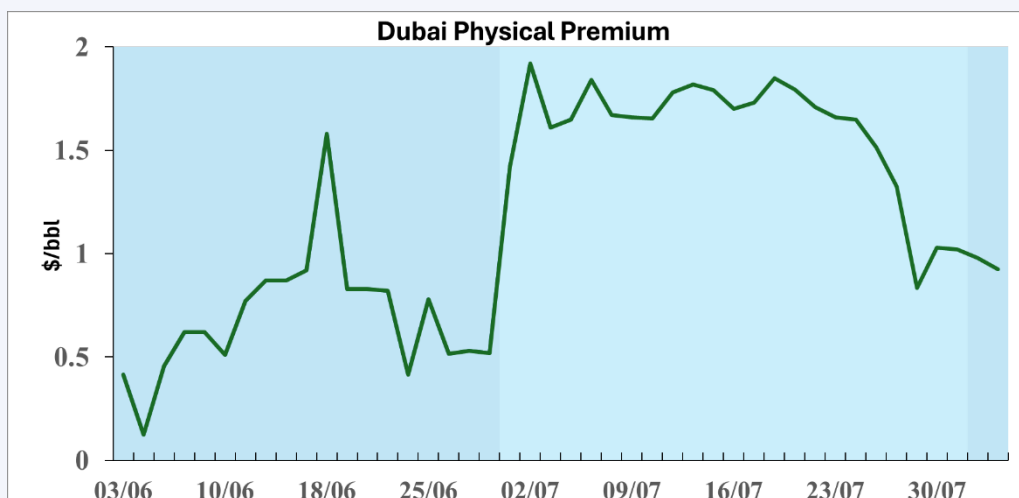




Sell everything, other than gold



Oil markets collapsed yesterday to as low as \$79.47/bbl but rebounded today to a precarious and untenable \$80.00/bbl by press time. And after that minor defence the price continued its slide. The bears are back in charge. Overnight reports of Hezbollah shooting rockets into Northern Israel triggered an ephemeral market response, but the market is signalling that it is done. Any upside is capped and quickly reversed. Netanyahu seems to be ignoring the public slap given by Kamal's non-attendance of his speech to the US Congress last week. Waning Biden stated his displeasure and noted the killing of the Hamas leader "Doesn't help" the ceasefire talks. Really, our conclusion is, **do not bank on war to lift the value of losing oil positions**. The oil market is in a funk; only more printing and lower interest rates will do the trick.

Markets are awaiting US payroll data this afternoon, and most likely, events like the recent Beryl hurricane are likely to impact the print, to the downside, of course. Everything seems bearish. Asian equities sold off, US tech sold off, and Intel was down 5% yesterday and 18% in pre-market. Weak earnings and a systemic industrial decline. Meanwhile, gold is hitting new highs and getting a handle of the \$2,500/ounce mark. Should we all just buy gold and hold on? Oil, on the other hand, we think it's time to sell. Let us know if you disagree.

Summary

Physical and Futures		02-Aug-24	1-Day Change	7-Day Change
Brent Oct (fut)	(\$/bbl)	80.050	-1.350	-1.310
WTI Oct (fut)	(\$/bbl)	75.920	-1.400	-1.140
Dubai Oct (phys)	(\$/bbl)	79.235	-1.315	-2.110
Crude Swaps Sep				
Brent	(\$/bbl)	79.440	-1.240	-1.100
DFL	(\$/bbl)	0.310	-0.010	-0.300
WTI	(\$/bbl)	75.700	-1.360	-1.100
Dubai	(\$/bbl)	78.930	-1.280	-1.090
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	80.050	79.470	78.980
WTI (fut)	(\$/bbl)	75.920	75.200	74.610



In detail

Let's focus on some happy things, like what money, real money, can buy. Vitol will acquire Noble Resources, a company with a challenged past, which was embroiled in an accounting scandal, and was eventually delisted from the Singapore Exchange, and was fined by the MAS accounting authority and the police for releasing misleading information. Vitol views the company as a 'leading independent energy product and industrial raw materials supply chain manager.' Vitol was "delighted at the prospect of the very experienced teams at Noble Resources joining Vitol." Experienced, uh?

The purchase announcement came within days of Vitol releasing its annual results, detailing a 13 billion profit. A source in Asia quipped in response, "These trade houses got way too much money." But we wish them well!

