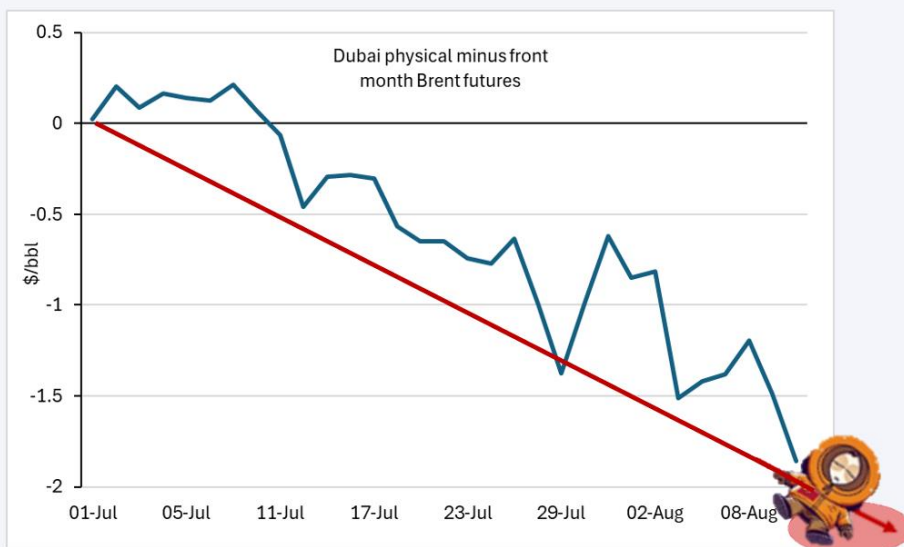




Dubai gets crushed and takes out Kennie, again!



Kennie, the long trader, got killed in Dubai again as the Asian benchmark sank vs Brent. Vitol and Gunvor in Asia got the sharp end of the long pointy sticks as a wall of Dubai sellers repelled their efforts to get the benchmark above the 80-dollar mark and drew the line at \$79.99/bbl. The dynamic duo confronted all the regulars from Exxon to Trafigura but encountered a new energized Spanish seller, Repsol. And they all said, “No pasarán,” smacking down partials into the avid buyers. Trafigura converged with Vitol and Gunvor, giving an Oman cargo into each. Gunvor and Trafi are clashing in Asia and forgot their BFF times in the NS market. Summer affairs never last. 😬

Fuel oil is getting no market love and, for the margins, light crudes are better. Hence, the demand for Brent, Midland and even Murban. Vitol is doing its thing in the NS market with prices going its way there but in Asia? Hmm. Kennie got it through the heart as the phys Dubai to Brent front futures reached the lowest in the three-month chart.

Sources said that in this round, Murban is getting pricey, which aligns with Saudi sources indicating that most of the demand for the allocations was for light crudes. Fuel oil is getting no market love. For the margins, light crudes are better. Hence, the demand for Brent, Midland and even Murban. Vitol is doing its thing in the NS market with prices going its way, but in Asia? Dubai to Oct Brent closed at \$1.86/bbl, breaking some hearts. 💔 Asia looks in big trouble. From Chinese rebar to vehicles to international flights, we are seeing a lot of bad signs. The Chinese are even reportedly selling crude oil, according to traders.

Summary		13-Aug-24	1-Day Change	7-Day Change
Physical and Futures				
Brent Oct (fut)	(\$/bbl)	81.850	+1.690	+5.380
WTI Oct (fut)	(\$/bbl)	77.960	+1.810	+5.540
Dubai Oct (phys)	(\$/bbl)	79.990	+1.330	+4.950
Crude Swaps Sep				
Brent	(\$/bbl)	80.910	+1.580	+4.810
DFL	(\$/bbl)	0.790	+0.210	+0.770
WTI	(\$/bbl)	77.640	+1.750	+5.370
Dubai	(\$/bbl)	79.970	+1.400	+5.000
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	81.850	80.930	80.280
WTI (fut)	(\$/bbl)	77.960	76.880	76.040



In detail

Prices rose a bunch, with WTI gaining the most. Dubai was the underperformer du jour. Depending on the hedges, Vitol and Gunvor could be taking a hit on their Dubai play as the key Asian benchmark only rose by \$1.33/bbl versus Brent, rising by \$1.69/bbl. The spirited buying and the convergences sparked no fear in the sellers, who beat back any efforts by the duo to close the Brent/Dubai spread. Dubai just couldn't quite break the \$80/bbl handle.

