



Market Summary

Apocalypse now!

It is bad; in fact, it is terrible for anyone holding equities and commodities, East or West, North or South. Everything is falling to multiweek lows. The only bright side is bonds as interest rates fall, reflecting the sharp worsening of the economies. Look at the table overleaf, which shows recent changes to major commodities and indices. All bad or squishy. Nurse your wounds and head for the beaches or drink something restorative if you have any money left. It is truly bad, and we pine for the longs. Really. 😊

Markets are very volatile, with Brent closing in Asia at \$81.31/bbl but collapsing near \$80/bbl just right after. What's going on? Well, the imperturbable economist would sit back in a comfy chair and say: 1) we told you so, things were bad. 2) all economic indicators, bar India, are really crappy. China, one of the worst in terms of second-degree derivative growth (boring economist talk), had to pull a sudden interest rate cut out of the hat. We would say hurry up and empty it! The US needs to start shovelling the money, but they have experience with that. And, of course, inflation will come back, but steady the ship before this baby sinks.

Dubai outperformed Brent, thanks to inspired PetroChina, who keeps scooping up partials. But we hear it is a monthly plaything, and guess what? The big bull in Asia may be turning bearish next month, having filled their pockets full of Murban, Upper Zakum and Oman. Speculation is rife that PC had onward sold the crude in packages, with crude grade optionality. Get ready for next month's dump on spreads and premiums.

Big Tech's earnings calls disappointed in a big way, and consequently, the Nasdaq suffered its worst day since 2022. There seems to be a risk-off sentiment weighing on the broader market. Copper is down for its 10th straight day.

Another tanker sank in Asia. Last month, Singapore struggled to clean up an oil slick following a collision with a stationary cargo tanker. Then, last week, the collision of two ships culminated in a fire; one vessel fled but was later apprehended by authorities. What's going on? Is anybody knocking out non-AIS ships?

Summary				
Physical and Futures		25-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	81.310	-0.110	-4.070
WTI Sep (fut)	(\$/bbl)	77.180	-0.200	-4.660
Dubai Sep (phys)	(\$/bbl)	80.675	+0.025	-4.145
Crude Swaps Aug				
Brent	(\$/bbl)	80.390	-0.050	-3.750
DFL	(\$/bbl)	0.690	-0.160	-0.520
WTI	(\$/bbl)	76.820	-0.160	-4.490
Dubai	(\$/bbl)	79.620	+0.140	-4.160
Tenor		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	81.310	80.410	79.690
WTI (fut)	(\$/bbl)	77.180	76.160	75.380



In detail

Markets are collapsing but there are some price defenders here and there. Hats off to Petrochina for holding the tide back in Dubai. Just remember what happened to King Canut. Sept Brent and WTI continued to fall to \$81.31/bbl and \$77.18/bbl, respectively. Physical Dubai was little changes, up 2.5c to \$80.675/bbl. Physical premiums for Dubai eased by 13.5c to \$1.515/bbl. Sept Brent premium over Dubai came in, to 63.5c/bbl.

Unsurprisingly, PetroChina remained active buyers in the window, alongside Shell and P66. Exxon was selling more partials again. But it was Vitol who seemed particularly keen to offer partials. But no convergences today

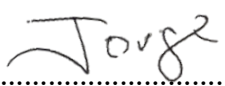
The PBOC cut another key rate today, the one-year medium-term lending facility, by 20 basis points to 2.3%. That's three moves in a week, highlighting clear concerns from the PBOC. However, the PBOC has been cutting consistently since 2020. Will further easing be enough to save the People's Republic? We're skeptical.

The Bank of Canada has also slashed rates by 25 bps. The recent macroeconomic deterioration across almost all major economies will likely motivate others to follow suit. The Fed can bide their time until September, but for the BofE and the ECB, the tide may be turning. Despite macroeconomic indicators pointing to strength in India, as monsoon season mounts, crude demand could also subside. Less than 4.8mb/d are expected to be imported during July. If India were ever a source of optimism for the Bulls, they may have to find other motivations to go long.

