



Market Summary

Americans come in and save the day!

The market was awful, from equities to commodities. Economic signals from China to Europe were and are just terrible. A death by a thousand cuts. Even Dr Copper took ill and was looking for a bed at the nearest infirmary as it took a bad step and fell below \$10,000 a tonne. Equities were collapsing in all major markets, but then, God Bless America, the GDP Q2 figures came in higher than expected at 2.8% growth, and the markets went woosh. On a percentage basis, an actual growth of 2.8% versus an expected growth of 2.0% is big news. The print even surprised markets by 0.8% to the upside.

And, of course, the Americans bought everything! They even bought Tesla, which rose almost 4%. Stock indices went up, and all commodities, including oil, retraced. 'The market went superbid,' said a trader and added, 'all the CFDs and spreads recovered and jumped'. Of course, WTI led the charge, rising by \$1.70/bbl from the low of \$76.06/bbl seen earlier in the day. Brent recovered by \$1.55/bbl in comparison. Today, two bouts of flat price recovery were around window time.

China and Europe still look really bad, but everything is sunny in America. Biden is Bye Gone, and the world moves on. In Europe, to be fair, Equinor was no slouch and continued to focus on tight things. A trader excitedly said, 'The spreads went up, and Equinor lifted two cargoes!' Equinor did a BF thing, buying a Brent from Trafigura and a Forties from Shell. They should have bought another Forties to be a real BFF. But despite traders' best efforts, crude markets still booked broad-based losses against yesterday, with Brent falling 22c. But markets continue to rise after the window.

Total shares fell 2.2% as the French energy giant faced lower industrial demand in Europe and low natural gas prices as inventories mounted. Diesel demand across Europe has been weak, and refining margins have slumped since the first quarter as a result. LNG sales fell by 20% in the second quarter on a y-o-y basis, again driven by lower demand from Europe.

Summary

Physical and Futures

		25-Jul-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)	81.650	-0.220	-3.360
WTI Sep (fut)	(\$/bbl)	77.760	-0.080	-3.570
Dubai Sep (phys)	(\$/bbl)	81.015	-0.305	-3.465

Crude Swaps Aug

Brent	(\$/bbl)	80.720	-0.220	-3.080
DFL	(\$/bbl)	0.910	+0.180	-0.230
WTI	(\$/bbl)	77.320	-0.130	-3.530
Dubai	(\$/bbl)	79.920	-0.210	-3.510

Tenor

		Sep-24	Oct-24	Nov-24
Crude Futures				
Brent (fut)	(\$/bbl)	81.650	80.750	79.980
WTI (fut)	(\$/bbl)	77.760	76.560	75.680



In detail

Crude jumps into the close after a morning of bearish price action. Sept Brent lost 22c/bbl against the close of Europe yesterday to close the window at \$81.65/bbl. Meanwhile, September WTI was \$77.76/bbl. The M1/M2 spreads for Brent futures were slightly stronger than yesterday at \$0.90/bbl of backwardation.

The advanced estimate for Q2 GDP growth in the US printed a surprise to the upside. The US economy expanded by 2.8% compared to Q1, 0.8% above consensus estimates. This was driven by an acceleration in consumer spending growth (2.3% v 1.5%), as consumption goods rebounded from the first quarter (2.5% v -2.3%). Investment in structures slumped, falling by 3.3% against the previous quarter. High rates hit investment in property, and it's a sticky market, so don't expect a speedy recovery.

US New orders for durable goods fell by 6.6% in June, far below expectations of a 0.3% increase and the second biggest fall in the headline series since COVID-19. The contraction was driven by falls in orders for transportation equipment (-20.5%). Orders also fell considerably for capital goods (-18.4%). However, the closest proxy for business spending plans, non-defense capital goods excluding aircraft, in fact increased by 1% on the month.

Yen-funded carry trades have begun unwinding, and the Yen has bounced against the dollar, 154.22 and falling! These involve borrowing in a low-interest-rate currency to invest in higher-yielding vehicles. Traders have borrowed yen to purchase dollars and pocket the interest rate differential. The deterioration of risk appetite supports safe-haven assets. From an interest rate perspective, the BoJ looks more likely to hike policy rates and reduce JGB purchases, pushing up yields, whilst the Fed is widely expected to initiate easing measures from September. The wide interest rate differential that carry traders have been enjoying is consequently expected to narrow. And the speed of the USD/JPY sell-off is reflective of investors' sense of urgency to unwind their positions. (Figure 1)

