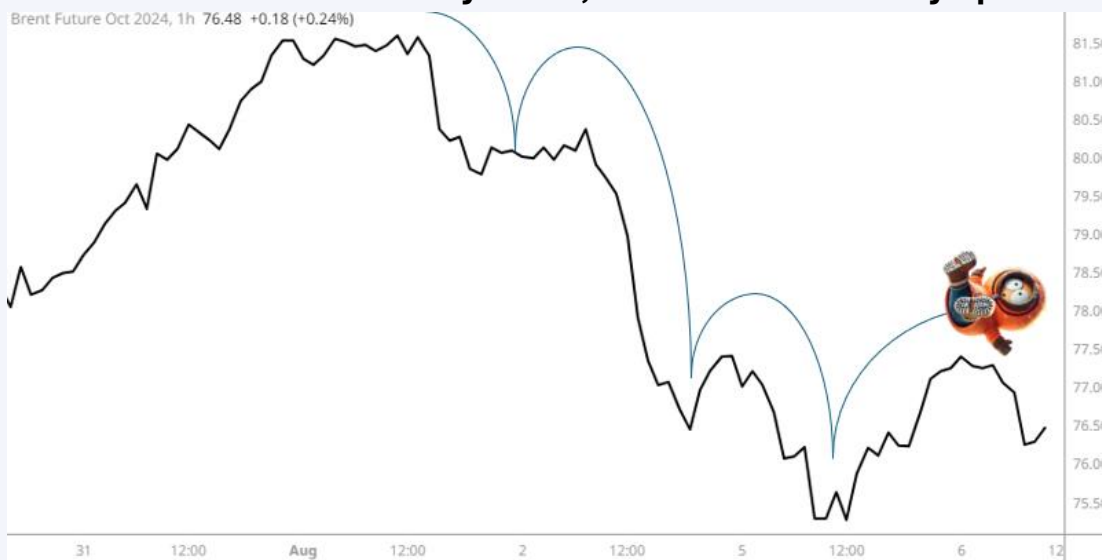




### Confused on the way down, confused on the way up



Boing, boing. Poor Kennie, the long trader, trying to get a grip. But no, he is subjected to gravity with the fluff deflating, even if there are short-term bounces. But at the very least, is the bloodbath over? Markets jumped overnight, with the Nikkei up 10%. The forex reversal has been violent, to say the least, from around 160 to 144 yen to the USD. Hmm, this helps the importers but not the exporters. “Pain was inflicted, and an absurd amount of leverage was exposed,” said one analyst, who thought we could “see another breakdown very soon.”

Globally, everybody is waiting for the Fed to save our collective pants and lower interest rates. We know it will spark inflation, but that’s for those on fixed income to worry about, and not for Mr. Kennie.

But what about the oil market? It's tough when the US publishes stats that can't be trusted. Revisions are a constant state of affairs, from initially bullish macro to bearish. Oil data went from bearish weeklies to monthly bullish. But the market always wins, and suddenly, price indicators are softening decisively. Markets are smelling of contango as extra oil needs to find a tank somewhere. The front is coming off.

Summary		06-Aug-24	1-Day Change	7-Day Change
<b>Physical and Futures</b>				
Brent Oct (fut)	(\$/bbl)	76.460	+0.480	-2.695
WTI Oct (fut)	(\$/bbl)	72.420	+0.590	-2.450
Dubai Oct (phys)	(\$/bbl)	75.040	+0.570	-3.910
<b>Crude Swaps Sep</b>				
Brent	(\$/bbl)	76.100	+0.620	-2.370
DFL	(\$/bbl)	0.020	-0.160	-0.440
WTI	(\$/bbl)	72.270	+0.620	-2.410
Dubai	(\$/bbl)	74.970	+0.530	-2.950
<b>Tenor</b>		<b>Oct-24</b>	<b>Nov-24</b>	<b>Dec-24</b>
<b>Crude Futures</b>				
Brent (fut)	(\$/bbl)	76.460	76.110	75.750
WTI (fut)	(\$/bbl)	72.420	71.850	71.370



## In detail

After a Manic Monday comes Turnaround Tuesday. 😊 Markets breathed a sigh of relief as the relentless selling subsided. Crude, equities, and even the yen seemed to find support throughout the US session. Will this last? This morning, markets have already erased some of the Americans' gains. The wounds are fresh, still bleeding, and the market confidence is heavily dented. We are focusing on the spreads as the market floor can only be established if a) product prices start to rise relative to crude -This is not happening- or b) contango emerges, and extra oil is stored away.

