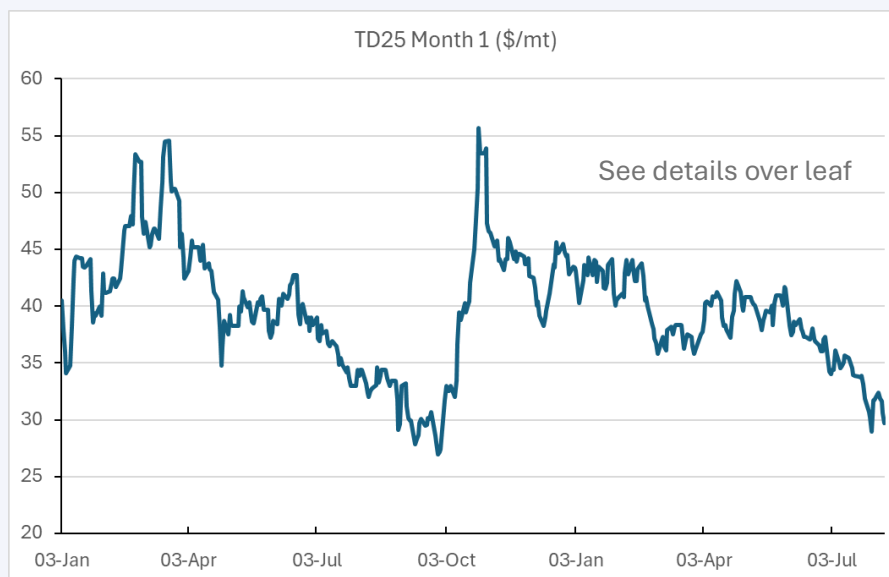




Vitol cruising for a date(d) brent



Micros are fully in control; who cares about the big picture when oil trading is in the details? Vitol was back for some serious wholesale purchasing therapy in the window today. They were unabashedly cruising for a date(d) Forties or Midland. Anything to soothe their pain after some Libyan crude was cut off. Vitol is definitely on a romp and also gained their first convergence in Dubai this month and was given an Oman October cargo. Vitol's appetite for Forties resulted in bidding premiums rising to the highest in five months. Glencore obliged, selling at +\$1.85/bbl over Dated, 50c higher than last Friday. Vitol also bid for a Midland CIF at +\$2.80/bbl over Dated.

The US DOE also issued a solicitation for an extra 6mmbbls of crude but for delivery next year, so one could say who cares for now. But the US is pulling back what it released at the onset of the Russian invasion of Ukraine. Trump has said he will fill the SPR to the max, which technically can hold 1 billion barrels.

October Brent futures continued to strengthen, flying past \$81 post window. If you have been following us, you'll have noticed that we have been paying special attention to CFDs, and today is no exception. This week's CFD was trading at just over two bucks in the lead-up to the window, before rallying in the last 20 minutes, to close the window at \$2.25/bbl.

Summary					
Physical and Futures			12-Aug-24	1-Day Change	7-Day Change
Brent Sep (fut)	(\$/bbl)		80.860	+1.990	+4.370
WTI Sep (fut)	(\$/bbl)		76.960	+2.130	+4.690
Dubai Sep (phys)	(\$/bbl)		79.230	+1.525	+4.220
Crude Swaps Aug					
Brent	(\$/bbl)		79.990	+1.880	+3.960
DFL	(\$/bbl)		0.640	+0.060	+0.650
WTI	(\$/bbl)		76.670	+2.100	+4.570
Dubai	(\$/bbl)		79.160	+1.790	+4.200
Tenor			Sep-24	Oct-24	Nov-24
Crude Futures					
Brent (fut)	(\$/bbl)		80.860	80.020	79.410
WTI (fut)	(\$/bbl)		76.960	75.980	75.220



In detail

On the macro front OPEC, surprise, surprise, cut 2024 global demand citing weakness in China. I guess they just found out, and sadly, after Aramco's CEO gave a bullish forward view based on... you guessed it, China's growing demand. Somebody should tell the man in a hurry. They now estimate 2.11mb/d oil demand in 2024, compared with 2.25mb/d in last month's report. Despite cuts, OPEC+ still pumped more crude in July, at 40.9mb/d, up 117kb/d from June. They continue to project a crude balance deficit for the fourth quarter, which could theoretically justify the easing of restrictions. At least if you were to believe the numbers...

Brent ploughed through the \$80 handle and kept going, gaining \$1.99 since Friday to \$80.86/bbl. Oct WTI futures gained even more, up \$2.13 to \$76.96/bbl. The front spreads for Brent also moved deeper into a bullish backwardation structure at 84c, up 10c from Friday.