The IEA, the pessimist of the bunch—perhaps we should say realist—maintained its 2024 global oil demand growth forecast at 0.97mb/d in line with last month's but trimmed its 2025 projection very slightly, citing Chinese weakness. OPEC also cited Chinese weaknesses when justifying the downward demand revision in yesterday's report. However, it still expects Chinese oil demand to rise by 700kb/d throughout this year. According to official data, crude imports dropped to 9.97 mb/d in July, the lowest since 2022 and almost 12% down from June. Good luck!

With every new data print from China, it should be evident to most, except OPEC, that China is maybe contracting. Data from foreign sellers is just awful. No surprise with foreign investors pulling the plug. Foreign Direct Investment inflows to China have fallen to the lowest levels in decades. According to the State Administration of Foreign Exchange, foreign businesses have divested \$15 billion from China in the second quarter. This was the second time ever that a net outflow had been recorded in the balance of payments.

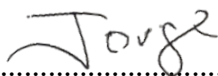
FDI inflows, despite Beijing's best efforts, are dwindling, downtrending since 2021. Outflows, however, are on the rise. In Q2, Chinese businesses spent \$71 billion abroad, an 80% increase against the year prior! Saudi Aramco, we are unsure what data you are looking at; everything looks bad in China. Someone, please let Nasser know.

After printing six consecutive weeks of declines in iron ore prices, China's steel sector continues to show weakness. According to OilChem, feedstock port arrivals to independent refineries in Shandong were down over 18.6% y-o-y in July. However, we expect arrivals to pick up in August, September, and October, thanks to the new Yulong refinery.

Singapore Airlines' schedule is as bumpy as its flights: the carrier intends to cut back on its Heathrow-Singapore flight schedule from late October into November. The airline will reduce its weekly schedule by four flights, even though the route is widely known as its most profitable. Something is up with the passenger loads for long distance travel in Asia as earlier BA and Virgin also announced cutbacks. SIA is still bullish but for next summer and who knows what will happen by then.


SIA's outlook is much rosier for next summer, and it plans to boost its Gatwick service, expecting heightened demand for the peak travel season. It will do so with an Airbus A350-900 taking off every day as opposed to its present five flights per week, as was established for the route in June this year. This will be alongside its usual four daily flights to and from Heathrow Airport during the busy season.

But something is up with transcontinental flying with even Aramco's CEO touting jet fuel demand. Direct London trips to Singapore on SIA and BA could be had at around £860 and £660 respectively for a week's trip in mid-September. Sia is usually much higher than its competitors so no wonder they are cutting back flights. Forward flying seems to be taking it on the nose.

Jorge Montepeque: 


Managing Director for Benchmarking

jmontepeque@onyxcapitalgroup.com

Harinder Sandhu: 

Quantitative Research Analyst

hsandhu@onyxcapitaladvisory.com

Will Cunliffe: 

Research Analyst

wcunliffe@onyxcapitaladvisory.com



Front Month Outrights					
September Swaps			13-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	80.910		+1.580	+4.810
WTI	(\$/bbl)	77.640		+1.750	+5.370
Dubai	(\$/bbl)	79.970		+1.400	+5.000
Distillates					
Gasoil 0.1 NWE	(\$/mt)	742.550		+16.190	+32.500
NWE Jet	(\$/mt)	787.550		+16.190	+31.000
Singapore 10ppm	(\$/bbl)	96.080		+2.140	+4.330
Sing Kero	(\$/bbl)	95.150		+2.060	+4.210
Gasoline					
RBOB	(c/gal)	224.580		+2.680	+9.880
EBOB	(\$/mt)	800.410		+11.580	+40.900
Singapore 92	(\$/bbl)	87.800		+1.200	+4.470
Singapore 95	(\$/bbl)	91.910		+1.220	+4.390
Naphtha					
US C5 ENT	(c/gal)	153.730		+3.140	+7.410
NWE Naphtha	(\$/mt)	662.520		+12.200	+26.260
MOPJ Naphtha	(\$/mt)	681.020		+12.450	+23.510
Fuel Oil					
3.5% barges	(\$/mt)	448.880		+8.060	+29.650
Singapore 380	(\$/mt)	458.880		+2.750	+23.300
Singapore 180	(\$/mt)	466.630		+3.060	+24.240
0.5% barges	(\$/mt)	539.050		+10.350	+33.720
Singapore 0.5%	(\$/mt)	583.180		+11.550	+34.350
NGLs					
US Propane LST	(c/gal)	78.500		+1.653	+5.222
NWE Propane	(\$/mt)	577.480		+10.110	+16.700
Saudi Propane CP	(\$/mt)	599.480		+6.610	+7.200
Asian Propane FEI	(\$/mt)	640.980		+7.110	+11.200
US Butane ENT	(c/gal)	94.890		+1.790	+3.730
Saudi Butane CP	(\$/mt)	589.530		+8.660	+6.250