Asian markets closed weaker as macro concerns in the US overpowered geopolitical risks in the Middle East despite a fresh exchange of fire between Israel and Hezbollah. Brent closed the window a little above \$80/bbl, booking a fall of \$1.35 against the close of Asia yesterday. WTI fared even worse, closing under \$76/bbl, losing \$1.40. We think \$75 is within shooting range, and we are sorry for the choice of language. Dubai's physical premium continues to slide, falling by 5.5c to 92.5c. Last month, physical premiums averaged almost \$1.60. Dubai physical cargoes for October fared similarly to Brent, falling to \$79.235/bbl. 21 partials traded in the final 2 minutes of the window. Vitol were back picking up 9 of those. Gunvor was also scooping up partials, picking up 11 more.

Hezbollah stated that it launched rockets at northern Israel on Thursday, August 1, in retaliation for a deadly Israeli airstrike in southern Lebanon. This marks the group's first attack since Israel killed a top commander earlier in the week. According to Hezbollah, dozens of Katyusha rockets were fired in response to the Israeli attack on the southern village of Shamaa, which resulted in several civilian casualties. Israel, of course, responded in kind.

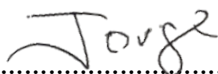
Israel's waning support in the US is evident to all except Netanyahu, it seems. The arrival of the UK representative to Lebanon first, and then next to Israel, is another signal hard to miss.

Over in China, they are importing more crude oil, even despite persistent weakness. Shandong Yulong Petrochemical, China's newest mega refiner, bought three Sep Russian crude cargoes to prepare for a test run of its new 400kb/d refinery in Yantai, Shandong province.

The recent purchases of two shipments of Russia's ESPO blend and one of Sokol crude will increase the refiner's crude stocks to about 700kmt (5.1mbbls). The Yulong plant's start-up occurs as smaller independent refineries in Shandong struggle with weak processing margins and losses. Yulong Petrochemical is primarily owned by Nanshan Group (51%) and Shandong Energy Group (46.1%).

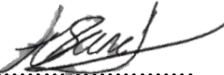
Shandong, China's third-largest provincial economy, views Yulong as key to consolidating its fragmented refining sector, consistent with Beijing's goal of closing inefficient plants and building competitive manufacturers. In April, Yulong received an 8.3 million metric ton crude oil import quota for 2024 from the central government.

We also just got news that another Chinese refiner, Rongsheng, has purchased a VLCC worth of TMX Canadian crude at around Jan ICE Brent minus \$5-6/bbl. Other sources noted that Asia is filling up as Saudis will provide more crude along other OPEC members, including pariah Venezuela, Canada and even the North Sea as trader buy expensive in Europe and apparently all oil at a loss in Asia!!! As monsoon season progresses, India's imports will likely temporarily subside and Asian inventories will be looking pretty bloated.

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Front Month Outrights					
September Swaps			02-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	79.440		-1.240	-1.100
WTI	(\$/bbl)	75.700		-1.360	-1.100
Dubai	(\$/bbl)	78.930		-1.280	-1.090
Distillates					
Gasoil 0.1 NWE	(\$/mt)	740.830		-12.100	-16.790
NWE Jet	(\$/mt)	788.430		-12.000	-20.690
Singapore 10ppm	(\$/bbl)	95.700		-1.670	-2.420
Sing Kero	(\$/bbl)	94.750		-1.740	-2.420
Gasoline					
RBOB	(c/gal)	222.800		-3.130	-1.800
EBOB	(\$/mt)	789.980		-11.620	-6.860
Singapore 92	(\$/bbl)	87.340		-1.080	-1.220
Singapore 95	(\$/bbl)	91.840		-1.080	-1.170
Naphtha					
US C5 ENT	(c/gal)	151.710		-1.440	+0.350
NWE Naphtha	(\$/mt)	653.880		-4.810	-1.720
MOPJ Naphtha	(\$/mt)	671.130		-3.650	-2.810
Fuel Oil					
3.5% barges	(\$/mt)	438.910		-9.150	-12.730
Singapore 380	(\$/mt)	455.730		-7.830	-11.660
Singapore 180	(\$/mt)	462.480		-8.580	-13.720
0.5% barges	(\$/mt)	526.290		-7.170	-8.630
Singapore 0.5%	(\$/mt)	569.400		-6.930	-7.810
NGLs					
US Propane LST	(c/gal)	76.586		-2.911	-2.202
NWE Propane	(\$/mt)	574.420		-1.260	+13.340
Saudi Propane CP	(\$/mt)	592.920		-3.260	+4.840
Asian Propane FEI	(\$/mt)	636.970		-6.210	+0.390
US Butane ENT	(c/gal)	96.190		-2.430	-1.610
Saudi Butane CP	(\$/mt)	584.420		-2.760	-2.160



