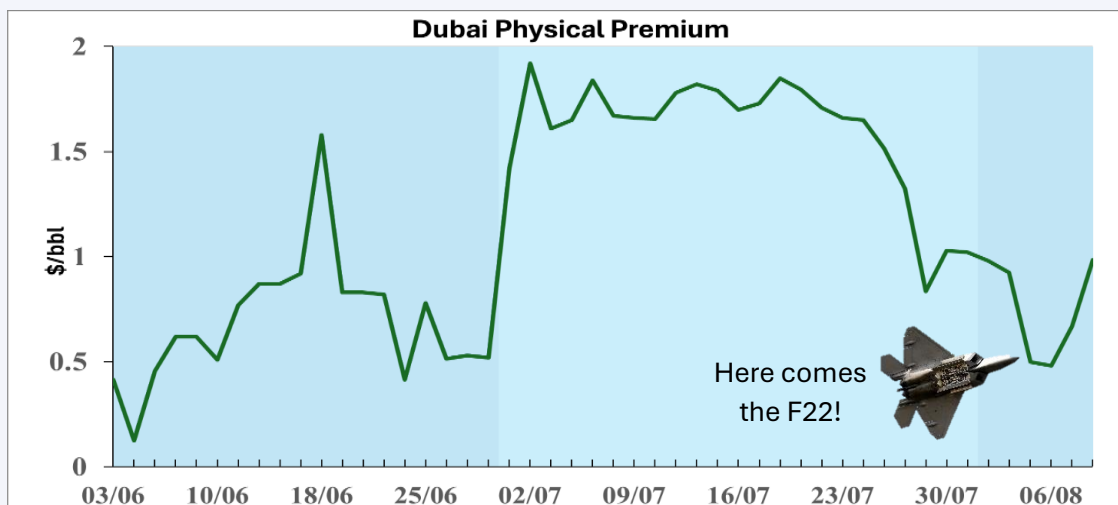




Bounce or trounce for crude?



Vitol has their boots on, with a little bit of help from Gunvor, and is taking on the rest, including our dear friends from Trafi, Mets and PC, although allegedly not so directly, rumourmongers said. The spirited buying of Dubai flies in the face of poor fundamentals in Asia. Vitol, we think, is espying an opportunity to be created if trigger-happy folks in the Middle East prevail over cooler heads. But Asia looks sick. C'mon, Japan just blew itself a hole below the waterline with its attempt to raise interest rates to rescue the sinking yen. Japanese policymakers have a Faustian choice between a crashing Nikkei and runaway inflation.

But Vitol carried the day, and Dubai rose more than Brent 'safely' way above the \$75 watermark. With Japan facing a tsunami warning, do they ever get a break? Higher ground is much better. But it comes at a huge risk. The market is very easily startled. Surveyed traders this morning noted that at a sign of medium purchase or sell orders, markets run quickly before reversing. All grades gained about a buck and a half against yesterday. But compared to a week ago, prices are still relatively low, down at least \$3. A bit of Trump promising SPR purchases, some US jets flying into the Middle East, and, of course, short covering has propped up prices. We like peace and yet like the look of F22s, so old and yet so futuristic. We hope it is for show only.

Summary

Physical and Futures		08-Aug-24	1-Day Change	7-Day Change
Brent Oct (fut)	(\$/bbl)	78.340	+1.460	-3.060
WTI Oct (fut)	(\$/bbl)	74.210	+1.520	-3.110
Dubai Oct (phys)	(\$/bbl)	77.145	+1.645	-3.405
Crude Swaps Sep				
Brent	(\$/bbl)	77.610	+1.310	-3.070
DFL	(\$/bbl)	0.460	-0.480	+0.140
WTI	(\$/bbl)	73.970	+1.480	-3.090
Dubai	(\$/bbl)	76.790	+1.370	-3.420
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	78.340	77.630	77.090
WTI (fut)	(\$/bbl)	74.210	73.400	72.750



In detail

Crude markets were rangebound throughout the shorter Asian session. The early window wasn't too early for Vitol, who picked up another 9 partials but still yet to find a convergence. They will come fast and furious next week. Gunvor was also scooping up lots of partials. Do we have a Dubai duo on our hands? PetroChina still looked quite sheepish, only selling a single cargo. But they also have good friends, sources said. Mets and Trafi have been selling a lot of partials. If you hear something, let us know!