As we discussed this morning, falling shipping rates are going to leave Midlands looking pretty tasty globally for refiners. At the same time, some big US refiners are curtailing their running rates. Marathon Petroleum Corp., which has a quoted total refinery output of 2.9mb/d across their 13 refineries, is reportedly planning to run at an average of 90% capacity in Q3, which is its lowest since 2020. Other refineries are also reportedly cutting runs amidst maintenance.

Meanwhile, the Gulf continues to pump more oil. Chevron has just begun production at their sixth Gulf of Mexico platform. The Anchor project has the capacity to produce 75kb/d of crude and a well pressure of up to 20,000 pounds per square inch. Offshore drilling platforms have largely been unable to tap into reservoirs at these pressures due to the risk of blowouts. However, new sub-sea technology has enabled Chevron to safely pump oil at this pressure. Beacon Offshore Energy has already stated its ambitions to replicate Chevron's success at their Shenandoah deepwater field, also in the Gulf.

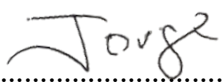
So, refineries are cutting runs, whilst WTI production is growing, and the oil has to land somewhere. Shipping costs are also very low. Aframax TD25 month 1 freight rates are near 11-month lows, under \$30/mt, having fallen over 45% since October 2023 highs. We've already seen Midland popping up across Asia. Cheap shipping, excess production in the US, and relatively expensive Brent can only mean more Midland into Europe and Asia. Reportedly, Asian Chinese refiners are also getting more of a sweet tooth.

In the aftermath of the Zaporizhzhia nuclear power plant strike, the Ukrainian incursion into the Kursk region of Russia provoked another panicked peak in Dutch TTF, with fears that this could precede sabotage or damage of the Sudzha pipeline. The Dutch TTF consequently rose quickly to over 41 EUR/MWh.

Several central European countries, including Hungary and Austria, still import significant volumes of gas from Russia via Ukraine. Note Hungary's total exports to Kyrgyzstan in the first four months of the year surged by 3400% to over \$80 million, according to data from the IMF. We wonder where the final destination of those exports will be.


This surge saw the October Dutch TTF futures jump by 2.01 EUR/MWh to briefly touch 42.99 EUR at 12:45 BST before plummeting back to just below 40 EUR/MWh by market close.

The market overcompensated for the cross-border blitzkrieg assault, responding at the same lightning speed and sending the price soaring before fizzling out and returning to a minimal daily change. Gazprom promised to send even more gas through the nearby Sudzha pipeline on Monday than on Sunday: 39.6mcm and 39.3mcm respectively.

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Front Month Outrights					
August Swaps			12-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	79.990		+1.880	+3.960
WTI	(\$/bbl)	76.670		+2.100	+4.570
Dubai	(\$/bbl)	79.160		+1.790	+4.200
Distillates					
Gasoil 0.1 NWE	(\$/mt)	732.860		+7.810	+23.310
NWE Jet	(\$/mt)	777.860		+6.310	+21.810
Singapore 10ppm	(\$/bbl)	94.810		+1.080	+3.130
Sing Kero	(\$/bbl)	93.920		+1.010	+3.060
Gasoline					
RBOB	(c/gal)	222.830		+3.260	+9.330
EBOB	(\$/mt)	793.940		+14.170	+38.240
Singapore 92	(\$/bbl)	87.110		+1.700	+3.990
Singapore 95	(\$/bbl)	91.200		+1.690	+3.890
Naphtha					
US C5 ENT	(c/gal)	152.500		+3.820	+7.320
NWE Naphtha	(\$/mt)	657.180		+14.780	+24.480
MOPJ Naphtha	(\$/mt)	676.000		+14.100	+22.960
Fuel Oil					
3.5% barges	(\$/mt)	443.670		+12.310	+23.870
Singapore 380	(\$/mt)	457.920		+9.250	+21.620
Singapore 180	(\$/mt)	465.420		+8.620	+22.750
0.5% barges	(\$/mt)	532.890		+12.760	+27.430
Singapore 0.5%	(\$/mt)	576.390		+12.760	+27.430
NGLs					
US Propane LST	(c/gal)	77.793		+0.609	+5.276
NWE Propane	(\$/mt)	573.300		+8.170	+15.990
Saudi Propane CP	(\$/mt)	597.300		+8.170	+7.990
Asian Propane FEI	(\$/mt)	638.340		+10.210	+13.530
US Butane ENT	(c/gal)	94.050		+0.120	+3.410
Saudi Butane CP	(\$/mt)	585.390		+8.360	+5.080



