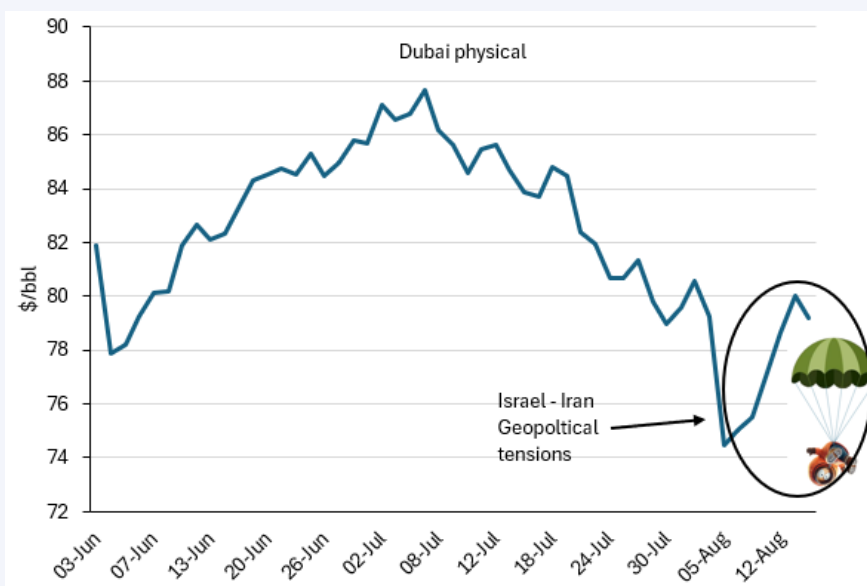




Is the downward correction ready to resume?



Vitol, the thirsty one, is unabashedly sucking in barrels in the North Sea and in Asia. Bringing their chequebook wherever they go. Anything benchmark-related they want. Vitol has clearly been more successful in Europe, driving up differentials to stratospheric levels. In Asia, the job is much harder, and many sellers are ready to fight Vitol hard. The Dubai partials positioning is like watching a battle where the front is moved marginally and only after much effort.

In the window, Vitol picked up 28 out of 33 partials traded! They didn't even share with their sidekick Gunvor, who was far less active today. It got tasty in its fight for the floor, pinching it from Trafi and Mets in the last moments, chucking in ever more purchasing and trying to define a line at \$79.20 and then pushing it slightly above. Exxon and Mitsui both converged with Vitol, of upper Zakum and Al-Shaheen, respectively. That's their fifth convergence already this month, picking up 3 Oman, an Upper Zakum and an Al-Shaheen.

Tension in the Middle East seems to be easing despite The US selling F-15 fighter jets to Israel as the primary part of a \$20 billion deal. They won't be jetting over there, though, and aren't expected to arrive until 2029, but the signaling remains strong about supporting Israel. The Iranians remain measured which means oil is correcting, down, of course.

Summary		14-Aug-24	1-Day Change	7-Day Change
Physical and Futures				
Brent Oct (fut)	(\$/bbl)	81.040	-0.810	+4.160
WTI Oct (fut)	(\$/bbl)	77.140	-0.820	+4.450
Dubai Oct (phys)	(\$/bbl)	79.210	-0.780	+3.710
Crude Swaps Sep				
Brent	(\$/bbl)	80.210	-0.700	+3.910
DFL	(\$/bbl)	0.620	-0.170	-0.320
WTI	(\$/bbl)	76.870	-0.770	+4.380
Dubai	(\$/bbl)	79.290	-0.680	+3.870
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	81.040	80.240	79.630
WTI (fut)	(\$/bbl)	77.140	76.160	75.410



In detail

Crude fell against the close of Asia yesterday, even despite Vitol's best efforts at opposite ends of the globe. Dubai fared the best, however, in contrast to recent sessions where Asia has been underperforming. The key Asian benchmark fell by \$0.78/bbl, whereas Brent fell by \$0.81/bbl. Trafi and Mets have been offering, trying to tame Vitol's relenting buying spree. PetroChina only sold three partials. But Mets is also doing some of the pushing.

Iran is on the lookout for new homes for their oil, giving the US a hard time keeping on top of sanctions as Iran sidesteps, often trading oil in local currencies. Iran is producing their largest amount of oil since 2018 at 3.3mb/d, and oil sales are a significant source of revenue. In July, Javad Owji said that Iranian crude was being sold to 17 countries. Bangladesh have recently taken shipment of a cargo following a series of ship-to-ship transfers, as the Golden Eagle offloaded to smaller vessels off the coast of Bangladesh.