Long Tenor Swaps			Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude									
Brent	(\$/bbl)	81.780	80.910	80.260	79.730	79.280	79.757	78.583	
WTI	(\$/bbl)	78.680	77.640	76.620	75.840	75.210	75.890	74.300	
Dubai	(\$/bbl)	80.120	79.970	79.210	78.650	78.200	78.687	77.597	
Distillates									
Gasoil 0.1 NWE	(\$/mt)	741.000	742.550	741.410	737.830	735.570	738.270	731.870	
NWE Jet	(\$/mt)	786.000	787.550	788.910	787.830	788.070	788.270	786.370	
Singapore 10ppm	(\$/bbl)	95.910	96.080	96.110	95.880	95.700	95.897	95.450	
Sing Kero	(\$/bbl)	94.880	95.150	95.300	95.230	95.210	95.247	94.950	
Gasoline									
RBOB	(c/gal)	243.060	224.580	218.520	214.540	212.770	215.277	142.487	
EBOB	(\$/mt)	807.910	800.410	755.160	733.160	718.910	735.743	718.827	
Singapore 92	(\$/bbl)	88.150	87.800	87.210	86.560	86.160	86.643	85.693	
Singapore 95	(\$/bbl)	92.260	91.910	91.270	90.720	90.320	90.770	89.537	
Naphtha									
US C5 ENT	(c/gal)	152.480	153.730	154.350	154.350	154.100	154.267	153.887	
NWE Naphtha	(\$/mt)	673.020	662.520	657.020	651.270	645.770	651.353	636.687	
MOP-Japan Naphtha	(\$/mt)	686.020	681.020	675.020	668.770	663.020	668.937	651.937	
Fuel Oil									
3.5% barges	(\$/mt)	457.130	448.880	440.130	433.630	430.130	434.630	427.297	
Singapore 380	(\$/mt)	466.130	458.880	450.030	442.780	438.030	443.613	433.363	
Singapore 180	(\$/mt)	472.130	466.630	459.280	453.030	449.030	453.780	445.780	
0.5% barges	(\$/mt)	545.800	539.050	532.550	527.300	522.800	527.550	516.883	
Singapore 0.5%	(\$/mt)	589.430	583.180	575.930	569.680	564.680	570.097	556.763	
NGLs									
US Propane LST	(c/gal)	78.000	78.500	79.750	80.500	80.380	80.210	78.720	
NWE Propane	(\$/mt)	593.480	577.480	568.980	564.980	560.980	564.980	541.480	
Saudi Propane CP	(\$/mt)	599.480	599.480	601.480	605.480	609.480	605.480	593.647	
Asian Propane FEI	(\$/mt)	644.480	640.980	640.980	641.980	639.480	640.813	615.897	
US Butane ENT	(c/gal)	94.390	94.890	96.010	96.630	96.510	96.383	93.890	
Saudi Butane CP	(\$/mt)	589.530	589.530	591.030	597.530	604.030	597.530	589.530	



Front Month Spreads				
Sep/Oct		13-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.650	+0.080	+0.290
WTI	(\$/bbl)	1.020	+0.190	+0.460
Dubai	(\$/bbl)	0.760	+0.100	+0.350
Distillates				
Gasoil 0.1 NWE	(\$/mt)	1.140	+0.540	+0.000
NWE Jet	(\$/mt)	-1.360	+0.540	+0.000
Singapore 10ppm	(\$/bbl)	-0.030	+0.040	+0.030
Sing Kero	(\$/bbl)	-0.150	+0.000	-0.010
Gasoline				
RBOB	(c/gal)	6.060	-0.370	-0.900
EBOB	(\$/mt)	45.250	+0.250	+1.750
Singapore 92	(\$/bbl)	0.590	-0.130	+0.040
Singapore 95	(\$/bbl)	0.640	-0.130	+0.040
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	5.500	+0.000	-0.250
MOP-Japan Naphtha	(\$/mt)	6.000	-0.250	-0.750
Fuel Oil				
3.5% barges	(\$/mt)	8.750	-0.250	+1.750
Singapore 380	(\$/mt)	8.850	-2.400	-0.900
Singapore 180	(\$/mt)	7.350	-2.150	-0.400
0.5% barges	(\$/mt)	6.500	+0.250	+1.000
Singapore 0.5%	(\$/mt)	7.250	+0.250	+1.000
NGLs				
US Propane LST	(c/gal)	-1.250	+0.250	+0.250
NWE Propane	(\$/mt)	8.500	+0.000	+0.500
Saudi Propane CP	(\$/mt)	-2.000	+1.000	-2.000
Asian Propane FEI	(\$/mt)	0.000	-0.500	+0.000
US Butane ENT	(c/gal)	-1.120	+0.130	-0.370
Saudi Butane CP	(\$/mt)	-1.500	+2.000	+3.500



