



Market Summary

The Big Barf...Brent, Bye Then

All kinds of things were chucked out since Friday, woosh! Clearing up stuff that had been on the shelves too long left the floor a bit slippery as traders and politicians said enough, can't hold it any longer! Oil's flat price collapse was orderly, just steady selling, flushing out of longs as fundamentals asserted themselves.

Sept Brent sank by \$2.11/bbl against Friday's close, Fig. 1. And Dubai to \$82.38/bbl. Most of the fall was driven by losses incurred on Friday afternoon. A trader noted, 'margins have been narrowing, and it was a matter of time before the price corrected. Physical crude was also falling, so the collapse made sense.'

We expected Biden to pull out Sunday as we noted earlier. Some traders in Asia were very excited almost as if caught unaware. We cautioned against being over-reactive, Biden's ousting was so well telegraphed and baked into markets. The only surprise will be the choice of Kamala's VP, with Obama rumoured to be pushing for his wife. Don't get angry with us, but we think dynastic moves are not only poor taste but bad for countries. Markets were largely unbothered by the Biden news.

But Democrats supporters' reaction was clearly one of relief. Small-dollar donations jumped on Biden's exit. For the 30 days before Biden's resignation, ActBlue PAC donations averaged \$9.37 million per day; on the day of his resignation, the party received \$59.1 million. Senior Democrats, including Gavin Newsom and Pete Buttigieg, have also offered their support, and clearly, they hope to get on a horse and say, Yee Haw!

Kamala has a fairly extensive history of opposition to shale and offshore oil, offering a stark contrast to Trump's 'drill, drill, drill'. During her time as attorney general for California, she sued Exxon, among others, and called for a ban on fracking. In 2015, she even brought criminal indictments against the Plains All-American Pipeline due to a 140k-gallon oil leak. So, enjoy the show.

Summary				
Physical and Futures		22-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	83.030	-2.110	-1.940
WTI Sep (fut)	(\$/bbl)	78.940	-2.210	-1.970
Dubai Sep (phys)	(\$/bbl)	82.380	-2.115	-2.300
Crude Swaps Aug				
Brent	(\$/bbl)	81.930	-2.010	-2.055
DFL	(\$/bbl)	1.100	-0.210	+0.020
WTI	(\$/bbl)	78.530	-2.150	-1.990
Dubai	(\$/bbl)	81.370	-2.130	-2.320
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	83.030	81.970	81.150
WTI (fut)	(\$/bbl)	78.940	77.820	76.940



In detail

Markets were a bit more active than normal this morning as traders reacted to the flat price collapse. ‘But some of the spreads are still holding,’ said a trader expecting more of a compression between Brent and Dubai. Backwardation in markets seems too strong versus the bearish fundamentals, but hey, the price is always correct! Sept Brent and WTI fell by over \$2.00/bbl to \$83.03 and \$78.94/bbl respectively. Physical Dubai collapsed likewise to \$82.38/bbl. Physical premiums for September Dubai eased by 8.5c to \$1.71/bbl. PetroChina continued their buying frenzy in the window, with Exxon seen selling again. Two convergences were declared to PetroChina, one of Oman from PTT and another of Upper Zakum from Hengli.

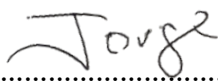
The PBOC cut their key policy rate, the seven-day reverse repo rate, by 10 basis points on Monday, as the macro picture continues to disappoint. This cut was the first since August 2023 and took markets by surprise. However, a small move down from 1.8% to 1.7% is unlikely to drive any material change in the macro-outlook. It is a: Why do they even bother type of central bank policy action. China is currently grappling with the most persistent deflation since 1999 as the economy underperforms. From a financial stability perspective, aggressive buying of long-dated sovereign bonds has led to yield curve intervention, with China seeking to prop up the back of the curve. This could potentially limit the PBOC’s policy headroom for aggressive monetary easing. Our sources are, without exception, bearish China.