Iran is looking to diversify their delivery portfolio. For a long time, Iran has exported a lot of oil to Syria, but average daily Iranian oil deliveries are only expected to be 57kb/d in 2024, lower than a high of 147kb/d in 2022, according to ship tracking data. Iranian crude is cropping up everywhere, from China to Oman. The Golden Eagle has also been seen in Duqum recently. Iran, who have the luxury of OPEC cut exemption will likely continue to pump more and more oil, unphased by US sanctions. As is always the case, sanctions only hurt those who enforce them.

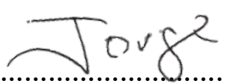
China's EV market seems to be revving its engine while the internal combustion engine splutters to a grinding halt. Yesterday, Zeekr launched its new batteries, claiming that they charge faster than any competitor, including Tesla's Model 3, and gave the firm's beleaguered share value a much-needed boost. The cars can charge in ten minutes from 10 pct to 80 pct. I hate to tell this to Aramco and all my oil buddies, but gasoline demand in China will shrink structurally. It is over, folks. Between demographics, economic headwinds and EVs, the gasoline demand peak is behind us.

Chinese demand for gasoline is falling behind in the drag race against US demand, whose rise has seen gasoline inventories fall by 3.689mbbl last week. PetroChina and Sinopec gasoline sales dropped by "5% since the start of July," contrary to the usual seasonal rise. It's not that the Chinese aren't taking holidays; they're just not driving traditional, petrol or diesel-fuelled cars to get there. Trains are more popular than ever, and the continued sales tax exemption on EVs makes them highly attractive.

New-energy vehicles accounted for over half of total vehicle sales in China in July. They're not even driving to McDonald's, which reported emerging market sales down by 1.3% and blamed dieting Chinese customers as major culprits. and Starbucks CEO lost his job with a crunch in sales to the Chinese. Our reading of China is the country's economy is shrinking! Official Chinese data will tell us something official later but the real signals, that we, The Officials, are detecting, are not good.


The one bright signal is that shipping rates for 40-foot container ships, leaving Shanghai are hitting its highest level since late 2022, indicating a recovery in exports.

In India, inflation is moderation with wholesale prices in July up only 2.04% down from 3.36% in June. But in manufacturing, prices climbed 1.58% year-on-year, the fastest growth since February 2023, driven by higher costs in various sectors including pharmaceuticals, wood, textiles, and rubber. Indian sources tell us oil demand is growing at a 7 pct clip year on year.

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			14-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)	80.210		-0.700	+3.910
WTI	(\$/bbl)	76.870		-0.770	+4.380
Dubai	(\$/bbl)	79.290		-0.680	+3.870
Distillates					
Gasoil 0.1 NWE	(\$/mt)	738.050		-4.500	+27.160
NWE Jet	(\$/mt)	784.050		-3.500	+26.810
Singapore 10ppm	(\$/bbl)	95.580		-0.500	+3.740
Sing Kero	(\$/bbl)	94.690		-0.460	+3.690
Gasoline					
RBOB	(c/gal)	220.840		-3.740	+7.390
EBOB	(\$/mt)	786.280		-14.130	+29.080
Singapore 92	(\$/bbl)	86.490		-1.310	+3.730
Singapore 95	(\$/bbl)	90.490		-1.420	+3.530
Naphtha					
US C5 ENT	(c/gal)	153.000		-0.730	+7.050
NWE Naphtha	(\$/mt)	662.430		-0.090	+32.130
MOPJ Naphtha	(\$/mt)	680.270		-0.750	+28.970
Fuel Oil					
3.5% barges	(\$/mt)	444.120		-4.760	+22.160
Singapore 380	(\$/mt)	453.430		-5.450	+14.970
Singapore 180	(\$/mt)	462.180		-4.450	+16.220
0.5% barges	(\$/mt)	535.300		-3.750	+27.680
Singapore 0.5%	(\$/mt)	578.170		-5.010	+27.310
NGLs					
US Propane LST	(c/gal)	78.754		+0.254	+5.274
NWE Propane	(\$/mt)	574.710		-2.770	+19.380
Saudi Propane CP	(\$/mt)	598.260		-1.220	+8.430
Asian Propane FEI	(\$/mt)	636.760		-4.220	+10.480
US Butane ENT	(c/gal)	95.240		+0.350	+4.390
Saudi Butane CP	(\$/mt)	588.260		-1.270	+8.480