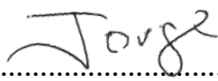
Oct/Nov Brent fell to 35c from 43c. This week's CFDs (the expectation of Dated Brent for this week) have collapsed like a house of cards pushed by a toddler. Contango is coming into the diffs, but futures will be next. By the Asian close, the CFDs were pricing at 12c under October, and as the day progressed, they fell to almost 60c under Oct Brent. And you know what that means for flat price. Already this morning, Brent's flat price has fallen over a buck from the \$77.57/bbl open to around \$76.50/bbl.

Dubai's physical cargoes were subject to the same gyrations, with Oct partials gaining 57c and closing at just above \$75/bbl. Dubai's physical premium has further extended losses from yesterday, easing to 48c, down 2c from yesterday. Dubai, relative to Brent, remains extended but eased a little from yesterday's low of -\$1.51/bbl to -\$1.42/bbl at the close of Asia today. But the spread is still very wide, and to some degree, it shows Asia is the dumpsite for crude. Asia is telling us now more than the US. Watch it; the cracks have started where the sun rises. Chinese steel rebar closed at the lowest since 2016.

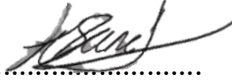
Some, including Goldman, expect flat price for Brent futures to hold a \$75/bbl floor. We aren't so convinced. Libyan supply disruptions will curtail global supply by a rounding error. Geopolitical tensions in the Middle East look to be easing, as Iran makes it very clear they do not wish for war. Any retaliation will be measured. Pockets of risk premium emerge, but they dissipate. Weak macro and fundamentals consistently paint a bearish picture.

But can we even trust the data we use to inform our view? In the US, data revisions are getting out of hand. May and June Nonfarm Payrolls were revised down a collective 29k in the July print. In the June print, April and May were revised down a collective 111k. That's a combined downward revision of 140k since April. Hmm. This isn't an isolated issue with payrolls data either. The EIA has also been quietly printing heavy revisions. Their monthly report last week detailed record-breaking oil consumption in May, in direct contradiction with the weekly reports published during May, which painted a picture of a stalled driving season, struggling to surpass the previous year. Small revisions to the more frequent weekly data are often expected. However, May's weekly gasoline consumption data was about 9mb/d, and according to the monthly report, gasoline consumption was 1.3mb/d. Other product revisions were equally as dramatic, implying a record oil demand of 20.8 mb/d in May, 800kb/d above the more frequent estimates. A 400kb/d revision was also made to April.


So, can we even trust any of this? Data collection is inherently flawed, it would seem. Even the statistical powerhouse that is the US can't seem to get it right. So, when markets react so violently to data, as some claim they did following NFPs on Friday, you have to ask yourself, will this data just get revised again, closer to consensus, and all that fuss would have been misguided? We still take a bearish view; a positive macro print, like yesterday's services PMI, seems to come only once in a blue moon. High interest rates are biting.

