



Market Summary

Bottoming out in the road to the bottom?

Markets temporarily bottomed out, with traders ready to pick up the pieces, hoping for a rebound. Flat price recovered from the lows last night, up almost 70c, in a normal dead cat bounce. The fall, peak to bottom, was massive; as seen on the graph overleaf, we are down seven bucks. There is too much crude, and the economic indicators are awful. The Chinese need a Fourth Plenum but with some good ideas for economic recovery, please. China is bad. But the worst is Germany contracting further with the PMIs down to 42 points as industry suffers. Going green on electricity and sanctioning The Reds is biting Germany on the ankles or worse. Germany needs a reformer; we are not holding our breath.

Asian and European sources are focusing on the upcoming October trading cycle and generally expect more OPEC supply. Is the trend of Saudi sales to Asia indicative? Allocations rose by 7 million bbls from July to August with even higher volumes feared for Sep and surely for the Oct-Dec period. And Murban has been weakening with other fingers pointing towards the UAE. Surveyed sources were bearish for the upcoming months, and one noted ample forward selling in Q1 and Q2 tenors. But the front end is still strong on a spread basis, with a Dubai trader quipping, 'So, why is PetroChina still Buying?'

PetroChina true to form bid and bought more Dubai partials today, receiving two convergences today: one of Upper Zakum from Reliance and another of Murban from BP. That's a lot of cargoes this week. Does China have an unquenchable thirst for Dubai crude, or is PC winging it? We already saw ATC showing some erratic moves in the paper markets, with traders cautioning that physical premiums are still too high. And Venezuela is looking to boost exports to Asia. In June, total exports from the sanctioned state reached 654kb/d, the highest since April 2020, according to Kpler. Reliance got a US dispensation, so expect more 'Ven' crude.

Note, Tesla results disappointed investors as margins narrowed. The stock lost 8% after hours with more to go. EV sales and the overall car industry is slowing globally and second-hand car prices are plunging with electric cars taking the bigger hits. A stock to short if we ever saw one.

Summary		24-Jul-24	1-Day Change	7-Day Change
Physical and Futures				
Brent Sep (fut)	(\$/bbl)	81.420	-1.270	-2.580
WTI Sep (fut)	(\$/bbl)	77.380	-1.240	-2.660
Dubai Sep (phys)	(\$/bbl)	80.650	-1.300	-3.050
Crude Swaps Aug				
Brent	(\$/bbl)	80.440	-1.220	-2.560
DFL	(\$/bbl)	0.850	-0.070	-0.160
WTI	(\$/bbl)	76.980	-1.250	-2.660
Dubai	(\$/bbl)	79.480	-1.410	-3.270
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	81.420	80.470	79.680
WTI (fut)	(\$/bbl)	77.380	76.280	75.420



In detail

The US API data was price-supportive, showing stock reductions everywhere, which is expected in the summertime. But we are down from the peak of July 5th, with Brent bottoming out yesterday for a total loss of \$7.03/bbl, peak to bottom. After some retracement today, Brent is down 'only' \$6.24/bbl. Traders focused on the continuing partials buying by PetroChina, which some considered ill-timed as prices corrected downwards. One trader asked, "Where is all the oil going to go?"

September Brent and WTI continued to fall by over \$1.20/bbl each to \$81.42/bbl and \$77.38/bbl, respectively. Physical Dubai collapsed likewise to \$80.65/bbl. Physical premiums for September Dubai eased very marginally by 1c to \$1.65/bbl. Unsurprisingly, PetroChina was back, chequebook in hand, in the window, with Exxon and BP selling more partials again. But they are not the only ones; others are selling and converging. Two convergences were declared to PetroChina, marking six this week, one of Upper Zakum from Reliance and another of Murban from BP. If we add the North Sea VLCC and the 'Ven' crude coming in, get out of the way, boy.


