt)	63.000	-2.000	-5.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	49.000	-0.500	-2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-106.010	+2.800	+3.300
Asian Pronap (FEI vs MOPJ) (\$/mt)	-107.510	+2.870	+1.300



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.430	0.400	0.320	0.410	0.480	0.480	0.550
WTI/Brent (\$/bbl)	-3.500	-3.280	-3.520	-3.750	-3.940	-3.927	-4.303
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	17.38	18.59	19.67	20.08	20.12	20.15	20.47
NWE Jet crack (\$/bbl)	18.96	19.40	20.47	21.15	21.38	21.42	22.25
NWE Jet Diff (\$/mt)	56.00	50.00	50.00	52.00	53.50	53.50	57.00
Gasoil E/W (\$/bbl)	-24.47	-24.75	-25.48	-24.58	-23.33	-23.83	-21.26
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.20	-1.15	-1.04	-0.84	-0.64	-0.65	-0.49
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.510	11.650	-3.730	3.330	5.200	5.343	15.120
EBOB crack (\$/mt)	14.520	15.180	14.450	9.610	7.670	7.913	7.323
Singapore 92 crack (\$/bbl)	6.790	7.230	6.900	6.490	6.180	6.267	6.433
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.710	-7.950	-7.540	-3.130	-1.490	-1.653	-0.890
European Gasnaph (EBOB vs Naphtha) (\$/mt)	136.790	146.790	142.290	101.290	85.540	87.873	86.123
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	64.120	65.120	62.040	58.790	56.960	57.933	64.547
Naphtha							
US C5 ENT vs WTI Crack	-16.330	-15.200	-13.870	-12.780	-12.000	-12.050	-10.670
NWE Naphtha Crack (\$/bbl)	-7.150	-7.590	-7.720	-7.590	-7.600	-7.637	-7.913
MOPJ Naphtha Crack (\$/bbl)	-6.200	-5.850	-5.750	-5.740	-5.770	-5.810	-6.313
Naphtha E/W (NWE vs MOPJ) (\$/mt)	8.500	15.500	17.500	16.500	16.250	16.250	14.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.830	-9.440	-9.550	-10.410	-10.920	-10.793	-10.757
Singapore 380 crack (\$/bbl)	-6.390	-6.370	-7.430	-8.610	-9.480	-9.240	-9.560
Singapore 180 crack (\$/bbl)	-5.560	-5.350	-6.170	-7.040	-7.750	-7.523	-7.513
Visco (180-380) (\$/mt)	5.250	6.500	8.000	10.000	11.000	10.917	13.000
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	22.000	19.500	13.500	11.500	9.250	9.917	7.583
0.5% bgs crack (\$/bbl)	3.410	3.900	3.620	3.270	2.950	2.940	2.247
Singapore 0.5% crack (\$/bbl)	10.240	10.300	10.100	9.790	9.500	9.510	8.703
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.390	40.640	41.140	41.390	41.640	41.723	40.973
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	84.210	84.710	83.710	86.960	88.210	87.293	82.627
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	105.600	105.850	111.350	116.850	120.600	119.100	116.017
0.5% bgs/gasoil (\$/mt)	-199.820	-204.680	-213.560	-218.480	-220.070	-220.480	-225.853
Sing 0.5% vs Sing 10ppm (\$/mt)	-131.960	-139.320	-146.940	-152.490	-155.140	-154.943	-163.620
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-167.08	-157	-147.91	-138.9	-134.49	-135.96	-122.557
US Propane LST vs Asian Propane FEI (\$/mt)	-227.58	-220	-216.91	-214.9	-214.99	-214.293	-197.223
Asian Propane FEI vs NWE Propane (\$/mt)	60.5	63	69	76	80.5	78.333	74.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	52	49	47.5	43.5	39.5	38.667	24
European Pronap (\$/mt)	-113.51	-106.01	-102.01	-100.01	-95.51	-95.26	-100.677
Asian Pronap (FEI vs MOPJ) (\$/mt)	-113.51	-107.51	-98.01	-84.01	-70.76	-71.843	-64.26



Inter-month Crack Spreads			
Aug/Sep	19-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.080	+0.020	+0.010
WTI/Brent (\$/bbl)	0.240	-0.080	+0.090
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-1.080	+0.030	-0.130
NWE Jet crack (\$/bbl)	-1.070	-0.100	+0.050
NWE Jet Diff (\$/mt)	0.000	-1.000	+1.500
Gasoil E/W (\$/bbl)	0.730	-0.360	+0.540
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.110	+0.000	+0.030
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	15.380	+0.180	+0.510
EBOB crack (\$/mt)	0.730	+0.040	-0.170
Singapore 92 crack (\$/bbl)	0.330	+0.150	-0.050
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.410	+0.100	+0.110
European Gasnaph (EBOB vs Naphtha) (\$/mt)	4.500	+0.000	-1.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	3.080	+1.830	+0.170
Naphtha			
US C5 ENT vs WTI Crack	-1.330	+0.110	-0.130
NWE Naphtha Crack (\$/bbl)	0.130	+0.050	+0.040
MOPJ Naphtha Crack (\$/bbl)	-0.100	-0.070	-0.080
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-2.000	-1.000	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.110	+0.110	-0.440
Singapore 380 crack (\$/bbl)	1.060	-0.100	-0.470
Singapore 180 crack (\$/bbl)	0.820	-0.080	-0.520
Visco (180-380) (\$/mt)	-1.500	+0.000	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	6.000	-1.250	-0.250
0.5% barges crack (\$/bbl)	0.280	+0.080	+0.230
Singapore 0.5% crack (\$/bbl)	0.200	+0.050	+0.000
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	-0.500	-0.250	-1.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.000	-0.250	+4.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-5.500	+0.750	+3.000
0.5% barges/gasoil (\$/mt)	8.880	+0.250	+2.670
Sing 0.5% vs Sing 10ppm (\$/mt)	7.620	+0.300	+0.490
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-9.090	-0.010	-1.500
US Propane LST vs Asian Propane FEI (\$/mt)	-3.090	-0.010	+0.500
Asian Propane FEI vs NWE Propane (\$/mt)	-6.000	+0.000	-2.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.500	+0.000	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-4.000	+0.000	+1.500