Long Tenor Swaps			Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude									
Brent	(\$/bbl)	80.010	79.440	78.940	78.560	78.190	78.563	77.630	
WTI	(\$/bbl)	76.510	75.700	75.020	74.470	74.020	74.503	73.293	
Dubai	(\$/bbl)	79.150	78.930	78.310	77.860	77.460	77.877	76.900	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	738.960	740.830	738.890	734.250	731.570	734.903	727.960	
NWE Jet	(\$/mt)	787.140	788.430	789.070	786.830	786.570	787.490	785.550	
Singapore 10ppm	(\$/bbl)	95.420	95.700	95.700	95.400	95.100	95.400	94.913	
Sing Kero	(\$/bbl)	94.450	94.750	94.890	94.770	94.650	94.770	94.410	
Gasoline									
RBOB	(c/gal)	240.840	222.800	215.880	211.640	209.980	212.500	217.487	
EBOB	(\$/mt)	803.980	789.980	743.480	721.980	707.230	724.230	708.230	
Singapore 92	(\$/bbl)	88.390	87.340	86.390	85.540	84.990	85.640	84.607	
Singapore 95	(\$/bbl)	92.890	91.840	90.840	89.840	89.190	89.957	88.440	
Naphtha									
US C5 ENT	(c/gal)	151.090	151.710	152.330	152.330	152.080	152.247	151.873	
NWE Naphtha	(\$/mt)	663.290	653.880	649.130	643.540	638.040	643.570	629.207	
MOP-Japan Naphtha	(\$/mt)	672.630	671.130	666.380	660.880	655.380	660.880	644.547	
Fuel Oil									
3.5% barges	(\$/mt)	445.410	438.910	431.910	425.660	422.160	426.577	419.410	
Singapore 380	(\$/mt)	463.730	455.730	445.730	437.730	432.980	438.813	427.813	
Singapore 180	(\$/mt)	468.980	462.480	454.730	447.480	443.480	448.563	439.730	
0.5% barges	(\$/mt)	532.790	526.290	520.540	515.540	510.790	515.623	504.540	
Singapore 0.5%	(\$/mt)	576.150	569.400	562.900	557.400	552.650	557.650	544.733	
NGLs									
US Propane LST	(c/gal)	76.206	76.586	77.836	78.586	78.586	78.336	77.249	
NWE Propane	(\$/mt)	589.420	574.420	564.920	560.920	556.920	560.920	536.920	
Saudi Propane CP	(\$/mt)	592.920	592.920	597.920	602.920	606.920	602.587	591.087	
Asian Propane FEI	(\$/mt)	640.970	636.970	637.970	638.970	636.470	637.803	610.970	
US Butane ENT	(c/gal)	95.690	96.190	96.690	97.070	96.690	96.817	94.110	
Saudi Butane CP	(\$/mt)	584.420	584.420	595.420	601.420	605.420	600.753	589.753	



Front Month Spreads				
Sep/Oct		02-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.500	-0.060	-0.100
WTI	(\$/bbl)	0.680	-0.110	-0.130
Dubai	(\$/bbl)	0.620	-0.020	+0.030
Distillates				
Gasoil 0.1 NWE	(\$/mt)	1.940	+0.080	-0.810
NWE Jet	(\$/mt)	-0.640	-0.500	-1.890
Singapore 10ppm	(\$/bbl)	0.000	-0.040	-0.150
Sing Kero	(\$/bbl)	-0.140	-0.060	-0.150
Gasoline				
RBOB	(c/gal)	6.920	+0.090	+0.440
EBOB	(\$/mt)	46.500	-0.250	+0.500
Singapore 92	(\$/bbl)	0.950	+0.000	-0.300
Singapore 95	(\$/bbl)	1.000	+0.000	-0.400
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	-0.120
NWE Naphtha	(\$/mt)	4.750	+0.500	+0.750
MOP-Japan Naphtha	(\$/mt)	4.750	+0.500	-0.750
Fuel Oil				
3.5% barges	(\$/mt)	7.000	-1.000	-1.750
Singapore 380	(\$/mt)	10.000	-0.500	-3.500
Singapore 180	(\$/mt)	7.750	-1.000	-4.250
0.5% barges	(\$/mt)	5.750	-0.500	-0.500
Singapore 0.5%	(\$/mt)	6.500	+0.250	+0.000
NGLs				
US Propane LST	(c/gal)	-1.250	-0.130	-0.130
NWE Propane	(\$/mt)	9.500	-0.500	+4.000
Saudi Propane CP	(\$/mt)	-5.000	+0.500	+3.000
Asian Propane FEI	(\$/mt)	-1.000	-0.500	+0.500
US Butane ENT	(c/gal)	-0.500	-0.120	-0.120
Saudi Butane CP	(\$/mt)	-11.000	+0.500	-3.500