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	80.800	79.990	79.390	78.900	78.490	78.927	77.837
WTI	(\$/bbl)	77.610	76.670	75.750	75.040	74.470	75.087	73.633
Dubai	(\$/bbl)	79.310	79.160	78.480	77.940	77.510	77.977	76.920
Distillates								
Gasoil 0.1 NWE	(\$/mt)	731.000	732.860	732.260	728.830	726.730	729.273	723.630
NWE Jet	(\$/mt)	776.000	777.860	779.760	778.830	779.230	779.273	778.130
Singapore 10ppm	(\$/bbl)	94.590	94.810	94.870	94.700	94.540	94.703	94.377
Sing Kero	(\$/bbl)	93.620	93.920	94.090	94.080	94.080	94.083	93.907
Gasoline								
RBOB	(c/gal)	241.340	222.830	216.680	212.600	210.720	213.333	218.087
EBOB	(\$/mt)	801.440	793.940	748.690	726.690	712.440	729.273	712.440
Singapore 92	(\$/bbl)	87.460	87.110	86.430	85.710	85.270	85.803	84.793
Singapore 95	(\$/bbl)	91.550	91.200	90.470	89.850	89.410	89.910	88.617
Naphtha								
US C5 ENT	(c/gal)	151.250	152.500	153.120	153.120	152.870	153.037	152.657
NWE Naphtha	(\$/mt)	667.930	657.180	651.430	645.680	640.180	645.763	631.263
MOP-Japan Naphtha	(\$/mt)	682.000	676.000	669.500	663.250	657.500	663.417	646.417
Fuel Oil								
3.5% barges	(\$/mt)	451.670	443.670	434.670	428.170	424.420	429.087	421.587
Singapore 380	(\$/mt)	465.670	457.920	447.420	438.920	434.170	440.170	429.420
Singapore 180	(\$/mt)	470.920	465.420	456.670	449.170	445.170	450.337	441.837
0.5% barges	(\$/mt)	539.640	532.890	526.390	521.140	516.640	521.390	510.723
Singapore 0.5%	(\$/mt)	582.640	576.390	569.140	563.390	558.640	563.723	550.973
NGLs								
US Propane LST	(c/gal)	77.293	77.793	79.043	79.793	79.793	79.543	78.133
NWE Propane	(\$/mt)	589.300	573.300	564.800	560.800	556.800	560.800	537.300
Saudi Propane CP	(\$/mt)	597.300	597.300	599.300	603.300	607.300	603.300	591.467
Asian Propane FEI	(\$/mt)	642.340	638.340	638.340	638.840	636.340	637.840	613.007
US Butane ENT	(c/gal)	93.550	94.050	95.300	95.920	95.800	95.673	93.267
Saudi Butane CP	(\$/mt)	585.390	585.390	587.890	594.890	601.890	594.890	587.390



Front Month Spreads

Aug/Sep		12-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.600	+0.030	+0.230
WTI	(\$/bbl)	0.920	+0.100	+0.360
Dubai	(\$/bbl)	0.680	+0.030	+0.230
Distillates				
Gasoil 0.1 NWE	(\$/mt)	0.600	-0.880	-0.880
NWE Jet	(\$/mt)	-1.900	-0.880	-0.880
Singapore 10ppm	(\$/bbl)	-0.060	-0.040	-0.010
Sing Kero	(\$/bbl)	-0.170	-0.050	-0.020
Gasoline				
RBOB	(c/gal)	6.150	-0.880	-0.420
EBOB	(\$/mt)	45.250	-0.500	+2.250
Singapore 92	(\$/bbl)	0.680	-0.020	+0.110
Singapore 95	(\$/bbl)	0.730	-0.020	+0.110
Naphtha				
US C5 ENT	(c/gal)	-0.620	+0.000	+0.000
NWE Naphtha	(\$/mt)	5.750	+0.250	+0.500
MOP-Japan Naphtha	(\$/mt)	6.500	+0.250	+0.500
Fuel Oil				
3.5% barges	(\$/mt)	9.000	+1.500	+2.000
Singapore 380	(\$/mt)	10.500	-0.500	+1.000
Singapore 180	(\$/mt)	8.750	-0.750	+1.350
0.5% barges	(\$/mt)	6.500	+0.500	+1.000
Singapore 0.5%	(\$/mt)	7.250	+0.500	+1.000
NGLs				
US Propane LST	(c/gal)	-1.250	+0.250	+0.250
NWE Propane	(\$/mt)	8.500	-0.500	+0.500
Saudi Propane CP	(\$/mt)	-2.000	-0.500	-2.000
Asian Propane FEI	(\$/mt)	0.000	-0.500	+0.500
US Butane ENT	(c/gal)	-1.250	-0.250	-0.630
Saudi Butane CP	(\$/mt)	-2.500	-0.500	+2.500