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## Front Month Outrights

September Swaps		06-Aug-24	1-Day Change	7-Day Change
<b>Crude</b>				
Brent	(\$/bbl)	76.100	+0.620	-2.370
WTI	(\$/bbl)	72.270	+0.620	-2.410
Dubai	(\$/bbl)	74.970	+0.530	-2.950
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	710.050	+2.410	-24.190
NWE Jet	(\$/mt)	756.550	+1.410	-27.690
Singapore 10ppm	(\$/bbl)	91.750	+0.390	-3.290
Sing Kero	(\$/bbl)	90.940	+0.480	-3.200
<b>Gasoline</b>				
RBOB	(c/gal)	214.700	+3.980	-4.660
EBOB	(\$/mt)	759.510	+13.190	-20.870
Singapore 92	(\$/bbl)	83.330	+0.840	-3.270
Singapore 95	(\$/bbl)	87.520	+0.530	-3.520
<b>Naphtha</b>				
US C5 ENT	(c/gal)	146.320	+0.540	-0.690
NWE Naphtha	(\$/mt)	636.260	+5.250	+1.570
MOPJ Naphtha	(\$/mt)	657.510	+6.090	+6.650
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	419.230	+1.460	-20.110
Singapore 380	(\$/mt)	435.580	+1.880	-22.510
Singapore 180	(\$/mt)	442.390	+2.060	-24.200
0.5% barges	(\$/mt)	505.330	+3.110	-18.160
Singapore 0.5%	(\$/mt)	548.830	+2.730	-17.850
<b>NGLs</b>				
US Propane LST	(c/gal)	73.278	+0.658	-4.907
NWE Propane	(\$/mt)	560.780	+5.930	+5.170
Saudi Propane CP	(\$/mt)	592.280	+5.930	+8.170
Asian Propane FEI	(\$/mt)	629.780	+8.480	+2.670
US Butane ENT	(c/gal)	91.160	-0.450	-6.040
Saudi Butane CP	(\$/mt)	583.280	+5.980	+4.170



<b>Long Tenor Swaps</b>			Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
<b>Crude</b>									
Brent	(\$/bbl)	76.450	76.100	75.740	75.400	75.080	75.407	74.607	
WTI	(\$/bbl)	72.910	72.270	71.710	71.260	70.850	71.273	70.220	
Dubai	(\$/bbl)	74.970	74.970	74.560	74.260	73.970	74.263	73.563	
<b>Distillates</b>									
Gasoil 0.1 NWE	(\$/mt)	707.870	710.050	708.910	705.330	703.380	705.873	700.490	
NWE Jet	(\$/mt)	755.370	756.550	757.910	756.330	756.380	756.873	755.990	
Singapore 10ppm	(\$/bbl)	91.520	91.750	91.810	91.630	91.440	91.627	91.317	
Sing Kero	(\$/bbl)	90.560	90.940	91.080	91.050	91.010	91.047	90.817	
<b>Gasoline</b>									
RBOB	(c/gal)	233.540	214.700	207.740	203.680	202.090	204.503	209.723	
EBOB	(\$/mt)	770.510	759.510	716.010	695.010	681.510	697.510	683.010	
Singapore 92	(\$/bbl)	83.780	83.330	82.780	82.180	81.800	82.253	81.517	
Singapore 95	(\$/bbl)	87.970	87.520	86.920	86.420	85.940	86.427	85.340	
<b>Naphtha</b>									
US C5 ENT	(c/gal)	145.320	146.320	146.940	146.940	146.690	146.857	146.483	
NWE Naphtha	(\$/mt)	650.260	636.260	630.510	624.760	619.010	624.760	609.987	
MOP-Japan Naphtha	(\$/mt)	663.010	657.510	650.760	644.260	638.010	644.343	626.427	
<b>Fuel Oil</b>									
3.5% barges	(\$/mt)	425.980	419.230	412.230	406.480	402.980	407.230	400.397	
Singapore 380	(\$/mt)	442.830	435.580	425.830	418.330	413.580	419.247	408.497	
Singapore 180	(\$/mt)	447.140	442.390	434.640	428.140	424.140	428.973	420.473	
0.5% barges	(\$/mt)	511.330	505.330	499.830	495.080	490.830	495.247	485.080	
Singapore 0.5%	(\$/mt)	555.080	548.830	542.580	537.330	533.080	537.663	525.870	
<b>NGLs</b>									
US Propane LST	(c/gal)	73.028	73.278	74.778	75.898	76.018	75.565	74.725	
NWE Propane	(\$/mt)	579.780	560.780	552.780	548.280	544.280	548.447	525.613	
Saudi Propane CP	(\$/mt)	592.280	592.280	592.280	596.280	600.280	596.280	584.947	
Asian Propane FEI	(\$/mt)	634.280	629.780	629.780	629.780	627.280	628.947	603.447	
US Butane ENT	(c/gal)	90.660	91.160	91.910	92.530	92.410	92.283	90.443	
Saudi Butane CP	(\$/mt)	583.280	583.280	588.280	594.280	598.280	593.613	583.280	