Long Tenor Swaps

		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	80.990	80.210	79.620	79.150	78.750	79.173	78.087
WTI	(\$/bbl)	77.760	76.870	75.950	75.250	74.680	75.293	73.823
Dubai	(\$/bbl)	79.240	79.290	78.550	78.010	77.600	78.053	77.050
Distillates								
Gasoil 0.1 NWE	(\$/mt)	736.500	738.050	736.910	733.000	730.880	733.597	727.480
NWE Jet	(\$/mt)	782.500	784.050	785.410	784.000	784.230	784.547	783.403
Singapore 10ppm	(\$/bbl)	95.460	95.580	95.570	95.310	95.060	95.313	94.863
Sing Kero	(\$/bbl)	94.440	94.690	94.750	94.670	94.610	94.677	94.383
Gasoline								
RBOB	(c/gal)	238.170	220.840	215.530	211.940	210.540	212.670	214.890
EBOB	(\$/mt)	793.280	786.280	743.780	723.530	710.780	726.030	711.947
Singapore 92	(\$/bbl)	86.840	86.490	85.990	85.440	85.090	85.507	84.723
Singapore 95	(\$/bbl)	90.940	90.490	89.990	89.140	88.790	89.307	88.490
Naphtha								
US C5 ENT	(c/gal)	151.750	153.000	153.620	153.620	153.370	153.537	153.157
NWE Naphtha	(\$/mt)	672.180	662.430	656.680	650.680	644.930	650.763	635.847
MOP-Japan Naphtha	(\$/mt)	684.270	680.270	674.520	668.180	662.430	668.377	651.097
Fuel Oil								
3.5% barges	(\$/mt)	452.370	444.120	435.870	429.370	425.620	430.287	422.537
Singapore 380	(\$/mt)	459.780	453.430	444.930	438.180	433.680	438.930	428.930
Singapore 180	(\$/mt)	467.030	462.180	454.930	448.680	444.680	449.430	441.347
0.5% barges	(\$/mt)	542.050	535.300	528.300	522.800	518.050	523.050	511.717
Singapore 0.5%	(\$/mt)	584.420	578.170	570.920	564.670	559.420	565.003	551.713
NGLs								
US Propane LST	(c/gal)	78.374	78.754	79.874	80.494	80.494	80.287	78.834
NWE Propane	(\$/mt)	591.710	574.710	566.210	562.210	558.210	562.210	539.710
Saudi Propane CP	(\$/mt)	598.260	598.260	601.760	606.260	610.760	606.260	595.427
Asian Propane FEI	(\$/mt)	639.760	636.760	638.760	641.760	639.760	640.093	616.927
US Butane ENT	(c/gal)	94.740	95.240	96.240	96.860	96.740	96.613	94.200
Saudi Butane CP	(\$/mt)	588.260	588.260	591.760	598.760	605.760	598.760	591.760



Front Month Spreads				
Sep/Oct		14-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.590	-0.060	+0.110
WTI	(\$/bbl)	0.920	-0.100	+0.250
Dubai	(\$/bbl)	0.740	-0.020	+0.150
Distillates				
Gasoil 0.1 NWE	(\$/mt)	1.140	+0.000	-0.260
NWE Jet	(\$/mt)	-1.360	+0.000	-0.190
Singapore 10ppm	(\$/bbl)	0.010	+0.040	+0.060
Sing Kero	(\$/bbl)	-0.060	+0.090	+0.070
Gasoline				
RBOB	(c/gal)	5.310	-0.750	-1.180
EBOB	(\$/mt)	42.500	-2.750	-0.750
Singapore 92	(\$/bbl)	0.500	-0.090	+0.040
Singapore 95	(\$/bbl)	0.500	-0.140	-0.010
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)	5.750	-0.250	-0.750
Fuel Oil				
3.5% barges	(\$/mt)	8.250	-0.500	+0.500
Singapore 380	(\$/mt)	8.500	-0.350	-1.650
Singapore 180	(\$/mt)	7.250	-0.100	-0.650
0.5% barges	(\$/mt)	7.000	+0.500	+1.250
Singapore 0.5%	(\$/mt)	7.250	+0.000	+0.750
NGLs				
US Propane LST	(c/gal)	-1.120	+0.130	+0.500
NWE Propane	(\$/mt)	8.500	+0.000	+0.500
Saudi Propane CP	(\$/mt)	-3.500	-1.500	-5.000
Asian Propane FEI	(\$/mt)	-2.000	-2.000	-3.500
US Butane ENT	(c/gal)	-1.000	+0.120	-0.120
Saudi Butane CP	(\$/mt)	-3.500	-2.000	-1.000