Front Month Cracks and Diffs			
August	12-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.830	+0.090	-0.260
WTI/Brent (\$/bbl)	-3.320	+0.220	+0.620
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.370	-0.860	-0.840
NWE Jet crack (\$/bbl)	18.710	-1.110	-1.190
NWE Jet Diff (\$/mt)	45.000	-1.500	-1.500
Gasoil E/W (\$/bbl)	-26.500	+0.250	+0.000
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.890	-0.070	-0.070
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-4.100	-0.800	-1.600
EBOB crack (\$/mt)	15.320	-0.190	+0.660
Singapore 92 crack (\$/bbl)	7.130	-0.180	+0.070
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.200	+0.000	-0.600
European Gasnaph (EBOB vs Naphtha) (\$/mt)	136.770	-0.500	+13.900
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	49.440	-0.010	+10.090
Naphtha			
US C5 ENT vs WTI Crack	-12.620	-0.510	-1.500
NWE Naphtha Crack (\$/bbl)	-6.150	-0.250	-1.200
MOPJ Naphtha Crack (\$/bbl)	-4.010	-0.300	-1.340
Naphtha E/W (NWE vs MOPJ) (\$/mt)	19.000	-0.500	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-10.100	+0.050	-0.150
Singapore 380 crack (\$/bbl)	-7.860	-0.430	-0.510
Singapore 180 crack (\$/bbl)	-6.680	-0.510	-0.350
Visco (180-380) (\$/mt)	7.500	-0.500	+1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	14.250	-3.000	-2.250
0.5% barges crack (\$/bbl)	3.950	+0.150	+0.400
Singapore 0.5% crack (\$/bbl)	10.800	+0.150	+0.400
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	43.500	+0.010	+0.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	89.220	+0.630	+3.490
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	118.470	+3.640	+5.750
0.5% barges/gasoil (\$/mt)	-199.780	+5.320	+4.370
Sing 0.5% vs Sing 10ppm (\$/mt)	-129.750	+4.910	+4.230
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-168.000	-5.000	+11.500
US Propane LST vs Asian Propane FEI (\$/mt)	-233.000	-7.000	+14.000
Asian Propane FEI vs NWE Propane (\$/mt)	65.000	+2.000	-2.500
Asian Propane FEI vs Saudi Propane CP (\$/mt)	41.000	+2.000	+5.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-83.880	-6.430	-8.400
Asian Pronap (FEI vs MOPJ) (\$/mt)	-78.930	-5.980	-15.200