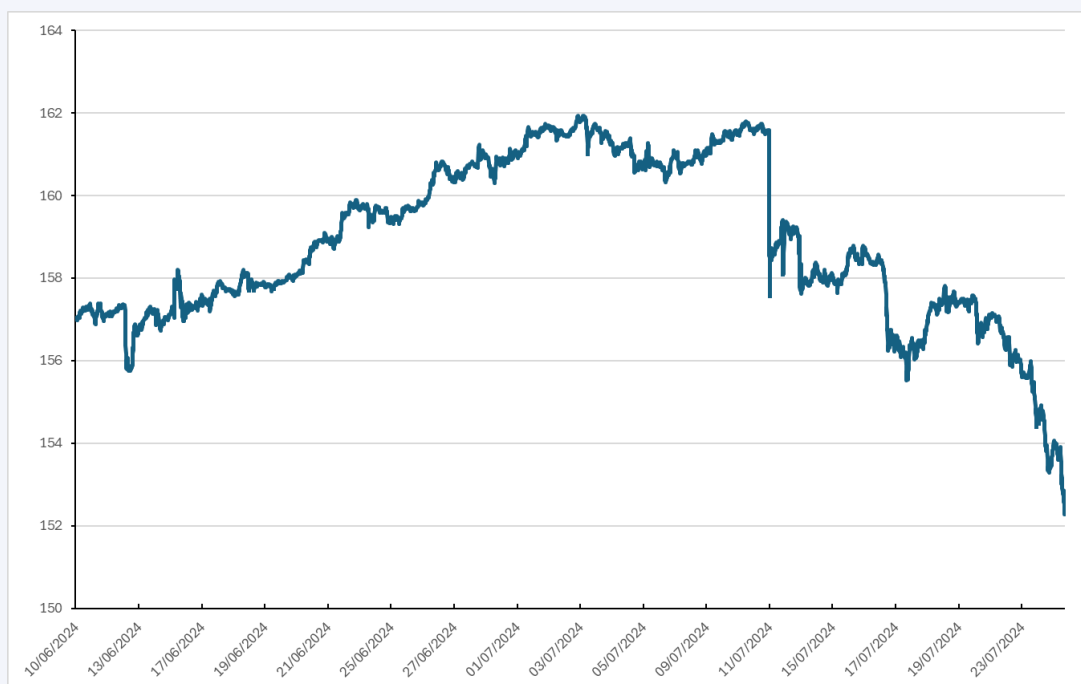
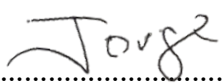



Figure 1: USD/JPY cross, Bloomberg

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Front Month Outrights					
August Swaps			25-Jul-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	80.720		-0.220	-3.080
WTI	(\$/bbl)	77.320		-0.130	-3.530
Dubai	(\$/bbl)	79.920		-0.210	-3.510
Distillates					
Gasoil 0.1 NWE	(\$/mt)	752.520		-1.160	-11.340
NWE Jet	(\$/mt)	804.020		-1.160	-11.840
Singapore 10ppm	(\$/bbl)	97.620		-0.090	-1.720
Sing Kero	(\$/bbl)	96.670		-0.080	-1.550
Gasoline					
RBOB	(c/gal)	240.380		-1.580	-6.100
EBOB	(\$/mt)	799.540		-5.000	-23.120
Singapore 92	(\$/bbl)	88.930		-0.460	-1.930
Singapore 95	(\$/bbl)	93.430		-0.460	-1.770
Naphtha					
US C5 ENT	(c/gal)	149.020		-0.620	-6.370
NWE Naphtha	(\$/mt)	658.330		-0.720	-19.320
MOPJ Naphtha	(\$/mt)	673.330		-2.380	-21.570
Fuel Oil					
3.5% barges	(\$/mt)	453.830		-2.930	-17.590
Singapore 380	(\$/mt)	476.330		-1.430	-16.590
Singapore 180	(\$/mt)	484.330		+0.070	-15.090
0.5% barges	(\$/mt)	538.540		-2.480	-18.930
Singapore 0.5%	(\$/mt)	580.070		-1.590	-17.530
NGLs					
US Propane LST	(c/gal)	77.486		-0.494	-1.274
NWE Propane	(\$/mt)	561.250		+1.470	-7.590
Saudi Propane CP	(\$/mt)	585.750		+3.970	+1.410
Asian Propane FEI	(\$/mt)	634.250		+2.970	+0.500
US Butane ENT	(c/gal)	96.620		-0.240	-0.860
Saudi Butane CP	(\$/mt)	577.750		+3.970	+5.550