Front Month Cracks and Diffs			
September	14-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.930	-0.010	+0.040
WTI/Brent (\$/bbl)	-3.350	-0.090	+0.460
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	18.830	+0.040	-0.270
NWE Jet crack (\$/bbl)	19.270	+0.210	-0.520
NWE Jet Diff (\$/mt)	46.000	+1.000	-0.500
Gasoil E/W (\$/bbl)	-26.000	+0.750	+0.500
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.890	+0.040	-0.050
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-3.900	+0.300	-0.900
EBOB crack (\$/mt)	14.150	-1.040	-0.480
Singapore 92 crack (\$/bbl)	6.250	-0.640	-0.230
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-7.900	+0.400	+0.250
European Gasnaph (EBOB vs Naphtha) (\$/mt)	123.810	-13.980	-3.310
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	40.230	-9.950	+1.960
Naphtha			
US C5 ENT vs WTI Crack	-12.620	+0.440	-1.450
NWE Naphtha Crack (\$/bbl)	-5.800	+0.650	-0.320
MOPJ Naphtha Crack (\$/bbl)	-3.810	+0.560	-0.690
Naphtha E/W (NWE vs MOPJ) (\$/mt)	17.750	-0.750	-3.250
Fuel Oil			
3.5% barges crack (\$/bbl)	-10.300	-0.100	-0.450
Singapore 380 crack (\$/bbl)	-8.840	-0.220	-1.590
Singapore 180 crack (\$/bbl)	-7.470	-0.070	-1.400
Visco (180-380) (\$/mt)	8.750	+1.000	+1.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	9.250	-0.750	-7.250
0.5% barges crack (\$/bbl)	4.050	+0.050	+0.410
Singapore 0.5% crack (\$/bbl)	10.800	-0.150	+0.350
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	42.860	-1.270	-0.390
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	91.120	+0.950	+5.460
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	124.740	+0.440	+12.330
0.5% barges/gasoil (\$/mt)	-202.750	+0.620	+0.310
Sing 0.5% vs Sing 10ppm (\$/mt)	-133.890	-1.400	-0.570
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-164.500	+4.000	+8.000
US Propane LST vs Asian Propane FEI (\$/mt)	-226.500	+5.550	+17.000
Asian Propane FEI vs NWE Propane (\$/mt)	62.000	-1.500	-9.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	38.500	-3.000	+2.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-87.720	-2.600	-12.840
Asian Pronap (FEI vs MOPJ) (\$/mt)	-81.970	-0.350	-20.590