China imported 5.9 million tons of Malaysian crude in June, while imports from Russia, Saudi Arabia, Brazil, and Oman fell. Imports from the US jumped to 1.21 million tons, up from 432k tons in May. Malaysian exports are widely believed to mask sanctioned Iranian and Venezuelan crude, with ship-to-ship transfers commonly seen in waters off Malaysia. In the region, the Ceres I oil tanker has been caught after a collision that resulted in a fire. The tanker had previously been tracked to both Iran and Venezuela and is widely believed to be a member of the rapidly growing shadow fleet. After a reported collision with another tanker on Friday, the tanker left the scene early on Sunday. Ceres I had switched off its AIS transponder whilst being towed by two tugboats before Malaysian authorities intercepted the vessels.


Crowdstrike issues are improving, with the company saying, oops, in many words: “CrowdStrike tested a new technique to accelerate impacted system remediation. We’re in the process of operationalizing an opt-in to this technique.”




Figure 1: Brent front month futures price, Onyx Flux

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Front Month Outrights				
August Swaps			22-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	81.930	-2.010	-2.055
WTI	(\$/bbl)	78.530	-2.150	-1.990
Dubai	(\$/bbl)	81.370	-2.130	-2.320
Distillates				
Gasoil 0.1 NWE	(\$/mt)	747.860	-16.160	-23.610
NWE Jet	(\$/mt)	798.360	-17.160	-24.110
Singapore 10ppm	(\$/bbl)	97.060	-2.200	-2.800
Sing Kero	(\$/bbl)	95.920	-2.190	-2.930
Gasoline				
RBOB	(c/gal)	242.140	-5.620	-5.510
EBOB	(\$/mt)	808.070	-17.810	-23.480
Singapore 92	(\$/bbl)	89.430	-1.660	-2.110
Singapore 95	(\$/bbl)	93.930	-1.510	-1.970
Naphtha				
US C5 ENT	(c/gal)	151.810	-3.360	-5.630
NWE Naphtha	(\$/mt)	663.940	-12.640	-14.690
MOPJ Naphtha	(\$/mt)	679.440	-13.390	-15.440
Fuel Oil				
3.5% barges	(\$/mt)	459.420	-15.240	-22.040
Singapore 380	(\$/mt)	477.170	-17.810	-22.540
Singapore 180	(\$/mt)	483.670	-17.810	-22.540
0.5% barges	(\$/mt)	544.700	-13.270	-14.100
Singapore 0.5%	(\$/mt)	584.390	-13.590	-15.680
NGLs				
US Propane LST	(c/gal)	78.319	-0.247	-2.641
NWE Propane	(\$/mt)	562.040	-5.790	-6.210
Saudi Propane CP	(\$/mt)	580.040	-3.790	-4.260
Asian Propane FEI	(\$/mt)	626.040	-7.250	-10.260
US Butane ENT	(c/gal)	96.940	-0.240	-0.640
Saudi Butane CP	(\$/mt)	570.040	-2.750	+1.240