Front Month Cracks and Diffs			
September	02-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.510	+0.050	-0.010
WTI/Brent (\$/bbl)	-3.740	-0.130	+0.000
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	20.000	-0.380	-1.140
NWE Jet crack (\$/bbl)	20.600	-0.310	-1.540
NWE Jet Diff (\$/mt)	47.500	+0.000	-4.000
Gasoil E/W (\$/bbl)	-28.000	-0.500	-1.370
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.950	-0.070	+0.000
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-3.000	+0.200	+0.170
EBOB crack (\$/mt)	15.390	-0.170	+0.280
Singapore 92 crack (\$/bbl)	7.880	+0.120	-0.140
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.500	+0.300	-0.400
European Gasnaph (EBOB vs Naphtha) (\$/mt)	136.260	-6.490	-4.920
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	56.670	-5.090	-7.090
Naphtha			
US C5 ENT vs WTI Crack	-11.980	+0.760	+1.260
NWE Naphtha Crack (\$/bbl)	-6.000	+0.650	+0.880
MOPJ Naphtha Crack (\$/bbl)	-4.060	+0.790	+0.780
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.250	+1.250	-1.000
Fuel Oil			
3.5% barges crack (\$/bbl)	-10.350	-0.250	-0.930
Singapore 380 crack (\$/bbl)	-7.710	-0.050	-0.760
Singapore 180 crack (\$/bbl)	-6.650	-0.170	-1.090
Visco (180-380) (\$/mt)	6.750	-0.750	-2.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	16.750	+1.250	+1.000
0.5% barges crack (\$/bbl)	3.400	+0.050	-0.290
Singapore 0.5% crack (\$/bbl)	10.200	+0.100	-0.160
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.180	+0.320	+0.890
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	87.320	+1.910	+4.040
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	113.750	+0.980	+3.930
0.5% barges/gasoil (\$/mt)	-215.210	+4.190	+7.580
Sing 0.5% vs Sing 10ppm (\$/mt)	-143.980	+5.040	+9.800
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-175.500	-14.000	-24.910
US Propane LST vs Asian Propane FEI (\$/mt)	-238.000	-9.000	-11.910
Asian Propane FEI vs NWE Propane (\$/mt)	62.500	-5.000	-13.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	44.000	-3.000	-4.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-79.020	+4.080	+15.550
Asian Pronap (FEI vs MOPJ) (\$/mt)	-77.900	+0.610	+7.960