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.750	0.930	1.080	1.150	1.150	1.127	1.040
WTI/Brent (\$/bbl)	-3.220	-3.350	-3.680	-3.900	-4.060	-3.880	-4.267
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	17.85	18.83	19.27	19.26	19.33	19.29	19.57
NWE Jet crack (\$/bbl)	18.30	19.27	20.03	20.36	20.77	20.39	21.34
NWE Jet Diff (\$/mt)	46.00	46.00	48.50	51.00	53.50	51.00	56.00
Gasoil E/W (\$/bbl)	-25.34	-26.00	-25.12	-22.94	-22.66	-23.57	-20.74
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-1.02	-0.89	-0.82	-0.64	-0.45	-0.64	-0.48
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	11.420	-3.900	2.920	5.130	7.380	5.143	11.420
EBOB crack (\$/mt)	14.230	14.150	9.630	7.680	6.550	7.953	7.340
Singapore 92 crack (\$/bbl)	5.830	6.250	6.340	6.250	6.310	6.300	6.600
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-8.390	-7.900	-3.300	-1.420	-0.240	-1.653	-0.747
European Gasnaph (EBOB vs Naphtha) (\$/mt)	121.060	123.810	87.060	72.810	65.810	75.227	76.060
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	39.140	40.230	41.810	43.490	46.320	43.873	54.600
Naphtha							
US C5 ENT vs WTI Crack	-14.030	-12.620	-11.440	-10.750	-10.290	-10.827	-9.520
NWE Naphtha Crack (\$/bbl)	-5.470	-5.800	-5.860	-6.060	-6.300	-6.073	-6.670
MOPJ Naphtha Crack (\$/bbl)	-4.130	-3.810	-3.860	-4.090	-4.330	-4.093	-4.953
Naphtha E/W (NWE vs MOPJ) (\$/mt)	12.000	17.750	17.750	17.500	17.500	17.583	15.250
Fuel Oil							
3.5% bgs crack (\$/bbl)	-9.770	-10.300	-11.010	-11.550	-11.740	-11.433	-11.577
Singapore 380 crack (\$/bbl)	-8.610	-8.840	-9.590	-10.170	-10.480	-10.080	-10.583
Singapore 180 crack (\$/bbl)	-7.470	-7.470	-8.020	-8.530	-8.750	-8.433	-8.627
Visco (180-380) (\$/mt)	7.250	8.750	10.000	10.500	11.000	10.500	12.417
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	7.350	9.250	9.000	8.750	8.000	8.583	6.333
0.5% bgs crack (\$/bbl)	4.340	4.050	3.540	3.140	2.800	3.160	2.457
Singapore 0.5% crack (\$/bbl)	11.010	10.800	10.250	9.730	9.320	9.767	8.757
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	42.360	42.860	42.610	41.860	41.360	41.943	39.987
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	89.620	91.120	92.370	93.370	92.370	92.703	89.120
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	124.640	124.740	125.990	126.490	125.740	126.073	122.783
0.5% bgs/gasoil (\$/mt)	-194.450	-202.750	-208.730	-210.560	-212.960	-210.750	-216.123
Sing 0.5% vs Sing 10ppm (\$/mt)	-126.750	-133.890	-141.060	-145.540	-148.930	-145.177	-155.463
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-183.48	-164.5	-150.16	-142.93	-138.93	-144.007	-129.083
US Propane LST vs Asian Propane FEI (\$/mt)	-231.48	-226.5	-222.66	-222.43	-220.43	-221.84	-206.25
Asian Propane FEI vs NWE Propane (\$/mt)	48	62	72.5	79.5	81.5	77.833	77.167
Asian Propane FEI vs Saudi Propane CP (\$/mt)	41.5	38.5	37	35.5	29	33.833	21.5
European Pronap (\$/mt)	-80.47	-87.72	-90.47	-88.47	-86.72	-88.553	-96.137
Asian Pronap (FEI vs MOPJ) (\$/mt)	-85.97	-81.97	-72.72	-61.97	-51.72	-62.137	-55.72



Inter-month Crack Spreads			
Sep/Oct	14-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.150	-0.040	-0.050
WTI/Brent (\$/bbl)	0.330	-0.050	+0.150
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.440	+0.090	-0.160
NWE Jet crack (\$/bbl)	-0.760	+0.090	-0.150
NWE Jet Diff (\$/mt)	-2.500	+0.000	+0.000
Gasoil E/W (\$/bbl)	-0.880	+0.280	+0.810
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.070	+0.050	+0.010
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.820	+0.050	-0.960
EBOB crack (\$/mt)	4.520	-0.270	-0.190
Singapore 92 crack (\$/bbl)	-0.090	-0.030	-0.070
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.600	+0.250	+0.130
European Gasnaph (EBOB vs Naphtha) (\$/mt)	36.750	-3.000	-1.250
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	-1.580	-0.490	+1.090
Naphtha			
US C5 ENT vs WTI Crack	-1.180	+0.100	-0.260
NWE Naphtha Crack (\$/bbl)	0.060	+0.090	-0.050
MOPJ Naphtha Crack (\$/bbl)	0.050	+0.020	-0.200
Naphtha E/W (NWE vs MOPJ) (\$/mt)	0.000	-0.500	-1.250
Fuel Oil			
3.5% barges crack (\$/bbl)	0.710	-0.020	-0.030
Singapore 380 crack (\$/bbl)	0.750	+0.000	-0.370
Singapore 180 crack (\$/bbl)	0.550	+0.040	-0.210
Visco (180-380) (\$/mt)	-1.250	+0.250	+1.000
HSFO E/W (380 vs 3.5% barges) (\$/mt)	0.250	+0.150	-2.150
0.5% barges crack (\$/bbl)	0.510	+0.140	+0.080
Singapore 0.5% crack (\$/bbl)	0.550	+0.060	+0.010
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	0.250	-0.500	-0.500
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-1.250	+1.000	+0.750
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	-1.250	+0.350	+2.400
0.5% barges/gasoil (\$/mt)	5.980	+0.620	+1.710
Sing 0.5% vs Sing 10ppm (\$/mt)	7.170	-0.300	+0.300
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-14.340	+0.630	+2.100
US Propane LST vs Asian Propane FEI (\$/mt)	-3.840	+2.680	+6.100
Asian Propane FEI vs NWE Propane (\$/mt)	-10.500	-2.000	-4.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	1.500	-0.500	+1.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	2.750	-0.250	+0.000