Long Tenor Swaps

		Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	81.470	80.720	79.950	79.360	78.870	78.893	77.770
WTI	(\$/bbl)	77.760	77.320	76.300	75.470	74.810	74.840	73.370
Dubai	(\$/bbl)	80.770	79.920	79.500	78.910	78.370	78.390	77.177
Distillates								
Gasoil 0.1 NWE	(\$/mt)	751.500	752.520	753.620	750.870	745.670	746.403	738.097
NWE Jet	(\$/mt)	807.500	804.020	804.620	803.370	799.670	800.403	795.597
Singapore 10ppm	(\$/bbl)	97.320	97.620	97.720	97.550	97.100	97.110	96.347
Sing Kero	(\$/bbl)	96.420	96.670	96.830	96.810	96.510	96.520	95.847
Gasoline								
RBOB	(c/gal)	243.980	240.380	221.790	215.780	211.700	212.493	217.710
EBOB	(\$/mt)	802.540	799.540	786.540	741.540	722.290	724.373	710.290
Singapore 92	(\$/bbl)	89.880	88.930	87.590	86.440	85.500	85.630	84.567
Singapore 95	(\$/bbl)	94.380	93.430	92.040	90.740	89.700	89.763	88.167
Naphtha								
US C5 ENT	(c/gal)	148.140	149.020	149.640	150.140	150.260	150.220	149.760
NWE Naphtha	(\$/mt)	670.830	658.330	648.830	644.580	639.580	639.663	626.747
MOP-Japan Naphtha	(\$/mt)	679.330	673.330	666.830	661.330	655.830	655.913	640.747
Fuel Oil								
3.5% barges	(\$/mt)	457.330	453.830	448.080	439.330	433.080	433.830	426.247
Singapore 380	(\$/mt)	483.830	476.330	463.580	450.830	442.080	443.580	432.997
Singapore 180	(\$/mt)	490.580	484.330	472.330	461.080	453.080	454.580	446.247
0.5% barges	(\$/mt)	542.540	538.540	530.790	524.540	519.540	519.623	508.290
Singapore 0.5%	(\$/mt)	586.070	580.070	572.570	566.070	560.570	560.820	547.903
NGLs								
US Propane LST	(c/gal)	76.606	77.486	78.366	79.486	79.986	79.779	78.446
NWE Propane	(\$/mt)	566.750	561.250	556.750	552.250	550.750	550.917	528.917
Saudi Propane CP	(\$/mt)	585.750	585.750	586.750	593.750	599.750	599.083	587.917
Asian Propane FEI	(\$/mt)	639.250	634.250	632.250	634.250	635.750	634.417	608.083
US Butane ENT	(c/gal)	96.120	96.620	97.000	97.380	97.760	97.507	94.670
Saudi Butane CP	(\$/mt)	577.750	577.750	584.750	591.750	597.750	596.917	585.083



Front Month Spreads				
Aug/Sep		25-Jul-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.770	+0.040	-0.090
WTI	(\$/bbl)	1.020	+0.090	-0.160
Dubai	(\$/bbl)	0.420	-0.040	-0.380
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-1.100	-0.160	+0.780
NWE Jet	(\$/mt)	-0.600	-0.160	+0.280
Singapore 10ppm	(\$/bbl)	-0.100	-0.010	+0.010
Sing Kero	(\$/bbl)	-0.160	+0.000	+0.060
Gasoline				
RBOB	(c/gal)	18.590	-0.510	-0.310
EBOB	(\$/mt)	13.000	-0.500	+0.000
Singapore 92	(\$/bbl)	1.340	-0.010	+0.290
Singapore 95	(\$/bbl)	1.390	-0.010	+0.240
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	9.500	+1.000	+1.000
MOP-Japan Naphtha	(\$/mt)	6.500	-0.250	-1.000
Fuel Oil				
3.5% barges	(\$/mt)	5.750	-0.500	+0.250
Singapore 380	(\$/mt)	12.750	-0.250	+0.000
Singapore 180	(\$/mt)	12.000	+0.250	+0.750
0.5% barges	(\$/mt)	7.750	-0.500	+1.000
Singapore 0.5%	(\$/mt)	7.500	+0.250	+1.000
NGLs				
US Propane LST	(c/gal)	-0.880	+0.000	+0.000
NWE Propane	(\$/mt)	4.500	+0.500	+0.000
Saudi Propane CP	(\$/mt)	-1.000	+0.000	+2.000
Asian Propane FEI	(\$/mt)	2.000	+0.500	+3.500
US Butane ENT	(c/gal)	-0.380	+0.120	+0.010
Saudi Butane CP	(\$/mt)	-7.000	+0.000	+1.000