Front Month Cracks and Diffs			
September	13-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.940	+0.170	-0.190
WTI/Brent (\$/bbl)	-3.260	+0.190	+0.590
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.790	+0.640	-0.420
NWE Jet crack (\$/bbl)	19.060	+0.520	-0.850
NWE Jet Diff (\$/mt)	45.000	+0.000	-1.500
Gasoil E/W (\$/bbl)	-26.750	-0.250	-0.250
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.930	-0.080	-0.120
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-4.200	-0.650	-1.800
EBOB crack (\$/mt)	15.190	-0.180	+0.110
Singapore 92 crack (\$/bbl)	6.890	-0.370	-0.340
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.300	-0.200	-0.450
European Gasnaph (EBOB vs Naphtha) (\$/mt)	137.790	-0.720	+14.630
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	50.180	-2.530	+13.720
Naphtha			
US C5 ENT vs WTI Crack	-13.060	-0.420	-2.260
NWE Naphtha Crack (\$/bbl)	-6.450	-0.190	-1.850
MOPJ Naphtha Crack (\$/bbl)	-4.370	-0.160	-2.160
Naphtha E/W (NWE vs MOPJ) (\$/mt)	18.500	+0.250	-2.750
Fuel Oil			
3.5% barges crack (\$/bbl)	-10.200	-0.300	-0.150
Singapore 380 crack (\$/bbl)	-8.620	-1.120	-1.140
Singapore 180 crack (\$/bbl)	-7.400	-1.080	-0.990
Visco (180-380) (\$/mt)	7.750	+0.250	+1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	10.000	-5.250	-6.350
0.5% barges crack (\$/bbl)	4.000	+0.070	+0.500
Singapore 0.5% crack (\$/bbl)	10.950	+0.250	+0.600
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	44.130	+1.140	+0.630
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	90.170	+2.350	+4.130
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	124.300	+8.740	+11.110
0.5% barges/gasoil (\$/mt)	-203.370	-5.840	+1.280
Sing 0.5% vs Sing 10ppm (\$/mt)	-132.490	-4.330	+2.090
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-168.500	-1.500	+10.500
US Propane LST vs Asian Propane FEI (\$/mt)	-232.050	+1.450	+15.950
Asian Propane FEI vs NWE Propane (\$/mt)	63.500	-3.000	-5.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	41.500	+0.500	+4.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-85.120	-2.080	-9.590
Asian Pronap (FEI vs MOPJ) (\$/mt)	-81.620	-5.830	-16.340