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	0.870	0.510	0.640	0.690	0.740	0.690	0.733
WTI/Brent (\$/bbl)	-3.500	-3.740	-3.920	-4.090	-4.170	-4.060	-4.333
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	19.18	20.00	20.24	20.02	20.01	20.09	20.09
NWE Jet crack (\$/bbl)	19.86	20.60	21.17	21.30	21.63	21.37	22.06
NWE Jet Diff (\$/mt)	48.00	47.50	50.00	52.50	55.00	52.50	57.50
Gasoil E/W (\$/bbl)	-28.26	-28.00	-26.11	-23.61	-23.11	-24.28	-20.94
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.97	-0.95	-0.81	-0.63	-0.45	-0.63	-0.50
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	11.040	-3.000	3.370	5.280	7.830	5.493	15.053
EBOB crack (\$/mt)	16.490	15.390	10.290	8.120	6.690	8.367	7.383
Singapore 92 crack (\$/bbl)	8.360	7.880	7.430	6.990	6.770	7.063	6.963
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.130	-7.500	-2.870	-1.140	0.080	-1.310	-0.423
European Gasnaph (EBOB vs Naphtha) (\$/mt)	140.760	136.260	94.510	78.510	69.260	80.760	79.093
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	63.920	56.670	53.510	51.920	52.840	52.757	60.480
Naphtha							
US C5 ENT vs WTI Crack	-13.080	-11.980	-11.040	-10.500	-10.150	-10.563	-9.520
NWE Naphtha Crack (\$/bbl)	-5.520	-6.000	-6.050	-6.270	-6.540	-6.287	-6.960
MOPJ Naphtha Crack (\$/bbl)	-4.480	-4.060	-4.100	-4.330	-4.600	-4.343	-5.250
Naphtha E/W (NWE vs MOPJ) (\$/mt)	9.250	17.250	17.250	17.250	17.250	17.250	15.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.910	-10.350	-10.960	-11.540	-11.760	-11.420	-11.613
Singapore 380 crack (\$/bbl)	-7.030	-7.710	-8.800	-9.650	-10.070	-9.507	-10.303
Singapore 180 crack (\$/bbl)	-6.190	-6.650	-7.370	-8.110	-8.400	-7.960	-8.413
Visco (180-380) (\$/mt)	5.250	6.750	9.000	9.750	10.500	9.750	11.917
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	18.250	16.750	13.750	12.000	10.750	12.167	8.333
0.5% bgs crack (\$/bbl)	3.850	3.400	2.980	2.610	2.210	2.600	1.787
Singapore 0.5% crack (\$/bbl)	10.690	10.200	9.680	9.210	8.810	9.233	8.113
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.430	43.180	42.430	41.930	41.930	42.097	40.263
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	87.320	87.320	88.570	89.820	88.570	88.987	85.070
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	112.500	113.750	117.250	119.750	119.750	118.917	117.000
0.5% bgs/gasoil (\$/mt)	-206.760	-215.210	-218.940	-219.050	-221.200	-219.730	-223.793
Sing 0.5% vs Sing 10ppm (\$/mt)	-135.150	-143.980	-150.480	-153.600	-156.260	-153.447	-162.663
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-192.48	-175.5	-159.49	-151.58	-147.58	-152.883	-134.543
US Propane LST vs Asian Propane FEI (\$/mt)	-243.98	-238	-232.49	-229.58	-227.08	-229.717	-208.543
Asian Propane FEI vs NWE Propane (\$/mt)	51.5	62.5	73	78	79.5	76.833	74
Asian Propane FEI vs Saudi Propane CP (\$/mt)	48	44	40	36	29.5	35.167	19.833
European Pronap (\$/mt)	-73.52	-79.02	-83.77	-82.27	-80.77	-82.27	-91.937
Asian Pronap (FEI vs MOPJ) (\$/mt)	-79.4	-77.9	-68.15	-57.65	-48.15	-57.983	-53.15



Inter-month Crack Spreads			
Sep/Oct	02-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.130	-0.050	-0.150
WTI/Brent (\$/bbl)	0.180	-0.050	-0.030
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.240	+0.070	+0.000
NWE Jet crack (\$/bbl)	-0.570	+0.000	-0.130
NWE Jet Diff (\$/mt)	-2.500	-0.500	-1.000
Gasoil E/W (\$/bbl)	-1.890	-0.350	-0.240
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.140	-0.020	+0.020
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.370	+0.160	+0.320
EBOB crack (\$/mt)	5.100	+0.050	+0.200
Singapore 92 crack (\$/bbl)	0.450	+0.050	-0.200
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.630	+0.040	-0.360
European Gasnaph (EBOB vs Naphtha) (\$/mt)	41.750	-0.750	-0.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	3.160	-0.500	-1.750
Naphtha			
US C5 ENT vs WTI Crack	-0.940	+0.120	+0.090
NWE Naphtha Crack (\$/bbl)	0.050	+0.120	+0.210
MOPJ Naphtha Crack (\$/bbl)	0.040	+0.110	+0.040
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.000	+0.000	-1.500
Fuel Oil			
3.5% barges crack (\$/bbl)	0.610	-0.090	-0.150
Singapore 380 crack (\$/bbl)	1.090	+0.000	-0.420
Singapore 180 crack (\$/bbl)	0.720	-0.100	-0.570
Visco (180-380) (\$/mt)	-2.250	-0.500	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	3.000	+0.500	-1.750
0.5% barges crack (\$/bbl)	0.420	-0.010	+0.050
Singapore 0.5% crack (\$/bbl)	0.520	+0.090	+0.110
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.750	+0.750	+0.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.250	+0.500	+1.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-3.500	+0.750	+3.500
0.5% barges/gasoil (\$/mt)	3.730	-0.660	+0.300
Sing 0.5% vs Sing 10ppm (\$/mt)	6.500	+0.550	+1.190
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-16.010	-0.180	-4.680
US Propane LST vs Asian Propane FEI (\$/mt)	-5.510	-0.180	-1.180
Asian Propane FEI vs NWE Propane (\$/mt)	-10.500	+0.000	-3.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	4.000	-1.000	-2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	4.750	-1.000	+3.250