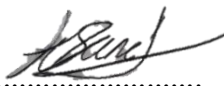
In July, Saudi Arabia imported fuel oil from Kuwait for the first time in over two years to meet peak summer power demand, as discounted Russian supplies declined. Imports of Kuwaiti high-sulfur fuel oil (HSFO) exceeded 180,000 metric tons (about 37,000 barrels per day), the first since May 2022, per shipping analytics firms Kpler and Vortexa. Also, according to Vortexa, Russia's crude into India averaged about \$84/bbl in May, so perhaps the discounts aren't actually so good anymore. Good job, EU, nice price cap. Aramco have also won a tender for 130,000 tons of very low sulfur fuel oil (VLSFO) from Kuwait's Al Zour refinery, set to load on August 11-12.

Commodities	Price	5 day change	Observations
Aluminium (COMEX)	2219.00	-2.17%	Near 18 week lows
Cotton	67.01	-6.18%	Lowest since 4 October 2020
Silver	28.11	-6.52%	Lowest since 27 June
Nickel	15850.50	-3.80%	Close to February's lows
Gold	2373.60	-3.19%	Ready to fall
Copper (LME)	9011.50	-4.27%	Near lowest since 2 April
Equities	Price	5 day change	Observations
Tesla	215.99	-13.08%	Lowest since 1 July
S&P 500	5427.13	-2.88%	Lowest since 14 June
Nasdaq	17342.41	-3.64%	Lowest since 11 June


Figure 1: Prices fall across commodities and equities

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Front Month Outrights				
August Swaps			25-Jul-24	1-Day Change 7-Day Change
Crude				
Brent	(\$/bbl)	80.390	-0.050	-3.750
WTI	(\$/bbl)	76.820	-0.160	-4.490
Dubai	(\$/bbl)	79.620	+0.140	-4.160
Distillates				
Gasoil 0.1 NWE	(\$/mt)	748.180	+2.660	-20.340
NWE Jet	(\$/mt)	799.680	+1.660	-20.340
Singapore 10ppm	(\$/bbl)	96.940	+0.290	-2.890
Sing Kero	(\$/bbl)	95.940	+0.310	-2.690
Gasoline				
RBOB	(c/gal)	239.710	+0.780	-7.550
EBOB	(\$/mt)	797.580	+2.420	-27.950
Singapore 92	(\$/bbl)	88.700	+0.520	-2.550
Singapore 95	(\$/bbl)	93.200	+0.520	-2.390
Naphtha				
US C5 ENT	(c/gal)	148.660	+0.110	-7.470
NWE Naphtha	(\$/mt)	655.220	+1.160	-24.920
MOPJ Naphtha	(\$/mt)	671.720	+0.160	-25.920
Fuel Oil				
3.5% barges	(\$/mt)	452.250	-3.620	-20.320
Singapore 380	(\$/mt)	474.620	-2.500	-20.510
Singapore 180	(\$/mt)	481.250	-2.370	-20.380
0.5% barges	(\$/mt)	536.700	-1.080	-22.290
Singapore 0.5%	(\$/mt)	578.420	-2.030	-20.190
NGLs				
US Propane LST	(c/gal)	77.666	-0.167	-1.482
NWE Propane	(\$/mt)	560.050	+0.040	-12.900
Saudi Propane CP	(\$/mt)	584.050	+1.040	-3.900
Asian Propane FEI	(\$/mt)	632.550	+1.540	-5.400
US Butane ENT	(c/gal)	96.530	-0.050	-1.510
Saudi Butane CP	(\$/mt)	576.090	+1.580	+0.140