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	82.910	81.930	81.120	80.510	79.980	80.000	78.740
WTI	(\$/bbl)	79.130	78.530	77.560	76.710	75.990	76.027	74.403
Dubai	(\$/bbl)	82.270	81.370	80.670	80.000	79.410	79.440	78.150
Distillates								
Gasoil 0.1 NWE	(\$/mt)	746.500	747.860	749.740	748.410	744.500	744.993	738.123
NWE Jet	(\$/mt)	801.500	798.360	800.240	800.910	798.500	798.993	795.623
Singapore 10ppm	(\$/bbl)	96.910	97.060	97.200	97.120	96.760	96.760	96.180
Sing Kero	(\$/bbl)	95.720	95.920	96.180	96.300	96.140	96.130	95.707
Gasoline								
RBOB	(c/gal)	245.730	242.140	223.100	217.310	213.420	214.177	219.717
EBOB	(\$/mt)	811.070	808.070	795.070	750.320	729.820	731.987	716.737
Singapore 92	(\$/bbl)	90.630	89.430	88.160	87.110	86.230	86.340	85.217
Singapore 95	(\$/bbl)	95.130	93.930	92.610	91.410	90.430	90.473	88.817
Naphtha								
US C5 ENT	(c/gal)	151.060	151.810	152.430	152.930	153.050	153.010	152.300
NWE Naphtha	(\$/mt)	676.940	663.940	655.190	650.690	645.690	645.690	631.773
MOP-Japan Naphtha	(\$/mt)	685.440	679.440	672.440	666.940	661.690	661.773	646.023
Fuel Oil								
3.5% barges	(\$/mt)	463.420	459.420	453.920	444.920	438.420	439.337	431.670
Singapore 380	(\$/mt)	483.670	477.170	466.170	455.670	447.170	448.753	438.587
Singapore 180	(\$/mt)	488.920	483.670	474.170	465.670	458.170	459.670	451.587
0.5% barges	(\$/mt)	548.200	544.700	537.950	531.700	526.200	526.367	514.367
Singapore 0.5%	(\$/mt)	590.640	584.390	578.390	572.640	567.390	567.557	554.390
NGLs								
US Propane LST	(c/gal)	77.439	78.319	79.199	80.449	81.199	80.949	79.616
NWE Propane	(\$/mt)	567.540	562.040	557.540	555.040	554.540	554.707	534.707
Saudi Propane CP	(\$/mt)	580.040	580.040	581.540	589.540	597.040	596.040	586.873
Asian Propane FEI	(\$/mt)	630.040	626.040	626.540	631.040	634.540	632.707	609.373
US Butane ENT	(c/gal)	96.190	96.940	97.440	98.060	98.560	98.353	95.610
Saudi Butane CP	(\$/mt)	570.040	570.040	576.540	586.040	594.040	592.873	583.707



Front Month Spreads				
Aug/Sep		22-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.810	-0.070	-0.865
WTI	(\$/bbl)	0.970	-0.120	-1.055
Dubai	(\$/bbl)	0.700	-0.100	-0.900
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.880	-0.160	+0.535
NWE Jet	(\$/mt)	-1.880	-1.160	+1.030
Singapore 10ppm	(\$/bbl)	-0.140	+0.010	+0.100
Sing Kero	(\$/bbl)	-0.260	+0.000	+0.220
Gasoline				
RBOB	(c/gal)	19.040	-0.180	-19.235
EBOB	(\$/mt)	13.000	-0.250	-15.000
Singapore 92	(\$/bbl)	1.270	+0.220	-1.030
Singapore 95	(\$/bbl)	1.320	+0.170	-1.180
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.380
NWE Naphtha	(\$/mt)	8.750	+0.750	-7.750
MOP-Japan Naphtha	(\$/mt)	7.000	+0.250	-7.500
Fuel Oil				
3.5% barges	(\$/mt)	5.500	-1.000	-10.000
Singapore 380	(\$/mt)	11.000	-2.000	-17.250
Singapore 180	(\$/mt)	9.500	-2.000	-16.000
0.5% barges	(\$/mt)	6.750	+0.000	-6.000
Singapore 0.5%	(\$/mt)	6.000	-0.500	-7.000
NGLs				
US Propane LST	(c/gal)	-0.880	+0.000	+0.880
NWE Propane	(\$/mt)	4.500	+0.000	-3.000
Saudi Propane CP	(\$/mt)	-1.500	+1.500	+5.500
Asian Propane FEI	(\$/mt)	-0.500	+1.000	+2.000
US Butane ENT	(c/gal)	-0.500	+0.000	+0.620
Saudi Butane CP	(\$/mt)	-6.500	+1.500	+14.000