Reliance has reportedly gained approval from the US to begin importing Venezuelan crude despite earlier sanctions from the White House. Following the reimposition of sanctions from the US in April due to discontent surrounding Maduro's democratic failings, Venezuela's crude exports to India slumped, falling to zero in July, according to Kpler. Of course, refiners were likely purchasing Venezuelan crude, just through intermediaries. But we expect direct deliveries to restart in August.


India remains one of the few major economies outperforming consensus. The HSBC Manufacturing PMI increased to 58.5 in July, up 0.2 points from the month prior. This reflects the fastest expansion in factory business operations since April 2024. The report pointed to increased output as a key driver, with Job creation remaining strong. No wonder Reliance is looking for more crude. Services PMIs in India were also very strong, printing 61.1 for July, up 0.6 since June. Again, the release pointed to increased output as a key driver.



Figure 1: September Brent futures, Onyx Flux

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Front Month Outrights					
August Swaps			24-Jul-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	80.440		-1.220	-2.560
WTI	(\$/bbl)	76.980		-1.250	-2.660
Dubai	(\$/bbl)	79.480		-1.410	-3.270
Distillates					
Gasoil 0.1 NWE	(\$/mt)	745.520		-6.500	-13.000
NWE Jet	(\$/mt)	798.020		-3.500	-13.000
Singapore 10ppm	(\$/bbl)	96.650		-0.870	-1.810
Sing Kero	(\$/bbl)	95.630		-0.790	-1.750
Gasoline					
RBOB	(c/gal)	238.930		-3.630	-5.690
EBOB	(\$/mt)	795.160		-11.830	-22.180
Singapore 92	(\$/bbl)	88.180		-1.410	-1.990
Singapore 95	(\$/bbl)	92.680		-1.410	-1.850
Naphtha					
US C5 ENT	(c/gal)	148.550		-2.940	-5.520
NWE Naphtha	(\$/mt)	654.060		-10.770	-16.470
MOPJ Naphtha	(\$/mt)	671.560		-9.430	-18.060
Fuel Oil					
3.5% barges	(\$/mt)	455.870		-4.890	-16.250
Singapore 380	(\$/mt)	477.120		-3.390	-16.820
Singapore 180	(\$/mt)	483.620		-3.260	-16.820
0.5% barges	(\$/mt)	537.780		-6.220	-12.570
Singapore 0.5%	(\$/mt)	580.450		-4.640	-11.120
NGLs					
US Propane LST	(c/gal)	77.833		-0.446	-1.602
NWE Propane	(\$/mt)	560.010		-2.820	-6.300
Saudi Propane CP	(\$/mt)	583.010		+1.180	-0.300
Asian Propane FEI	(\$/mt)	631.010		-0.240	-2.300
US Butane ENT	(c/gal)	96.580		-0.560	-0.470
Saudi Butane CP	(\$/mt)	574.510		+1.760	+6.200