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	81.130	80.390	79.670	79.100	78.640	78.660	77.587
WTI	(\$/bbl)	77.200	76.820	75.930	75.180	74.560	74.587	73.197
Dubai	(\$/bbl)	80.470	79.620	79.160	78.580	78.050	78.080	76.953
Distillates								
Gasoil 0.1 NWE	(\$/mt)	747.500	748.180	749.430	746.870	741.830	742.487	734.153
NWE Jet	(\$/mt)	803.500	799.680	800.430	799.370	795.830	796.487	791.563
Singapore 10ppm	(\$/bbl)	96.640	96.940	97.050	96.930	96.490	96.490	95.670
Sing Kero	(\$/bbl)	95.690	95.940	96.110	96.140	95.850	95.850	95.150
Gasoline								
RBOB	(c/gal)	243.490	239.710	220.950	214.870	210.820	211.583	216.793
EBOB	(\$/mt)	800.580	797.580	784.330	739.080	719.580	721.580	707.247
Singapore 92	(\$/bbl)	89.900	88.700	87.350	86.180	85.230	85.347	84.247
Singapore 95	(\$/bbl)	94.400	93.200	91.800	90.480	89.430	89.480	87.847
Naphtha								
US C5 ENT	(c/gal)	147.780	148.660	149.280	149.780	149.900	149.860	149.400
NWE Naphtha	(\$/mt)	667.720	655.220	646.470	642.470	637.470	637.470	624.137
MOP-Japan Naphtha	(\$/mt)	677.720	671.720	664.970	659.470	653.970	654.053	638.637
Fuel Oil								
3.5% barges	(\$/mt)	455.750	452.250	446.500	437.750	431.250	432.083	424.417
Singapore 380	(\$/mt)	482.620	474.620	461.620	449.120	440.120	441.703	431.037
Singapore 180	(\$/mt)	487.750	481.250	469.250	458.750	450.500	452.083	443.667
0.5% barges	(\$/mt)	540.700	536.700	528.700	522.700	517.580	517.660	505.950
Singapore 0.5%	(\$/mt)	584.420	578.420	571.170	564.920	559.670	559.753	546.503
NGLs								
US Propane LST	(c/gal)	76.786	77.666	78.546	79.666	80.166	79.959	78.463
NWE Propane	(\$/mt)	565.550	560.050	556.050	551.050	549.550	549.717	527.717
Saudi Propane CP	(\$/mt)	584.050	584.050	585.050	591.550	597.550	596.883	585.717
Asian Propane FEI	(\$/mt)	637.550	632.550	630.550	632.550	634.050	632.717	606.383
US Butane ENT	(c/gal)	96.030	96.530	97.030	97.280	97.660	97.407	94.450
Saudi Butane CP	(\$/mt)	576.090	576.090	583.090	589.590	595.090	594.423	582.423



Front Month Spreads				
Aug/Sep		25-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.720	-0.050	-0.190
WTI	(\$/bbl)	0.890	-0.070	-0.370
Dubai	(\$/bbl)	0.460	-0.020	-0.350
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.250	-0.150	+0.470
NWE Jet	(\$/mt)	-0.750	-0.150	+0.970
Singapore 10ppm	(\$/bbl)	-0.110	+0.000	+0.000
Sing Kero	(\$/bbl)	-0.170	+0.040	+0.090
Gasoline				
RBOB	(c/gal)	18.760	-0.110	-0.230
EBOB	(\$/mt)	13.250	+0.500	+0.500
Singapore 92	(\$/bbl)	1.350	+0.060	+0.250
Singapore 95	(\$/bbl)	1.400	+0.060	+0.200
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	8.750	+0.500	-0.250
MOP-Japan Naphtha	(\$/mt)	6.750	-0.250	-1.500
Fuel Oil				
3.5% barges	(\$/mt)	5.750	-1.250	+0.500
Singapore 380	(\$/mt)	13.000	-1.000	-0.250
Singapore 180	(\$/mt)	12.000	-0.500	+0.250
0.5% barges	(\$/mt)	8.000	+0.000	+1.000
Singapore 0.5%	(\$/mt)	7.250	-0.500	+0.750
NGLs				
US Propane LST	(c/gal)	-0.880	+0.000	+0.000
NWE Propane	(\$/mt)	4.000	+0.000	-1.500
Saudi Propane CP	(\$/mt)	-1.000	-0.500	+1.500
Asian Propane FEI	(\$/mt)	2.000	+0.500	+3.500
US Butane ENT	(c/gal)	-0.500	-0.120	-0.120
Saudi Butane CP	(\$/mt)	-7.000	-1.000	+0.500