Front Month Cracks and Diffs			
August	22-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.550	+0.120	+0.260
WTI/Brent (\$/bbl)	-3.390	-0.140	+0.060
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.450	-0.160	-1.120
NWE Jet crack (\$/bbl)	19.390	-0.160	-1.000
NWE Jet Diff (\$/mt)	50.500	-1.000	-0.500
Gasoil E/W (\$/bbl)	-24.750	-0.250	+2.750
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.140	+0.010	-0.130
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.200	-0.500	+1.200
EBOB crack (\$/mt)	15.080	-0.150	-0.770
Singapore 92 crack (\$/bbl)	7.500	+0.320	-0.040
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.580	+0.470	+0.720
European Gasnaph (EBOB vs Naphtha) (\$/mt)	143.990	-5.240	-9.070
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	65.330	-0.450	-2.400
Naphtha			
US C5 ENT vs WTI Crack	-14.770	+0.720	-0.340
NWE Naphtha Crack (\$/bbl)	-7.320	+0.580	+0.430
MOPJ Naphtha Crack (\$/bbl)	-5.580	+0.490	+0.340
Naphtha E/W (NWE vs MOPJ) (\$/mt)	15.500	-0.750	-0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.570	-0.420	-1.390
Singapore 380 crack (\$/bbl)	-6.780	-0.820	-1.470
Singapore 180 crack (\$/bbl)	-5.750	-0.810	-1.470
Visco (180-380) (\$/mt)	6.500	+0.000	+0.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	17.750	-2.500	-0.500
0.5% barges crack (\$/bbl)	3.850	-0.100	-0.150
Singapore 0.5% crack (\$/bbl)	10.100	-0.150	-0.400
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	39.690	-0.320	-1.580
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	85.220	+2.040	+7.880
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	107.150	+4.210	+6.790
0.5% barges/gasoil (\$/mt)	-203.160	+2.790	+9.590
Sing 0.5% vs Sing 10ppm (\$/mt)	-138.770	+2.650	+5.190
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-154.000	+4.500	-7.500
US Propane LST vs Asian Propane FEI (\$/mt)	-218.000	+6.000	-3.500
Asian Propane FEI vs NWE Propane (\$/mt)	64.000	-1.500	-4.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	46.000	-3.500	-6.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-101.900	+6.710	+8.490
Asian Pronap (FEI vs MOPJ) (\$/mt)	-99.440	+9.510	+11.200



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.630	0.550	0.440	0.500	0.550	0.550	0.590
WTI/Brent (\$/bbl)	-3.770	-3.390	-3.560	-3.800	-3.980	-3.967	-4.333
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	17.29	18.45	19.52	19.95	19.95	20.00	20.33
NWE Jet crack (\$/bbl)	18.81	19.39	20.43	21.13	21.35	21.39	22.23
NWE Jet Diff (\$/mt)	55.00	50.50	50.50	52.50	54.00	54.00	57.50
Gasoil E/W (\$/bbl)	-24.52	-24.75	-25.60	-24.90	-23.65	-24.15	-21.58
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.19	-1.14	-1.02	-0.82	-0.62	-0.63	-0.47
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	13.920	11.200	-4.130	2.870	4.850	4.983	14.890
EBOB crack (\$/mt)	14.460	15.080	14.310	9.560	7.620	7.867	7.290
Singapore 92 crack (\$/bbl)	7.720	7.500	7.030	6.600	6.240	6.337	6.467
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.740	-7.580	-7.290	-2.960	-1.380	-1.530	-0.823
European Gasnaph (EBOB vs Naphtha) (\$/mt)	133.990	143.990	139.740	99.490	83.990	86.157	84.823
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	69.330	65.330	61.750	58.510	56.430	57.260	63.653
Naphtha							
US C5 ENT vs WTI Crack	-15.680	-14.770	-13.540	-12.480	-11.730	-11.773	-10.447
NWE Naphtha Crack (\$/bbl)	-6.830	-7.320	-7.490	-7.390	-7.410	-7.437	-7.757
MOPJ Naphtha Crack (\$/bbl)	-5.870	-5.580	-5.550	-5.560	-5.630	-5.633	-6.153
Naphtha E/W (NWE vs MOPJ) (\$/mt)	8.500	15.500	17.250	16.250	16.000	16.083	14.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.910	-9.570	-9.630	-10.430	-10.930	-10.803	-10.760
Singapore 380 crack (\$/bbl)	-6.720	-6.780	-7.700	-8.750	-9.560	-9.330	-9.670
Singapore 180 crack (\$/bbl)	-5.900	-5.750	-6.430	-7.160	-7.820	-7.600	-7.613
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)	20.250	17.750	12.250	10.750	8.750	9.417	6.917
0.5% bgs crack (\$/bbl)	3.420	3.850	3.590	3.220	2.890	2.893	2.263
Singapore 0.5% crack (\$/bbl)	10.100	10.100	9.960	9.670	9.370	9.377	8.563
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	42.440	39.690	40.440	40.940	41.190	41.190	40.023
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	84.720	85.220	83.970	86.720	87.720	86.970	82.637
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	106.900	107.150	112.150	116.900	120.150	118.733	115.733
0.5% bgs/gasoil (\$/mt)	-198.300	-203.160	-212.100	-217.040	-218.720	-219.043	-224.120
Sing 0.5% vs Sing 10ppm (\$/mt)	-131.400	-138.770	-145.810	-150.960	-153.610	-153.440	-162.260
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-164.08	-154	-144.91	-135.9	-131.49	-132.96	-119.91
US Propane LST vs Asian Propane FEI (\$/mt)	-226.58	-218	-213.91	-211.9	-211.49	-210.96	-194.577
Asian Propane FEI vs NWE Propane (\$/mt)	62.5	64	69	76	80	78	74.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	50	46	45	41.5	37.5	36.667	22.5
European Pronap (\$/mt)	-109.4	-101.9	-97.65	-95.65	-91.15	-90.983	-97.067
Asian Pronap (FEI vs MOPJ) (\$/mt)	-105.44	-99.44	-90.94	-77.44	-64.69	-65.773	-59.19