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	81.260	80.440	79.670	79.080	78.590	78.617	77.507
WTI	(\$/bbl)	77.380	76.980	76.020	75.210	74.550	74.583	73.127
Dubai	(\$/bbl)	80.330	79.480	79.000	78.430	77.900	77.930	76.813
Distillates								
Gasoil 0.1 NWE	(\$/mt)	744.500	745.520	746.620	744.220	739.670	740.320	732.653
NWE Jet	(\$/mt)	801.500	798.020	798.620	797.720	794.670	795.320	791.153
Singapore 10ppm	(\$/bbl)	96.450	96.650	96.760	96.620	96.240	96.250	95.590
Sing Kero	(\$/bbl)	95.380	95.630	95.840	95.870	95.660	95.670	95.117
Gasoline								
RBOB	(c/gal)	242.880	238.930	220.060	214.140	210.200	210.967	216.343
EBOB	(\$/mt)	798.160	795.160	782.410	737.410	717.410	719.660	705.160
Singapore 92	(\$/bbl)	89.380	88.180	86.890	85.740	84.820	84.943	83.887
Singapore 95	(\$/bbl)	93.880	92.680	91.340	90.040	89.020	89.077	87.487
Naphtha								
US C5 ENT	(c/gal)	147.670	148.550	149.170	149.670	149.790	149.750	149.290
NWE Naphtha	(\$/mt)	666.560	654.060	645.810	641.560	636.560	636.560	623.227
MOP-Japan Naphtha	(\$/mt)	677.560	671.560	664.560	659.060	653.560	653.643	637.977
Fuel Oil								
3.5% barges	(\$/mt)	459.370	455.870	448.870	439.370	432.620	433.453	425.537
Singapore 380	(\$/mt)	485.120	477.120	463.120	450.370	441.370	442.953	432.203
Singapore 180	(\$/mt)	490.370	483.620	471.120	460.370	452.120	453.703	444.953
0.5% barges	(\$/mt)	541.780	537.780	529.780	523.530	518.280	518.447	506.660
Singapore 0.5%	(\$/mt)	586.450	580.450	572.700	566.200	560.450	560.700	546.827
NGLs								
US Propane LST	(c/gal)	76.953	77.833	78.713	79.833	80.333	80.126	78.630
NWE Propane	(\$/mt)	565.510	560.010	556.010	552.510	551.510	551.510	530.177
Saudi Propane CP	(\$/mt)	583.010	583.010	583.510	591.010	598.010	597.010	586.343
Asian Propane FEI	(\$/mt)	635.010	631.010	629.510	632.510	635.010	633.343	607.510
US Butane ENT	(c/gal)	96.080	96.580	96.960	97.340	97.720	97.467	94.510
Saudi Butane CP	(\$/mt)	574.510	574.510	580.510	588.510	595.010	594.177	582.510



Front Month Spreads

Aug/Sep		24-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.770	+0.000	-0.020
WTI	(\$/bbl)	0.960	+0.010	+0.010
Dubai	(\$/bbl)	0.480	-0.120	-0.300
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.100	+0.310	+0.310
NWE Jet	(\$/mt)	-0.600	+0.810	+0.810
Singapore 10ppm	(\$/bbl)	-0.110	+0.010	+0.020
Sing Kero	(\$/bbl)	-0.210	+0.040	+0.090
Gasoline				
RBOB	(c/gal)	18.870	-0.250	-0.210
EBOB	(\$/mt)	12.750	-0.500	-0.250
Singapore 92	(\$/bbl)	1.290	-0.030	+0.140
Singapore 95	(\$/bbl)	1.340	-0.030	+0.090
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	8.250	-0.750	+0.500
MOP-Japan Naphtha	(\$/mt)	7.000	-0.500	-0.750
Fuel Oil				
3.5% barges	(\$/mt)	7.000	+1.000	+0.250
Singapore 380	(\$/mt)	14.000	+1.500	-0.760
Singapore 180	(\$/mt)	12.500	+1.500	-0.760
0.5% barges	(\$/mt)	8.000	+1.000	+2.500
Singapore 0.5%	(\$/mt)	7.750	+1.000	+1.500
NGLs				
US Propane LST	(c/gal)	-0.880	+0.000	+0.000
NWE Propane	(\$/mt)	4.000	+0.000	-1.000
Saudi Propane CP	(\$/mt)	-0.500	+1.000	+1.500
Asian Propane FEI	(\$/mt)	1.500	+1.000	+2.500
US Butane ENT	(c/gal)	-0.380	+0.120	+0.000
Saudi Butane CP	(\$/mt)	-6.000	+0.500	+3.000