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.480	0.830	0.900	0.960	0.980	0.947	0.930
WTI/Brent (\$/bbl)	-3.180	-3.320	-3.630	-3.850	-4.010	-3.830	-4.210
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	17.32	18.37	18.89	18.91	19.08	18.96	19.29
NWE Jet crack (\$/bbl)	17.68	18.71	19.55	19.94	20.42	19.97	20.90
NWE Jet Diff (\$/mt)	45.00	45.00	47.50	50.00	52.50	50.00	54.50
Gasoil E/W (\$/bbl)	-26.30	-26.50	-25.48	-23.33	-22.58	-23.80	-20.55
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.97	-0.89	-0.78	-0.62	-0.46	-0.62	-0.47
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	12.270	-4.100	2.670	4.880	7.080	4.877	14.447
EBOB crack (\$/mt)	15.420	15.320	10.500	8.340	7.050	8.630	7.693
Singapore 92 crack (\$/bbl)	6.680	7.130	7.050	6.820	6.800	6.890	6.967
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.750	-8.200	-3.450	-1.530	-0.260	-1.747	-0.737
European Gasnaph (EBOB vs Naphtha) (\$/mt)	133.520	136.770	97.270	81.020	72.270	83.520	81.187
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	46.360	49.440	50.280	50.530	52.610	51.140	59.723
Naphtha							
US C5 ENT vs WTI Crack	-14.090	-12.620	-11.440	-10.730	-10.270	-10.813	-9.520
NWE Naphtha Crack (\$/bbl)	-5.740	-6.150	-6.200	-6.340	-6.540	-6.360	-6.910
MOPJ Naphtha Crack (\$/bbl)	-4.140	-4.010	-4.140	-4.350	-4.570	-4.353	-5.187
Naphtha E/W (NWE vs MOPJ) (\$/mt)	14.250	19.000	18.250	17.750	17.500	17.833	15.333
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.640	-10.100	-10.920	-11.450	-11.630	-11.333	-11.430
Singapore 380 crack (\$/bbl)	-7.440	-7.860	-8.910	-9.760	-10.100	-9.590	-10.197
Singapore 180 crack (\$/bbl)	-6.610	-6.680	-7.450	-8.140	-8.360	-7.983	-8.240
Visco (180-380) (\$/mt)	5.250	7.500	9.250	10.250	11.000	10.167	12.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	14.000	14.250	12.750	10.750	9.750	11.083	7.833
0.5% bgs crack (\$/bbl)	4.210	3.950	3.530	3.190	2.890	3.203	2.607
Singapore 0.5% crack (\$/bbl)	10.980	10.800	10.260	9.840	9.510	9.870	8.943
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	43.000	43.500	42.750	42.250	42.000	42.333	40.250
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	87.970	89.220	91.720	92.970	92.220	92.303	89.137
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	116.970	118.470	121.720	124.470	124.470	123.553	121.553
0.5% bgs/gasoil (\$/mt)	-191.170	-199.780	-205.680	-207.500	-210.050	-207.743	-212.883
Sing 0.5% vs Sing 10ppm (\$/mt)	-121.870	-129.750	-137.450	-141.930	-145.490	-141.623	-152.067
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-186.6	-168	-152.98	-145.08	-141.08	-146.38	-130.223
US Propane LST vs Asian Propane FEI (\$/mt)	-239.6	-233	-226.48	-223.08	-220.58	-223.38	-205.89
Asian Propane FEI vs NWE Propane (\$/mt)	53	65	73.5	78	79.5	77	75.667
Asian Propane FEI vs Saudi Propane CP (\$/mt)	45	41	39	35.5	29	34.5	21.5
European Pronap (\$/mt)	-78.63	-83.88	-86.63	-84.93	-83.38	-84.98	-93.997
Asian Pronap (FEI vs MOPJ) (\$/mt)	-84.93	-78.93	-70.43	-60.18	-50.43	-60.347	-55.18



Inter-month Crack Spreads			
Aug/Sep	12-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.070	+0.020	-0.010
WTI/Brent (\$/bbl)	0.310	+0.060	+0.130
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.520	-0.140	-0.350
NWE Jet crack (\$/bbl)	-0.840	-0.130	-0.320
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-1.020	+0.430	+0.800
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.110	-0.010	-0.010
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.770	-0.710	-1.050
EBOB crack (\$/mt)	4.820	-0.110	+0.060
Singapore 92 crack (\$/bbl)	0.080	-0.060	-0.090
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.750	+0.040	-0.160
European Gasnaph (EBOB vs Naphtha) (\$/mt)	39.500	-0.750	+1.750
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-0.840	-0.420	+0.410
Naphtha			
US C5 ENT vs WTI Crack	-1.180	-0.110	-0.350
NWE Naphtha Crack (\$/bbl)	0.050	-0.020	-0.160
MOPJ Naphtha Crack (\$/bbl)	0.130	-0.020	-0.160
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.750	+0.000	+0.000
Fuel Oil			
3.5% barges crack (\$/bbl)	0.820	+0.190	+0.130
Singapore 380 crack (\$/bbl)	1.050	-0.140	-0.070
Singapore 180 crack (\$/bbl)	0.770	-0.180	-0.010
Visco (180-380) (\$/mt)	-1.750	-0.250	+0.350
HSFO E/W (380 vs 3.5% barges) (\$/mt)	1.500	-2.000	-1.000
0.5% barges crack (\$/bbl)	0.420	+0.030	-0.060
Singapore 0.5% crack (\$/bbl)	0.540	+0.030	-0.050
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)	-2.500	-1.000	-1.000
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-3.250	+1.000	+0.000
0.5% barges/gasoil (\$/mt)	5.900	+1.560	+1.880
Sing 0.5% vs Sing 10ppm (\$/mt)	7.700	+0.800	+1.080
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-15.020	+1.790	+0.790
US Propane LST vs Asian Propane FEI (\$/mt)	-6.520	+1.800	+0.790
Asian Propane FEI vs NWE Propane (\$/mt)	-8.500	+0.000	+0.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	2.000	+0.000	+2.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	2.750	-0.890	+0.000