Talking about friendly, Citi is bullish, foreseeing levels to mid \$80's Brent, citing fundamentals, weather, and geopolitics. Optimistic. North Asia is looking increasingly fragile, but good old India is strong, so strong it has issued some travel warnings to its nationals were they to dare to come to Britain. They are not the only ones concerned. India maintained rates at 6.25% for the ninth meeting in a row, as widely expected. Policymakers cited concerns over price pressures in food driving inflation over the target. Food has a 46% weight in India's CPI basket.

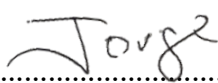
As of the early close this morning, Brent October futures gained \$1.46/bbl against the close of Asia yesterday. Dubai fared better again, rising by \$1.645/bbl to \$77.145/bbl. Dubai's physical premium has jumped back to within touching distance of a dollar. Back to the same place we started the month. Physical Dubai relative to Oct Brent futures also came in further by almost 20c.

Japan has reportedly been hit by a magnitude 7.1 earthquake, with its epicentre off the west coast in the Hyuganada Sea. Authorities have issued a tsunami warning and said there is a risk of sea levels rising by 1 meter. Last year, there was a typhoon, and this year, there is a tsunami. They can't catch a break.

Dangote Group isn't only interested in reselling WTI; reportedly, Mr Dangote is looking to sell a 12.5% stake in his shiny new refinery. One of the fastest, "Oops, what did I build?" Refining is a very nasty business, more so if you get paid in naira for your products, but you pay in dollars for the crude oil. Currently 1 naira gets you 0.06c, less than half the value from a year ago. Maybe they should sell their product in dollars. Dangote has been lobbying to get the NNPC to sell crude in naira. But NNPC is a funder for the government, which needs dollars rather than something they can print at will.

According to Fitch, the divestment is intended to fund a "significant" loan, set to mature in August 2024. Fitch added, "Timely divestment and meeting the imminent maturity is highly uncertain in our view." Dangote has been having problems. It is thought to be running at barely half capacity; selling back crude can't be good for liquidity and debt serviceability.


The traders reported that Oman's Ministry of Energy and Minerals sold 1 million barrels of crude for late August loading after an unexpected shutdown at the Sohar refinery on Wednesday. The tender, awarded to trading firm OQ on Tuesday, followed operational issues that halted one of Sohar's crude distillation units and reduced production at some derivative units. The duration of the shutdown is unclear, and neither the ministry nor OQ has commented. OQ is expected to supply the cargo to Oman's Duqm refinery.

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Front Month Outrights

September Swaps		07-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	76.300	+0.200	-2.740
WTI	(\$/bbl)	72.490	+0.220	-2.730
Dubai	(\$/bbl)	75.420	+0.450	-3.150
Distillates				
Gasoil 0.1 NWE	(\$/mt)	710.890	+0.840	-27.850
NWE Jet	(\$/mt)	757.240	+0.690	-30.500
Singapore 10ppm	(\$/bbl)	91.840	+0.090	-3.780
Sing Kero	(\$/bbl)	91.000	+0.060	-3.730
Gasoline				
RBOB	(c/gal)	213.450	-1.250	-7.090
EBOB	(\$/mt)	757.200	-2.310	-28.780
Singapore 92	(\$/bbl)	82.760	-0.570	-4.290
Singapore 95	(\$/bbl)	86.960	-0.560	-4.540
Naphtha				
US C5 ENT	(c/gal)	145.950	-0.370	-1.940
NWE Naphtha	(\$/mt)	630.300	-5.960	-12.580
MOPJ Naphtha	(\$/mt)	651.300	-6.210	-8.170
Fuel Oil				
3.5% barges	(\$/mt)	421.960	+2.730	-17.750
Singapore 380	(\$/mt)	438.460	+2.880	-20.000
Singapore 180	(\$/mt)	445.960	+3.570	-20.310
0.5% barges	(\$/mt)	507.620	+2.290	-18.460
Singapore 0.5%	(\$/mt)	550.860	+2.030	-18.930
NGLs				
US Propane LST	(c/gal)	73.480	+0.202	-5.249
NWE Propane	(\$/mt)	555.330	-5.450	-6.240
Saudi Propane CP	(\$/mt)	589.830	-2.450	-3.240
Asian Propane FEI	(\$/mt)	626.280	-3.500	-6.290
US Butane ENT	(c/gal)	90.850	-0.310	-7.010
Saudi Butane CP	(\$/mt)	579.780	-3.500	-3.290