Inter-month Crack Spreads			
Aug/Sep	22-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.110	+0.020	+0.100
WTI/Brent (\$/bbl)	0.170	-0.060	+0.010
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-1.070	+0.040	-0.160
NWE Jet crack (\$/bbl)	-1.040	-0.070	+0.040
NWE Jet Diff (\$/mt)	0.000	-1.000	+1.500
Gasoil E/W (\$/bbl)	0.850	+0.210	+0.820
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.120	-0.010	+0.010
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	15.330	-0.100	+0.500
EBOB crack (\$/mt)	0.770	+0.040	-0.210
Singapore 92 crack (\$/bbl)	0.470	+0.290	+0.020
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.290	+0.250	+0.230
European Gasnaph (EBOB vs Naphtha) (\$/mt)	4.250	-1.000	-2.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	3.580	+1.590	+0.920
Naphtha			
US C5 ENT vs WTI Crack	-1.230	+0.120	-0.120
NWE Naphtha Crack (\$/bbl)	0.170	+0.140	+0.020
MOPJ Naphtha Crack (\$/bbl)	-0.030	+0.090	-0.100
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-1.750	-0.500	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.060	-0.070	-0.560
Singapore 380 crack (\$/bbl)	0.920	-0.250	-0.680
Singapore 180 crack (\$/bbl)	0.680	-0.250	-0.730
Visco (180-380) (\$/mt)	-1.500	+0.000	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	5.500	-1.000	-0.750
0.5% barges crack (\$/bbl)	0.260	+0.070	+0.120
Singapore 0.5% crack (\$/bbl)	0.140	+0.000	-0.080
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	-0.750	-0.500	-1.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.250	+1.000	+4.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-5.000	+1.500	+3.750
0.5% barges/gasoil (\$/mt)	8.940	+0.310	+2.330
Sing 0.5% vs Sing 10ppm (\$/mt)	7.040	-0.580	-0.130
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-9.090	-0.010	-1.500
US Propane LST vs Asian Propane FEI (\$/mt)	-4.090	-1.010	-0.500
Asian Propane FEI vs NWE Propane (\$/mt)	-5.000	+1.000	-1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.000	-0.500	-2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-4.250	-0.750	+1.250