Front Month Cracks and Diffs			
August	24-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.950	+0.180	+0.700
WTI/Brent (\$/bbl)	-3.460	-0.030	-0.110
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.630	+0.350	+0.830
NWE Jet crack (\$/bbl)	20.830	+0.770	+0.910
NWE Jet Diff (\$/mt)	52.500	+3.000	+0.000
Gasoil E/W (\$/bbl)	-25.500	+0.000	-0.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.020	+0.080	+0.060
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.650	-0.250	+0.650
EBOB crack (\$/mt)	15.030	-0.200	-0.100
Singapore 92 crack (\$/bbl)	7.740	-0.190	+0.570
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.280	+0.010	+0.670
European Gasnaph (EBOB vs Naphtha) (\$/mt)	141.190	-0.880	-5.820
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	63.070	-2.040	+1.410
Naphtha			
US C5 ENT vs WTI Crack	-14.580	+0.030	+0.340
NWE Naphtha Crack (\$/bbl)	-6.950	+0.000	+0.700
MOPJ Naphtha Crack (\$/bbl)	-4.980	+0.140	+0.540
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.500	+1.250	-1.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-8.650	+0.430	+0.000
Singapore 380 crack (\$/bbl)	-5.300	+0.670	-0.070
Singapore 180 crack (\$/bbl)	-4.280	+0.670	-0.080
Visco (180-380) (\$/mt)	6.500	+0.000	+0.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	21.250	+1.500	-0.500
0.5% barges crack (\$/bbl)	4.250	+0.200	+0.600
Singapore 0.5% crack (\$/bbl)	10.950	+0.450	+0.810
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.540	+1.580	+1.320
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	81.920	-1.460	+3.820
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	103.210	-1.370	+5.640
0.5% barges/gasoil (\$/mt)	-207.610	+0.190	+0.490
Sing 0.5% vs Sing 10ppm (\$/mt)	-139.590	+1.600	+2.600
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-154.500	+0.500	-2.000
US Propane LST vs Asian Propane FEI (\$/mt)	-225.500	-2.000	-6.000
Asian Propane FEI vs NWE Propane (\$/mt)	71.000	+2.500	+4.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	48.000	-1.500	-2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-94.140	+7.670	+10.340
Asian Pronap (FEI vs MOPJ) (\$/mt)	-88.680	+10.340	+17.800



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.930	0.950	0.670	0.640	0.680	0.677	0.680
WTI/Brent (\$/bbl)	-3.880	-3.460	-3.650	-3.860	-4.040	-4.027	-4.370
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	18.67	19.63	20.55	20.82	20.69	20.76	20.84
NWE Jet crack (\$/bbl)	20.43	20.83	21.70	22.15	22.26	22.31	22.90
NWE Jet Diff (\$/mt)	57.00	52.50	52.00	53.50	55.00	55.00	58.50
Gasoil E/W (\$/bbl)	-25.95	-25.50	-25.76	-24.41	-22.66	-23.24	-20.56
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.07	-1.02	-0.92	-0.75	-0.58	-0.58	-0.47
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.740	11.650	-3.580	3.370	5.140	5.267	14.787
EBOB crack (\$/mt)	14.540	15.030	14.280	9.440	7.520	7.770	7.143
Singapore 92 crack (\$/bbl)	8.100	7.740	7.220	6.660	6.220	6.323	6.380
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.440	-7.280	-7.040	-2.780	-1.300	-1.447	-0.763
European Gasnaph (EBOB vs Naphtha) (\$/mt)	131.690	141.190	136.690	95.940	80.940	83.190	82.023
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.070	63.070	59.320	55.240	53.080	54.023	60.890
Naphtha							
US C5 ENT vs WTI Crack	-15.350	-14.580	-13.360	-12.340	-11.630	-11.683	-10.417
NWE Naphtha Crack (\$/bbl)	-6.390	-6.950	-7.110	-7.000	-7.080	-7.100	-7.493
MOPJ Naphtha Crack (\$/bbl)	-5.150	-4.980	-4.990	-5.030	-5.160	-5.173	-5.827
Naphtha E/W (NWE vs MOPJ) (\$/mt)	11.000	17.500	18.750	17.500	17.000	17.083	14.750
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.940	-8.650	-8.980	-9.890	-10.470	-10.360	-10.493
Singapore 380 crack (\$/bbl)	-4.880	-5.300	-6.740	-8.160	-9.090	-8.863	-9.443
Singapore 180 crack (\$/bbl)	-4.060	-4.280	-5.480	-6.590	-7.400	-7.177	-7.433
Visco (180-380) (\$/mt)	5.250	6.500	8.000	10.000	10.750	10.750	12.750
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	25.750	21.250	14.250	11.000	8.750	9.500	6.667
0.5% bgs crack (\$/bbl)	4.030	4.250	3.760	3.370	3.030	3.033	2.300
Singapore 0.5% crack (\$/bbl)	11.040	10.950	10.500	10.070	9.640	9.660	8.593
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	44.540	42.540	42.790	42.540	42.040	42.123	40.037
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	82.420	81.920	80.920	84.170	85.670	85.003	81.133
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	101.210	103.210	109.460	115.710	118.960	117.627	114.503
0.5% bgs/gasoil (\$/mt)	-202.590	-207.610	-216.860	-220.980	-221.590	-222.027	-226.000
Sing 0.5% vs Sing 10ppm (\$/mt)	-132.100	-139.590	-148.160	-153.920	-156.820	-156.577	-165.303
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-164.58	-154.5	-145.92	-136.58	-132.98	-134.053	-120.517
US Propane LST vs Asian Propane FEI (\$/mt)	-234.08	-225.5	-219.42	-216.58	-216.48	-215.887	-197.85
Asian Propane FEI vs NWE Propane (\$/mt)	69.5	71	73.5	80	83.5	81.833	77.333
Asian Propane FEI vs Saudi Propane CP (\$/mt)	52	48	46	41.5	37	36.333	21.167
European Pronap (\$/mt)	-101.14	-94.14	-89.89	-89.14	-85.14	-85.14	-93.14
Asian Pronap (FEI vs MOPJ) (\$/mt)	-94.68	-88.68	-81.18	-68.18	-55.68	-56.763	-51.813