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	76.850	76.300	75.820	75.390	75.040	75.417	74.517
WTI	(\$/bbl)	73.220	72.490	71.820	71.280	70.830	71.310	70.147
Dubai	(\$/bbl)	75.470	75.420	74.830	74.370	73.990	74.397	73.527
Distillates								
Gasoil 0.1 NWE	(\$/mt)	709.000	710.890	709.490	705.170	702.880	705.847	699.933
NWE Jet	(\$/mt)	755.960	757.240	758.410	756.170	755.880	756.820	755.433
Singapore 10ppm	(\$/bbl)	91.600	91.840	91.890	91.670	91.460	91.673	91.397
Sing Kero	(\$/bbl)	90.550	91.000	91.130	91.090	91.060	91.093	90.957
Gasoline								
RBOB	(c/gal)	231.740	213.450	206.960	202.860	201.210	203.677	208.983
EBOB	(\$/mt)	767.200	757.200	713.950	692.700	679.200	695.283	680.783
Singapore 92	(\$/bbl)	83.160	82.760	82.300	81.800	81.540	81.880	81.267
Singapore 95	(\$/bbl)	87.360	86.960	86.450	86.050	85.690	86.063	85.100
Naphtha								
US C5 ENT	(c/gal)	144.950	145.950	146.570	146.570	146.320	146.487	146.113
NWE Naphtha	(\$/mt)	642.550	630.300	625.050	619.800	614.300	619.717	605.467
MOP-Japan Naphtha	(\$/mt)	656.800	651.300	644.800	638.800	632.800	638.800	621.467
Fuel Oil								
3.5% barges	(\$/mt)	428.710	421.960	414.210	407.960	404.210	408.793	401.627
Singapore 380	(\$/mt)	446.710	438.460	428.310	420.560	415.560	421.477	410.477
Singapore 180	(\$/mt)	451.960	445.960	438.060	431.060	426.560	431.893	422.893
0.5% barges	(\$/mt)	513.620	507.620	501.870	497.120	492.870	497.287	487.120
Singapore 0.5%	(\$/mt)	556.860	550.860	544.360	538.860	534.360	539.193	527.030
NGLs								
US Propane LST	(c/gal)	73.100	73.480	75.100	76.100	76.220	75.807	74.847
NWE Propane	(\$/mt)	571.330	555.330	547.330	542.830	538.830	542.997	518.830
Saudi Propane CP	(\$/mt)	589.830	589.830	588.330	591.330	594.830	591.497	578.663
Asian Propane FEI	(\$/mt)	630.780	626.280	624.780	624.280	621.280	623.447	596.447
US Butane ENT	(c/gal)	90.350	90.850	91.730	92.230	92.110	92.023	89.980
Saudi Butane CP	(\$/mt)	579.780	579.780	582.280	587.280	591.780	587.113	576.113



Front Month Spreads				
Sep/Oct		07-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.480	+0.120	+0.020
WTI	(\$/bbl)	0.670	+0.110	+0.020
Dubai	(\$/bbl)	0.590	+0.180	+0.050
Distillates				
Gasoil 0.1 NWE	(\$/mt)	1.400	+0.260	-0.270
NWE Jet	(\$/mt)	-1.170	+0.190	-1.840
Singapore 10ppm	(\$/bbl)	-0.050	+0.010	-0.120
Sing Kero	(\$/bbl)	-0.130	+0.010	-0.050
Gasoline				
RBOB	(c/gal)	6.490	-0.470	+0.090
EBOB	(\$/mt)	43.250	-0.250	-3.250
Singapore 92	(\$/bbl)	0.460	-0.090	-0.780
Singapore 95	(\$/bbl)	0.510	-0.090	-0.880
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	5.250	-0.500	+2.000
MOP-Japan Naphtha	(\$/mt)	6.500	-0.250	+2.750
Fuel Oil				
3.5% barges	(\$/mt)	7.750	+0.750	-0.500
Singapore 380	(\$/mt)	10.150	+0.400	-1.600
Singapore 180	(\$/mt)	7.900	+0.150	-2.100
0.5% barges	(\$/mt)	5.750	+0.250	-0.500
Singapore 0.5%	(\$/mt)	6.500	+0.250	-0.250
NGLs				
US Propane LST	(c/gal)	-1.620	-0.120	-0.620
NWE Propane	(\$/mt)	8.000	+0.000	-0.500
Saudi Propane CP	(\$/mt)	1.500	+1.500	+6.000
Asian Propane FEI	(\$/mt)	1.500	+1.500	+2.000
US Butane ENT	(c/gal)	-0.880	-0.130	-0.500
Saudi Butane CP	(\$/mt)	-2.500	+2.500	+9.500