Front Month Cracks and Diffs			
August	25-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.770	-0.180	+0.420
WTI/Brent (\$/bbl)	-3.580	-0.120	-0.760
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	20.050	+0.420	+1.030
NWE Jet crack (\$/bbl)	21.090	+0.260	+1.160
NWE Jet Diff (\$/mt)	51.500	-1.000	+0.000
Gasoil E/W (\$/bbl)	-26.000	-0.500	-1.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.000	+0.020	+0.200
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.750	+0.100	+0.450
EBOB crack (\$/mt)	15.370	+0.340	+0.390
Singapore 92 crack (\$/bbl)	8.320	+0.580	+1.190
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.050	+0.230	+0.800
European Gasnaph (EBOB vs Naphtha) (\$/mt)	142.360	+1.170	-2.990
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	66.970	+3.900	+4.580
Naphtha			
US C5 ENT vs WTI Crack	-14.390	+0.190	+1.350
NWE Naphtha Crack (\$/bbl)	-6.750	+0.200	+0.950
MOPJ Naphtha Crack (\$/bbl)	-4.900	+0.080	+0.830
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.500	-1.000	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.150	-0.500	+0.550
Singapore 380 crack (\$/bbl)	-5.650	-0.350	+0.510
Singapore 180 crack (\$/bbl)	-4.580	-0.300	+0.550
Visco (180-380) (\$/mt)	6.750	+0.250	+0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	22.250	+1.000	-0.250
0.5% barges crack (\$/bbl)	4.150	-0.100	+0.250
Singapore 0.5% crack (\$/bbl)	10.720	-0.230	+0.570
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	41.720	-0.820	+2.030
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	84.450	+2.530	-1.910
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	103.920	+0.710	+0.370
0.5% barges/gasoil (\$/mt)	-211.480	-3.870	-1.800
Sing 0.5% vs Sing 10ppm (\$/mt)	-143.840	-4.250	+1.400
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-155.500	-1.000	+5.000
US Propane LST vs Asian Propane FEI (\$/mt)	-228.000	-2.500	-2.500
Asian Propane FEI vs NWE Propane (\$/mt)	72.500	+1.500	+7.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	48.500	+0.500	-1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-94.990	-0.850	+12.510
Asian Pronap (FEI vs MOPJ) (\$/mt)	-87.580	+1.100	+22.500



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.670	0.770	0.510	0.520	0.580	0.577	0.633
WTI/Brent (\$/bbl)	-3.960	-3.580	-3.740	-3.920	-4.080	-4.073	-4.393
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.22	20.05	20.94	21.14	20.95	21.01	20.95
NWE Jet crack (\$/bbl)	20.83	21.09	21.91	22.33	22.35	22.41	22.86
NWE Jet Diff (\$/mt)	56.00	51.50	51.00	52.50	54.00	54.00	57.50
Gasoil E/W (\$/bbl)	-27.53	-26.00	-26.41	-24.71	-22.96	-23.63	-21.31
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.95	-1.00	-0.94	-0.79	-0.64	-0.64	-0.52
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.670	11.750	-3.220	3.630	5.150	5.347	14.657
EBOB crack (\$/mt)	14.980	15.370	14.500	9.640	7.760	7.977	7.327
Singapore 92 crack (\$/bbl)	8.770	8.320	7.690	7.070	6.590	6.683	6.657
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.210	-7.050	-6.810	-2.550	-1.150	-1.277	-0.653
European Gasnaph (EBOB vs Naphtha) (\$/mt)	132.860	142.360	137.860	96.610	82.110	84.110	83.110
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	70.970	66.970	62.480	58.230	55.820	56.707	62.960
Naphtha							
US C5 ENT vs WTI Crack	-15.130	-14.390	-13.230	-12.270	-11.600	-11.647	-10.460
NWE Naphtha Crack (\$/bbl)	-6.100	-6.750	-7.020	-6.910	-7.000	-7.027	-7.457
MOPJ Naphtha Crack (\$/bbl)	-4.970	-4.900	-4.930	-5.000	-5.150	-5.167	-5.827
Naphtha E/W (NWE vs MOPJ) (\$/mt)	10.000	16.500	18.500	17.000	16.500	16.583	14.500
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.350	-9.150	-9.360	-10.160	-10.730	-10.617	-10.750
Singapore 380 crack (\$/bbl)	-5.140	-5.650	-6.980	-8.390	-9.350	-9.117	-9.723
Singapore 180 crack (\$/bbl)	-4.310	-4.580	-5.750	-6.850	-7.680	-7.457	-7.707
Visco (180-380) (\$/mt)	5.250	6.750	7.750	9.750	10.500	10.500	12.750
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	26.750	22.250	15.000	11.250	8.750	9.500	6.500
0.5% bgs crack (\$/bbl)	4.030	4.150	3.610	3.210	2.870	2.860	2.087
Singapore 0.5% crack (\$/bbl)	10.910	10.720	10.300	9.850	9.500	9.483	8.467
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.720	41.720	42.470	42.220	42.090	42.093	40.553
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	84.950	84.450	82.200	84.950	86.330	85.577	81.533
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	101.920	103.920	109.670	115.920	119.670	118.170	115.587
0.5% bgs/gasoil (\$/mt)	-206.800	-211.480	-220.730	-224.170	-224.250	-224.827	-228.113
Sing 0.5% vs Sing 10ppm (\$/mt)	-135.610	-143.840	-151.910	-157.270	-159.240	-159.157	-166.397
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-165.59	-155.5	-146.92	-136.08	-131.98	-133.22	-119.02
US Propane LST vs Asian Propane FEI (\$/mt)	-237.59	-228	-221.42	-217.58	-216.48	-216.22	-197.687
Asian Propane FEI vs NWE Propane (\$/mt)	72	72.5	74.5	81.5	84.5	83	78.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	53.5	48.5	45.5	41	36.5	35.833	20.667
European Pronap (\$/mt)	-101.99	-94.99	-90.24	-91.24	-87.74	-87.573	-96.24
Asian Pronap (FEI vs MOPJ) (\$/mt)	-93.58	-87.58	-79.83	-67.83	-56.33	-57.08	-52.83