## Front Month Spreads

Sep/Oct		06-Aug-24	1-Day Change	7-Day Change
<b>Crude</b>				
Brent	(\$/bbl)	0.360	-0.040	-0.150
WTI	(\$/bbl)	0.560	+0.000	-0.110
Dubai	(\$/bbl)	0.410	-0.060	-0.100
<b>Distillates</b>				
Gasoil 0.1 NWE	(\$/mt)	1.140	-0.260	-0.880
NWE Jet	(\$/mt)	-1.360	-0.260	-1.880
Singapore 10ppm	(\$/bbl)	-0.060	+0.020	-0.160
Sing Kero	(\$/bbl)	-0.140	+0.080	-0.100
<b>Gasoline</b>				
RBOB	(c/gal)	6.960	+0.720	+0.440
EBOB	(\$/mt)	43.500	+1.000	-3.000
Singapore 92	(\$/bbl)	0.550	-0.100	-0.700
Singapore 95	(\$/bbl)	0.600	-0.100	-0.800
<b>Naphtha</b>				
US C5 ENT	(c/gal)	-0.620	+0.000	-0.120
NWE Naphtha	(\$/mt)	5.750	+0.750	+2.750
MOP-Japan Naphtha	(\$/mt)	6.750	+1.250	+3.250
<b>Fuel Oil</b>				
3.5% barges	(\$/mt)	7.000	+0.000	-1.750
Singapore 380	(\$/mt)	9.750	+0.250	-3.500
Singapore 180	(\$/mt)	7.750	+0.250	-4.250
0.5% barges	(\$/mt)	5.500	-0.250	-1.000
Singapore 0.5%	(\$/mt)	6.250	+0.000	-0.750
<b>NGLs</b>				
US Propane LST	(c/gal)	-1.500	+0.000	-0.500
NWE Propane	(\$/mt)	8.000	-0.500	+0.000
Saudi Propane CP	(\$/mt)	0.000	+0.000	+7.000
Asian Propane FEI	(\$/mt)	0.000	+1.000	+1.000
US Butane ENT	(c/gal)	-0.750	-0.250	-0.370
Saudi Butane CP	(\$/mt)	-5.000	+0.000	+5.500



<b>Front Month Cracks and Diffs</b>			
<b>September</b>	<b>06-Aug-24</b>	<b>1-Day Change</b>	<b>7-Day Change</b>
<b>Crude</b>			
Brent/Dubai (\$/bbl)	1.130	+0.090	+0.570
WTI/Brent (\$/bbl)	-3.850	-0.010	-0.050
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	19.210	-0.310	-0.880
NWE Jet crack (\$/bbl)	19.910	-0.450	-1.130
NWE Jet Diff (\$/mt)	46.500	-1.000	-3.500
Gasoil E/W (\$/bbl)	-26.500	+0.500	-0.310
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.810	+0.090	+0.090
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	-2.400	+0.200	+1.270
EBOB crack (\$/mt)	15.080	+0.980	-0.120
Singapore 92 crack (\$/bbl)	7.230	+0.220	-0.890
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.850	-0.750	-0.770
European Gasnaph (EBOB vs Naphtha) (\$/mt)	123.160	+7.760	-22.500
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	36.460	+0.740	-34.060
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-10.800	-0.390	+2.130
NWE Naphtha Crack (\$/bbl)	-4.600	+0.000	+2.580
MOPJ Naphtha Crack (\$/bbl)	-2.210	+0.090	+3.140
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.250	+0.750	+5.000
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	-10.050	-0.350	-0.760
Singapore 380 crack (\$/bbl)	-7.480	-0.300	-1.130
Singapore 180 crack (\$/bbl)	-6.410	-0.250	-1.400
Visco (180-380) (\$/mt)	6.750	+0.250	-1.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	16.350	+0.350	-2.400
0.5% barges crack (\$/bbl)	3.500	-0.100	-0.460
Singapore 0.5% crack (\$/bbl)	10.350	-0.150	-0.420
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.500	-0.310	+0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	86.040	+1.580	+1.890
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	113.190	+0.920	+4.530
0.5% barges/gasoil (\$/mt)	-204.650	+0.930	+5.920
Sing 0.5% vs Sing 10ppm (\$/mt)	-134.580	+0.160	+6.790
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-179.000	-2.500	-30.730
US Propane LST vs Asian Propane FEI (\$/mt)	-248.000	-5.000	-28.230
Asian Propane FEI vs NWE Propane (\$/mt)	69.000	+2.500	-2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	37.500	+2.500	-5.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-75.530	+0.450	+3.290
Asian Pronap (FEI vs MOPJ) (\$/mt)	-65.280	-0.250	+1.290



## Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
<b>Crude</b>							
Brent/Dubai (\$/bbl)	1.470	1.130	1.180	1.150	1.130	1.153	1.050
WTI/Brent (\$/bbl)	-3.570	-3.850	-4.050	-4.160	-4.240	-4.150	-4.390
<b>Distillates</b>							
Gasoil 0.1 NWE crack (\$/bbl)	18.57	19.21	19.42	19.23	19.29	19.31	19.42
NWE Jet crack (\$/bbl)	19.41	19.91	20.44	20.54	20.86	20.61	21.33
NWE Jet Diff (\$/mt)	47.50	46.50	49.00	51.00	53.00	51.00	55.50
Gasoil E/W (\$/bbl)	-26.05	-26.50	-24.93	-22.68	-22.18	-23.26	-20.18
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.96	-0.81	-0.73	-0.58	-0.43	-0.58	-0.50
<b>Gasoline</b>							
TA Arb (RBOB vs EBOB) (c/gal)	13.290	-2.400	3.070	5.020	7.300	5.130	14.510
EBOB crack (\$/mt)	16.050	15.080	10.210	8.040	6.730	8.327	7.383
Singapore 92 crack (\$/bbl)	7.330	7.230	7.030	6.770	6.700	6.833	6.900
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.720	-7.850	-3.180	-1.260	-0.020	-1.487	-0.483
European Gasnaph (EBOB vs Naphtha) (\$/mt)	120.160	123.160	85.410	70.160	62.410	72.660	72.993
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	34.700	36.460	38.620	40.130	43.210	40.653	52.433
<b>Naphtha</b>							
US C5 ENT vs WTI Crack	-11.860	-10.800	-9.980	-9.530	-9.230	-9.580	-8.687
NWE Naphtha Crack (\$/bbl)	-3.380	-4.600	-4.890	-5.190	-5.520	-5.200	-6.067
MOPJ Naphtha Crack (\$/bbl)	-1.940	-2.210	-2.610	-3.000	-3.380	-2.997	-4.213
Naphtha E/W (NWE vs MOPJ) (\$/mt)	12.750	21.250	20.250	19.500	19.000	19.583	16.500
<b>Fuel Oil</b>							
3.5% bgs crack (\$/bbl)	-9.340	-10.050	-10.800	-11.360	-11.600	-11.253	-11.517
Singapore 380 crack (\$/bbl)	-6.690	-7.480	-8.660	-9.500	-9.930	-9.363	-10.250
Singapore 180 crack (\$/bbl)	-6.020	-6.410	-7.280	-7.970	-8.280	-7.843	-8.377
Visco (180-380) (\$/mt)	4.250	6.750	8.750	9.750	10.500	9.667	11.917
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	16.850	16.350	13.600	11.850	10.600	12.017	8.100
0.5% bgs crack (\$/bbl)	4.100	3.500	2.980	2.580	2.230	2.597	1.807
Singapore 0.5% crack (\$/bbl)	10.970	10.350	9.720	9.240	8.880	9.280	8.227
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.750	43.500	42.750	42.250	42.250	42.417	40.790
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	85.290	86.040	87.540	88.540	87.790	87.957	84.623
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	112.190	113.190	116.690	118.940	119.440	118.357	117.313
0.5% bgs/gasoil (\$/mt)	-196.470	-204.650	-209.010	-210.020	-212.230	-210.420	-215.317
Sing 0.5% vs Sing 10ppm (\$/mt)	-126.610	-134.580	-141.270	-145.030	-147.870	-144.723	-154.310
<b>NGLs</b>							
US Propane LST vs NWE Propane (\$/mt)	-199.3	-179	-163.18	-152.85	-148.22	-154.75	-136.293
US Propane LST vs Asian Propane FEI (\$/mt)	-253.8	-248	-240.18	-234.35	-231.22	-235.25	-214.127
Asian Propane FEI vs NWE Propane (\$/mt)	54.5	69	77	81.5	83	80.5	77.833
Asian Propane FEI vs Saudi Propane CP (\$/mt)	42	37.5	37.5	33.5	27	32.667	18.5
European Pronap (\$/mt)	-70.53	-75.53	-77.78	-76.53	-74.78	-76.363	-84.363
Asian Pronap (FEI vs MOPJ) (\$/mt)	-70.78	-65.28	-58.53	-48.03	-37.78	-48.113	-41.53