Front Month Cracks and Diffs			
August	25-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.790	-0.030	+0.420
WTI/Brent (\$/bbl)	-3.380	+0.110	-0.430
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	20.310	+0.080	+1.580
NWE Jet crack (\$/bbl)	21.320	+0.080	+1.580
NWE Jet Diff (\$/mt)	51.500	+0.000	-0.500
Gasoil E/W (\$/bbl)	-25.250	+0.500	-1.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.950	+0.010	+0.170
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	11.850	-0.150	+0.450
EBOB crack (\$/mt)	15.260	-0.380	+0.350
Singapore 92 crack (\$/bbl)	8.210	-0.230	+1.200
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.050	+0.150	+0.850
European Gasnaph (EBOB vs Naphtha) (\$/mt)	141.210	-4.310	-3.910
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	67.460	-1.360	+5.400
Naphtha			
US C5 ENT vs WTI Crack	-14.740	-0.130	+0.860
NWE Naphtha Crack (\$/bbl)	-6.750	+0.150	+0.950
MOPJ Naphtha Crack (\$/bbl)	-5.060	-0.040	+0.700
Naphtha E/W (NWE vs MOPJ) (\$/mt)	15.000	-1.750	-2.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.250	-0.250	+0.350
Singapore 380 crack (\$/bbl)	-5.710	-0.020	+0.500
Singapore 180 crack (\$/bbl)	-4.450	+0.220	+0.740
Visco (180-380) (\$/mt)	8.000	+1.500	+1.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	22.500	+1.500	+1.000
0.5% barges crack (\$/bbl)	4.100	-0.150	+0.150
Singapore 0.5% crack (\$/bbl)	10.650	+0.000	+0.400
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	41.590	+0.640	+1.590
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	84.780	+0.960	-1.260
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	103.870	+0.090	-0.680
0.5% barges/gasoil (\$/mt)	-213.640	-0.540	-6.990
Sing 0.5% vs Sing 10ppm (\$/mt)	-146.700	-0.420	-3.900
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-157.500	-4.000	+1.000
US Propane LST vs Asian Propane FEI (\$/mt)	-230.500	-5.500	-7.000
Asian Propane FEI vs NWE Propane (\$/mt)	73.000	+1.500	+8.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	48.500	-1.000	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-96.990	+2.200	+11.820
Asian Pronap (FEI vs MOPJ) (\$/mt)	-87.490	+6.450	+22.890