Front Month Cracks and Diffs			
September	07-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.890	-0.240	+0.420
WTI/Brent (\$/bbl)	-3.810	+0.040	+0.000
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	19.100	-0.110	-1.020
NWE Jet crack (\$/bbl)	19.790	-0.120	-1.140
NWE Jet Diff (\$/mt)	46.500	+0.000	-2.500
Gasoil E/W (\$/bbl)	-26.500	+0.000	-0.130
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.840	-0.030	+0.050
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-3.000	-0.600	+1.120
EBOB crack (\$/mt)	14.630	-0.450	-0.710
Singapore 92 crack (\$/bbl)	6.480	-0.750	-1.530
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.150	-0.300	-0.840
European Gasnaph (EBOB vs Naphtha) (\$/mt)	127.120	+3.960	-16.050
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	38.270	+1.810	-27.480
Naphtha			
US C5 ENT vs WTI Crack	-11.170	-0.370	+1.930
NWE Naphtha Crack (\$/bbl)	-5.480	-0.880	+1.320
MOPJ Naphtha Crack (\$/bbl)	-3.120	-0.910	+1.820
Naphtha E/W (NWE vs MOPJ) (\$/mt)	21.000	-0.250	+4.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.850	+0.200	-0.060
Singapore 380 crack (\$/bbl)	-7.250	+0.230	-0.410
Singapore 180 crack (\$/bbl)	-6.070	+0.340	-0.450
Visco (180-380) (\$/mt)	7.500	+0.750	-0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	16.500	+0.150	-2.250
0.5% barges crack (\$/bbl)	3.640	+0.140	-0.170
Singapore 0.5% crack (\$/bbl)	10.450	+0.100	-0.240
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.250	-0.250	-0.510
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	85.660	-0.380	-0.650
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	112.410	-0.780	+1.080
0.5% barges/gasoil (\$/mt)	-203.060	+1.590	+9.600
Sing 0.5% vs Sing 10ppm (\$/mt)	-133.320	+1.260	+9.200
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-172.500	+6.500	-21.110
US Propane LST vs Asian Propane FEI (\$/mt)	-243.500	+4.500	-21.110
Asian Propane FEI vs NWE Propane (\$/mt)	71.000	+2.000	+0.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	36.500	-1.000	-3.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-74.880	+0.650	+6.610
Asian Pronap (FEI vs MOPJ) (\$/mt)	-61.380	+3.900	+5.110