Inter-month Crack Spreads			
Aug/Sep	25-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.260	-0.020	+0.170
WTI/Brent (\$/bbl)	0.160	-0.030	-0.200
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.890	+0.030	+0.250
NWE Jet crack (\$/bbl)	-0.820	+0.050	+0.300
NWE Jet Diff (\$/mt)	0.500	+0.000	+0.500
Gasoil E/W (\$/bbl)	0.410	+0.150	-0.530
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.060	+0.040	+0.090
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.970	-0.260	-0.380
EBOB crack (\$/mt)	0.870	+0.120	+0.240
Singapore 92 crack (\$/bbl)	0.630	+0.110	+0.420
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.240	+0.000	+0.190
European Gasnaph (EBOB vs Naphtha) (\$/mt)	4.500	+0.000	+0.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	4.490	+0.740	+3.580
Naphtha			
US C5 ENT vs WTI Crack	-1.160	+0.060	+0.380
NWE Naphtha Crack (\$/bbl)	0.270	+0.110	+0.160
MOPJ Naphtha Crack (\$/bbl)	0.030	+0.020	+0.000
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-2.000	-0.750	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.210	-0.120	+0.280
Singapore 380 crack (\$/bbl)	1.330	-0.110	+0.150
Singapore 180 crack (\$/bbl)	1.170	-0.030	+0.200
Visco (180-380) (\$/mt)	-1.000	+0.500	+0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.250	+0.250	-0.750
0.5% barges crack (\$/bbl)	0.540	+0.050	+0.330
Singapore 0.5% crack (\$/bbl)	0.420	-0.030	+0.290
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	-0.750	-0.500	-0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	2.250	+1.250	+0.500
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-5.750	+0.500	+1.000
0.5% barges/gasoil (\$/mt)	9.250	+0.000	+0.680
Sing 0.5% vs Sing 10ppm (\$/mt)	8.070	-0.500	+0.750
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-8.580	+0.000	+1.500
US Propane LST vs Asian Propane FEI (\$/mt)	-6.580	-0.500	-3.500
Asian Propane FEI vs NWE Propane (\$/mt)	-2.000	+0.500	+5.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	+1.000	+2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-4.750	-0.500	-1.250