Long Tenor Cracks / Diffs

	Balmo	Aug-24	Sep-24	Oct-24	Nov-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.700	0.790	0.440	0.440	0.490	0.493	0.580
WTI/Brent (\$/bbl)	-3.710	-3.380	-3.650	-3.890	-4.060	-4.053	-4.400
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.40	20.31	21.22	21.44	21.23	21.30	21.28
NWE Jet crack (\$/bbl)	20.99	21.32	22.17	22.59	22.61	22.68	23.20
NWE Jet Diff (\$/mt)	56.00	51.50	51.00	52.50	54.00	54.00	57.50
Gasoil E/W (\$/bbl)	-26.47	-25.25	-25.61	-24.11	-22.26	-22.93	-20.31
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.90	-0.95	-0.89	-0.74	-0.59	-0.59	-0.50
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	14.590	11.850	-3.030	3.830	5.250	5.447	14.687
EBOB crack (\$/mt)	14.860	15.260	14.470	9.660	7.850	8.070	7.500
Singapore 92 crack (\$/bbl)	8.400	8.210	7.640	7.080	6.640	6.740	6.797
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.460	-7.050	-6.830	-2.580	-1.210	-1.330	-0.703
European Gasnaph (EBOB vs Naphtha) (\$/mt)	131.710	141.210	137.710	96.960	82.710	84.710	83.543
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	69.370	67.460	62.790	58.720	56.380	57.383	63.690
Naphtha							
US C5 ENT vs WTI Crack	-15.540	-14.740	-13.450	-12.410	-11.700	-11.747	-10.480
NWE Naphtha Crack (\$/bbl)	-6.110	-6.750	-7.060	-6.950	-7.020	-7.030	-7.357
MOPJ Naphtha Crack (\$/bbl)	-5.150	-5.060	-5.040	-5.060	-5.180	-5.197	-5.790
Naphtha E/W (NWE vs MOPJ) (\$/mt)	8.500	15.000	18.000	16.750	16.250	16.250	14.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.460	-9.250	-9.390	-10.170	-10.670	-10.573	-10.647
Singapore 380 crack (\$/bbl)	-5.280	-5.710	-6.950	-8.360	-9.240	-9.033	-9.583
Singapore 180 crack (\$/bbl)	-4.210	-4.450	-5.570	-6.750	-7.510	-7.303	-7.490
Visco (180-380) (\$/mt)	6.750	8.000	8.750	10.250	11.000	11.000	13.250
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	26.500	22.500	15.500	11.500	9.000	9.750	6.750
0.5% bgs crack (\$/bbl)	3.970	4.100	3.650	3.250	2.950	2.937	2.270
Singapore 0.5% crack (\$/bbl)	10.850	10.650	10.230	9.800	9.430	9.440	8.527
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.600	41.590	41.840	41.600	41.100	41.267	39.683
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	85.280	84.780	82.780	85.280	86.530	85.863	82.113
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	102.370	103.870	109.120	115.370	118.620	117.370	115.037
0.5% bgs/gasoil (\$/mt)	-208.960	-213.640	-222.640	-226.330	-225.960	-226.690	-229.490
Sing 0.5% vs Sing 10ppm (\$/mt)	-138.460	-146.700	-154.940	-160.400	-162.400	-162.273	-169.253
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-167.59	-157.5	-148.42	-138.08	-133.98	-135.22	-120.167
US Propane LST vs Asian Propane FEI (\$/mt)	-240.09	-230.5	-223.92	-220.08	-218.98	-218.72	-199.333
Asian Propane FEI vs NWE Propane (\$/mt)	72.5	73	75.5	82	85	83.5	79.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	53.5	48.5	45.5	40.5	36	35.333	20.167
European Pronap (\$/mt)	-103.99	-96.99	-91.99	-92.24	-88.74	-88.657	-97.74
Asian Pronap (FEI vs MOPJ) (\$/mt)	-93.49	-87.49	-79.99	-67.49	-55.99	-56.74	-52.74



Inter-month Crack Spreads			
Aug/Sep	25-Jul-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.350	+0.070	+0.290
WTI/Brent (\$/bbl)	0.270	+0.070	-0.050
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.910	-0.060	+0.200
NWE Jet crack (\$/bbl)	-0.850	-0.060	+0.120
NWE Jet Diff (\$/mt)	0.500	+0.000	-0.500
Gasoil E/W (\$/bbl)	0.360	+0.100	-0.730
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.060	+0.010	+0.050
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	14.880	-0.360	-0.320
EBOB crack (\$/mt)	0.790	-0.070	+0.100
Singapore 92 crack (\$/bbl)	0.570	-0.030	+0.390
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-0.220	+0.050	+0.290
European Gasnaph (EBOB vs Naphtha) (\$/mt)	3.500	-1.500	-1.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	4.670	+0.170	+3.420
Naphtha			
US C5 ENT vs WTI Crack	-1.290	-0.090	+0.150
NWE Naphtha Crack (\$/bbl)	0.310	+0.100	+0.230
MOPJ Naphtha Crack (\$/bbl)	-0.020	-0.030	+0.010
Naphtha E/W (NWE vs MOPJ) (\$/mt)	-3.000	-1.250	-2.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.140	-0.080	+0.140
Singapore 380 crack (\$/bbl)	1.240	-0.060	+0.080
Singapore 180 crack (\$/bbl)	1.120	+0.020	+0.220
Visco (180-380) (\$/mt)	-0.750	+0.500	+0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	7.000	+0.250	-0.250
0.5% barges crack (\$/bbl)	0.450	-0.100	+0.250
Singapore 0.5% crack (\$/bbl)	0.420	+0.040	+0.270
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	-0.250	+0.750	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	2.000	+0.000	+0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-5.250	+0.500	+1.000
0.5% barges/gasoil (\$/mt)	9.000	-0.190	+0.370
Sing 0.5% vs Sing 10ppm (\$/mt)	8.240	+0.320	+0.920
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-9.080	-0.500	+0.000
US Propane LST vs Asian Propane FEI (\$/mt)	-6.580	-0.500	-3.500
Asian Propane FEI vs NWE Propane (\$/mt)	-2.500	+0.000	+3.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	3.000	+0.500	+1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-5.000	-0.500	-1.000