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.670	0.940	1.050	1.090	1.080	1.073	0.987
WTI/Brent (\$/bbl)	-3.110	-3.260	-3.640	-3.900	-4.070	-3.870	-4.287
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	17.68	18.79	19.32	19.34	19.48	19.38	19.67
NWE Jet crack (\$/bbl)	17.97	19.06	19.91	20.28	20.75	20.31	21.23
NWE Jet Diff (\$/mt)	45.00	45.00	47.50	50.00	52.50	50.00	54.50
Gasoil E/W (\$/bbl)	-26.17	-26.75	-25.59	-23.49	-22.62	-23.90	-20.77
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.03	-0.93	-0.81	-0.65	-0.49	-0.65	-0.50
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.120	-4.200	2.670	4.980	7.270	4.973	5.737
EBOB crack (\$/mt)	15.220	15.190	10.400	8.290	7.030	8.573	7.717
Singapore 92 crack (\$/bbl)	6.370	6.890	6.950	6.830	6.880	6.887	7.107
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.850	-8.300	-3.450	-1.460	-0.150	-1.687	-0.607
European Gasnaph (EBOB vs Naphtha) (\$/mt)	134.790	137.790	98.040	81.790	73.040	84.290	82.040
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	48.100	50.180	51.270	52.100	54.520	52.630	61.717
Naphtha							
US C5 ENT vs WTI Crack	-14.620	-13.060	-11.780	-11.000	-10.480	-11.087	-9.660
NWE Naphtha Crack (\$/bbl)	-6.140	-6.450	-6.420	-6.530	-6.700	-6.550	-7.030
MOPJ Naphtha Crack (\$/bbl)	-4.680	-4.370	-4.400	-4.570	-4.760	-4.577	-5.317
Naphtha E/W (NWE vs MOPJ) (\$/mt)	13.000	18.500	18.000	17.500	17.250	17.583	15.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.770	-10.200	-10.930	-11.420	-11.520	-11.290	-11.273
Singapore 380 crack (\$/bbl)	-8.350	-8.620	-9.370	-9.980	-10.280	-9.877	-10.320
Singapore 180 crack (\$/bbl)	-7.410	-7.400	-7.910	-8.370	-8.550	-8.277	-8.363
Visco (180-380) (\$/mt)	6.000	7.750	9.250	10.250	11.000	10.167	12.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	9.000	10.000	9.900	9.150	7.900	8.983	6.067
0.5% bgs crack (\$/bbl)	4.190	4.000	3.630	3.330	3.070	3.343	2.833
Singapore 0.5% crack (\$/bbl)	11.060	10.950	10.460	9.990	9.670	10.040	9.113
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.630	44.130	43.380	42.380	41.880	42.547	39.880
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	88.670	90.170	92.420	93.670	92.670	92.920	89.587
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	123.300	124.300	125.900	126.900	126.650	126.483	123.400
0.5% bgs/gasoil (\$/mt)	-195.200	-203.370	-208.730	-210.400	-212.640	-210.590	-214.857
Sing 0.5% vs Sing 10ppm (\$/mt)	-125.100	-132.490	-139.960	-144.500	-148.150	-144.203	-154.210
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-187.15	-168.5	-153.53	-145.58	-142.25	-147.12	-131.387
US Propane LST vs Asian Propane FEI (\$/mt)	-238.15	-232.05	-225.53	-222.63	-220.75	-222.97	-205.82
Asian Propane FEI vs NWE Propane (\$/mt)	51	63.5	72	77	78.5	75.833	74.417
Asian Propane FEI vs Saudi Propane CP (\$/mt)	45	41.5	39.5	36.5	30	35.333	22.25
European Pronap (\$/mt)	-79.54	-85.12	-88.12	-86.37	-84.87	-86.453	-95.287
Asian Pronap (FEI vs MOPJ) (\$/mt)	-86.62	-81.62	-73.62	-63.37	-53.62	-63.537	-58.37



Inter-month Crack Spreads			
Sep/Oct	13-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.110	-0.020	-0.060
WTI/Brent (\$/bbl)	0.380	+0.120	+0.180
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.530	-0.040	-0.320
NWE Jet crack (\$/bbl)	-0.850	-0.040	-0.320
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-1.160	-0.270	+0.410
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.120	-0.040	-0.040
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.870	-0.450	-1.400
EBOB crack (\$/mt)	4.790	-0.040	-0.080
Singapore 92 crack (\$/bbl)	-0.060	-0.200	-0.260
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.850	-0.170	-0.180
European Gasnaph (EBOB vs Naphtha) (\$/mt)	39.750	+0.250	+2.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-1.090	-0.840	+1.070
Naphtha			
US C5 ENT vs WTI Crack	-1.280	-0.180	-0.460
NWE Naphtha Crack (\$/bbl)	-0.030	-0.080	-0.320
MOPJ Naphtha Crack (\$/bbl)	0.030	-0.100	-0.370
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.500	-0.250	-0.500
Fuel Oil			
3.5% barges crack (\$/bbl)	0.730	-0.120	-0.020
Singapore 380 crack (\$/bbl)	0.750	-0.450	-0.430
Singapore 180 crack (\$/bbl)	0.510	-0.410	-0.360
Visco (180-380) (\$/mt)	-1.500	+0.250	+0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	0.100	-2.150	-2.650
0.5% barges crack (\$/bbl)	0.370	-0.040	-0.150
Singapore 0.5% crack (\$/bbl)	0.490	-0.040	-0.140
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.750	+0.000	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-2.250	+0.500	-0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-1.600	+2.650	+1.900
0.5% barges/gasoil (\$/mt)	5.360	-0.290	+1.000
Sing 0.5% vs Sing 10ppm (\$/mt)	7.470	-0.050	+0.780
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-14.970	+1.340	+0.850
US Propane LST vs Asian Propane FEI (\$/mt)	-6.520	+1.790	+1.300
Asian Propane FEI vs NWE Propane (\$/mt)	-8.500	-0.500	-0.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.000	-1.500	+2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	3.000	+0.000	+0.750