Inter-month Crack Spreads			
Aug/Sep	24-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.280	+0.110	+0.260
WTI/Brent (\$/bbl)	0.190	+0.010	+0.030
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.920	+0.040	+0.070
NWE Jet crack (\$/bbl)	-0.870	+0.070	+0.100
NWE Jet Diff (\$/mt)	0.500	+0.500	+0.500
Gasoil E/W (\$/bbl)	0.260	-0.250	-0.170
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.100	+0.030	+0.070
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	15.230	-0.110	-0.130
EBOB crack (\$/mt)	0.750	-0.080	-0.020
Singapore 92 crack (\$/bbl)	0.520	-0.030	+0.170
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.240	+0.030	+0.170
European Gasnaph (EBOB vs Naphtha) (\$/mt)	4.500	+0.250	-0.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	3.750	+0.260	+1.920
Naphtha			
US C5 ENT vs WTI Crack	-1.220	+0.000	-0.010
NWE Naphtha Crack (\$/bbl)	0.160	-0.070	+0.080
MOPJ Naphtha Crack (\$/bbl)	0.010	-0.070	-0.060
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-1.250	+0.250	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.330	+0.150	+0.060
Singapore 380 crack (\$/bbl)	1.440	+0.230	-0.080
Singapore 180 crack (\$/bbl)	1.200	+0.230	-0.100
Visco (180-380) (\$/mt)	-1.500	+0.000	+0.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.000	+0.500	-1.010
0.5% barges crack (\$/bbl)	0.490	+0.160	+0.420
Singapore 0.5% crack (\$/bbl)	0.450	+0.150	+0.260
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	-0.250	+0.000	-1.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	1.000	+0.000	+2.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-6.250	-0.500	+2.260
0.5% barges/gasoil (\$/mt)	9.250	+1.000	+2.340
Sing 0.5% vs Sing 10ppm (\$/mt)	8.570	+0.920	+1.350
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-8.580	+0.000	+1.010
US Propane LST vs Asian Propane FEI (\$/mt)	-6.080	-1.000	-2.490
Asian Propane FEI vs NWE Propane (\$/mt)	-2.500	+1.000	+3.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.000	+0.000	+1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-4.250	+0.750	-1.500