<b>Inter-month Crack Spreads</b>			
Sep/Oct	06-Aug-24	1-Day Change	7-Day Change
<b>Crude</b>			
Brent/Dubai (\$/bbl)	-0.050	+0.010	-0.040
WTI/Brent (\$/bbl)	0.200	+0.040	+0.040
<b>Distillates</b>			
Gasoil 0.1 NWE crack (\$/bbl)	-0.210	+0.010	+0.000
NWE Jet crack (\$/bbl)	-0.530	+0.020	-0.100
NWE Jet Diff (\$/mt)	-2.500	+0.000	-1.000
Gasoil E/W (\$/bbl)	-1.570	+0.420	-0.270
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.080	+0.060	+0.060
<b>Gasoline</b>			
TA Arb (RBOB vs EBOB) (c/gal)	-5.470	+0.440	+1.300
EBOB crack (\$/mt)	4.870	+0.180	-0.190
Singapore 92 crack (\$/bbl)	0.200	-0.040	-0.540
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.670	-0.220	-0.340
European Gasnaph (EBOB vs Naphtha) (\$/mt)	37.750	+0.250	-5.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-2.160	-2.070	-9.070
<b>Naphtha</b>			
US C5 ENT vs WTI Crack	-0.820	+0.000	+0.050
NWE Naphtha Crack (\$/bbl)	0.290	+0.130	+0.460
MOPJ Naphtha Crack (\$/bbl)	0.400	+0.200	+0.510
Naphtha E/W (NWE vs MOPJ) (\$/mt)	1.000	+0.500	+0.500
<b>Fuel Oil</b>			
3.5% barges crack (\$/bbl)	0.750	+0.050	-0.120
Singapore 380 crack (\$/bbl)	1.180	+0.090	-0.400
Singapore 180 crack (\$/bbl)	0.870	+0.090	-0.500
Visco (180-380) (\$/mt)	-2.000	+0.000	-0.750
HSFO E/W (380 vs 3.5% barges) (\$/mt)	2.750	+0.250	-1.750
0.5% barges crack (\$/bbl)	0.520	+0.020	+0.010
Singapore 0.5% crack (\$/bbl)	0.630	+0.060	+0.050
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.750	+0.250	+0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.500	-0.250	+0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-3.500	-0.250	+2.750
0.5% barges/gasoil (\$/mt)	4.360	+0.280	+0.070
Sing 0.5% vs Sing 10ppm (\$/mt)	6.690	-0.150	+0.590
<b>NGLs</b>			
US Propane LST vs NWE Propane (\$/mt)	-15.820	+0.500	-2.610
US Propane LST vs Asian Propane FEI (\$/mt)	-7.820	-1.000	-3.610
Asian Propane FEI vs NWE Propane (\$/mt)	-8.000	+1.500	+1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	0.000	+1.000	-6.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	2.250	-1.250	-2.750