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.390	0.890	0.990	1.030	1.040	1.020	1.000
WTI/Brent (\$/bbl)	-3.630	-3.810	-3.990	-4.100	-4.200	-4.097	-4.370
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	18.27	19.10	19.38	19.25	19.32	19.32	19.40
NWE Jet crack (\$/bbl)	19.05	19.79	20.40	20.57	20.88	20.62	21.33
NWE Jet Diff (\$/mt)	47.00	46.50	49.00	51.00	53.00	51.00	55.50
Gasoil E/W (\$/bbl)	-26.23	-26.50	-24.81	-22.23	-21.48	-22.84	-19.04
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.05	-0.84	-0.76	-0.58	-0.40	-0.58	-0.44
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.420	-3.000	2.860	4.860	7.050	4.923	14.357
EBOB crack (\$/mt)	15.280	14.630	9.920	7.790	6.520	8.077	7.237
Singapore 92 crack (\$/bbl)	6.330	6.480	6.500	6.430	6.520	6.483	6.767
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.950	-8.150	-3.420	-1.370	-0.010	-1.600	-0.473
European Gasnaph (EBOB vs Naphtha) (\$/mt)	124.870	127.120	89.120	73.120	65.120	75.787	75.537
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	36.100	38.270	40.940	42.770	46.610	43.440	55.663
Naphtha							
US C5 ENT vs WTI Crack	-12.320	-11.170	-10.250	-9.710	-9.360	-9.773	-8.763
NWE Naphtha Crack (\$/bbl)	-4.650	-5.480	-5.590	-5.750	-6.010	-5.783	-6.487
MOPJ Naphtha Crack (\$/bbl)	-3.050	-3.120	-3.370	-3.610	-3.930	-3.637	-4.690
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.250	21.000	19.750	19.000	18.500	19.083	16.000
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.340	-9.850	-10.590	-11.140	-11.380	-11.037	-11.270
Singapore 380 crack (\$/bbl)	-6.500	-7.250	-8.370	-9.160	-9.590	-9.040	-9.873
Singapore 180 crack (\$/bbl)	-5.680	-6.070	-6.830	-7.510	-7.860	-7.400	-7.920
Visco (180-380) (\$/mt)	5.250	7.500	9.750	10.500	11.000	10.417	12.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	18.000	16.500	14.100	12.600	11.350	12.683	8.850
0.5% bgs crack (\$/bbl)	4.030	3.640	3.210	2.900	2.590	2.900	2.197
Singapore 0.5% crack (\$/bbl)	10.850	10.450	9.910	9.470	9.120	9.500	8.480
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.250	43.250	42.500	41.750	41.500	41.917	39.920
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	84.910	85.660	87.660	89.160	88.660	88.493	85.493
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	110.160	112.410	116.060	118.310	118.810	117.727	116.563
0.5% bgs/gasoil (\$/mt)	-195.010	-203.060	-207.330	-208.010	-209.990	-208.443	-212.663
Sing 0.5% vs Sing 10ppm (\$/mt)	-125.530	-133.320	-140.190	-144.050	-147.210	-143.817	-153.740
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-190.48	-172.5	-156.06	-146.35	-141.72	-148.043	-128.877
US Propane LST vs Asian Propane FEI (\$/mt)	-249.98	-243.5	-233.56	-227.85	-224.22	-228.543	-206.543
Asian Propane FEI vs NWE Propane (\$/mt)	59.5	71	77.5	81.5	82.5	80.5	77.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	41	36.5	36.5	33	26.5	32	17.833
European Pronap (\$/mt)	-71.13	-74.88	-77.63	-76.88	-75.38	-76.63	-86.547
Asian Pronap (FEI vs MOPJ) (\$/mt)	-66.88	-61.38	-56.38	-47.38	-37.88	-47.213	-42.713



Inter-month Crack Spreads			
Sep/Oct	07-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.100	-0.050	-0.030
WTI/Brent (\$/bbl)	0.180	-0.020	-0.010
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.280	-0.070	-0.040
NWE Jet crack (\$/bbl)	-0.610	-0.080	-0.220
NWE Jet Diff (\$/mt)	-2.500	+0.000	-1.500
Gasoil E/W (\$/bbl)	-1.690	-0.120	-0.540
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.080	+0.000	+0.070
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-5.860	-0.390	+1.050
EBOB crack (\$/mt)	4.710	-0.160	-0.410
Singapore 92 crack (\$/bbl)	-0.020	-0.220	-0.780
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.730	-0.060	-0.380
European Gasnaph (EBOB vs Naphtha) (\$/mt)	38.000	+0.250	-5.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-2.670	-0.510	-9.250
Naphtha			
US C5 ENT vs WTI Crack	-0.920	-0.100	-0.010
NWE Naphtha Crack (\$/bbl)	0.110	-0.180	+0.210
MOPJ Naphtha Crack (\$/bbl)	0.250	-0.150	+0.290
Naphtha E/W (NWE vs MOPJ) (\$/mt)	1.250	+0.250	+0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	0.740	-0.010	-0.090
Singapore 380 crack (\$/bbl)	1.120	-0.060	-0.270
Singapore 180 crack (\$/bbl)	0.760	-0.110	-0.360
Visco (180-380) (\$/mt)	-2.250	-0.250	-0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	2.400	-0.350	-1.100
0.5% barges crack (\$/bbl)	0.430	-0.090	-0.090
Singapore 0.5% crack (\$/bbl)	0.540	-0.090	-0.040
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.750	+0.000	+0.250
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-2.000	-0.500	+0.000
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-3.650	-0.150	+1.350
0.5% barges/gasoil (\$/mt)	4.270	-0.090	-0.310
Sing 0.5% vs Sing 10ppm (\$/mt)	6.870	+0.180	+0.640
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-16.440	-0.620	-2.730
US Propane LST vs Asian Propane FEI (\$/mt)	-9.940	-2.120	-5.230
Asian Propane FEI vs NWE Propane (\$/mt)	-6.500	+1.500	+2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	0.000	+0.000	-4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	2.750	+0.500	-2.500