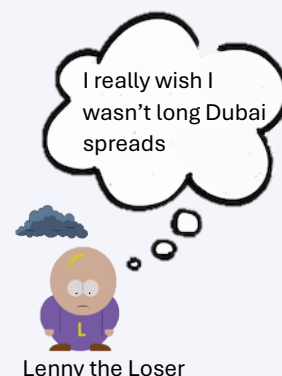
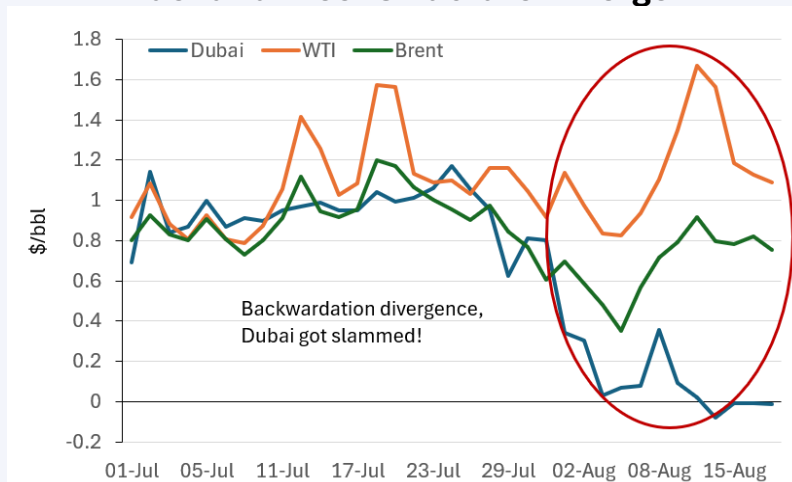




East and West Structure Diverge



The divergence in structure between the key Western benchmarks and Dubai is telling us something about the Asian woes. Let's recap: we had a meltdown in Japan's Nikkei with the tsunami hitting other Asian bourses before whacking the West. We also have an unending dribble of negative macros from China. The slowdown is deep and may not be recognized in the overall GDP figures, but it does not matter, things are bad. Results by Western companies for 1H paint a contraction picture. You could say those results are cosmetic but hey, even the CEO of Estee Lauder just announced his retirement following bad results in, you guessed it, China!

The front to second month Dubai spread highlights the sorry state of demand in Asia, with further reports of reduction in runs as Chinese refiners face slow demand and also poor exports. Gasoline is at a 6 month low, so crude has to follow. The question here is, will the West backwardation follow the collapse in Dubai or will Dubai recover? Our analytical team is clear, Brent and WTI structure will follow Dubai's lead.

Weak Asia didn't deter Vitol and Gunvor from putting up a show again, with the Duo both picking up almost any offer, trying their hardest to stem the tide. Remember King Canut? The regulars were obliging with PetroChina, Phillips, Exxon and Mets offering. Today Gunvor's bidding netted them a convergence on Upper Zakum from Exxon. The desperate spending spree wasn't enough to budge physical premiums however, which stood barely changed at 78c. Relative to Brent Dubai did a little better, but Dubai still remains \$1.34/bbl below Brent October futures, compared to parity at the start of the month.

The bright Lonestar remains India as compared with the rest of the world, but in what are now old import stats a slowdown is evident.

Summary		19-Aug-24	1-Day Change	7-Day Change
Physical and Futures				
Brent Oct (fut)	(\$/bbl)	79.160	-1.390	-0.990
WTI Oct (fut)	(\$/bbl)	74.990	-1.450	-1.160
Dubai Oct (phys)	(\$/bbl)	77.810	-1.230	-0.850
Crude Swaps Sep				
Brent	(\$/bbl)	78.380	-1.330	-0.950
DFL	(\$/bbl)	0.690	-0.050	+0.110
WTI	(\$/bbl)	74.750	-1.440	-1.140
Dubai	(\$/bbl)	77.830	-1.220	-0.740
Tenor		Oct-24	Nov-24	Dec-24
Crude Futures				
Brent (fut)	(\$/bbl)	79.160	78.410	77.870
WTI (fut)	(\$/bbl)	74.990	74.190	73.580



In detail

All grades have had a rough day, down on their Friday's value. Dubai's relatively smaller decline of \$1.22 down to \$77.81 bucks its overall trend of falling down on Brent and WTI. Brent fell to \$79.16/bbl, down \$1.39 and a ragged WTI tumbled \$1.45 to \$74.99/bbl. Another sign of Dubai's weakness weakness is that, on Friday, Al-Shaheen cut the term price for an October tender crude to 87c over Dubai, down from Dubai +\$1.87/bbl in September.

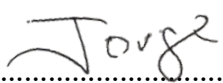
Modi Scissorhands' government has gone even further, cutting the country's windfall tax on crude production from 4,600 rupees per metric ton to 2,100 rupees, effective as of Saturday the 17th. Even Liz Truss would be amazed at this rate of cutting taxes, as the 4,600 rupee per metric ton rate was itself a 34.2% cut enacted on the 31st of July. They even removed the tax entirely on diesel and jet fuel, the demand for both of which grew in June by 20kb/d and 13 kb/d, respectively. Jet fuel, notably, rose by 7.4% y-o-y demand. Energy stocks have bounced and Oil India Ltd jumped from its Friday close at 677.70 to open at 695.65 Rupees per share in reaction. These stocks fuelled a kick up in the overall Indian stock market: the Nifty 50 consequently opened strong this morning.

According to the IEA's August Oil Market Report, Indian oil demand is expected to reach 5.63mb/d for 2024, an increase of 220kb/d against 2023. India is outperforming its rivals by more than the Léon Marchand did at the Olympics: it is predicted to have the fastest growing economy globally this year, per with the IMF World Economic Outlook. We can't pretend this increase in oil demand is a surprise as India's infrastructure output is consistently up on a y-o-y basis, averaging an increase of 5.8% y-o-y in the first six months of 2024.

In April, the IMF upped their forecast for India's GDP 2024 growth by 0.3% to 6.8%. Although India's rate of growth is rapid, it is showing signs of deceleration. 2023 saw a 7.8% GDP growth, slowing to an expectation of 6.8% this year, and then 6.5% in 2025, again according to the IMF's projections. The Indian Federation of Automobile Dealers Association's (FADA) reported 13.84% y-o-y retail growth paints a pretty picture, but demand is faltering. Inventories of passenger vehicles are piling high, jumping up to a record high of 67-72 days' worth of sales stockpiled, according to the FADA. This is as concerning to Indian motorists as a cow crossing the road; the FADA release warns that the inventory build poses "a substantial risk for dealer sustainability, necessitating extreme caution." In fact, tractor sales are down by 12% y-o-y, indicating fragility in the agriculture sector, which contributes around 16% of the country's GDP. Certain vehicle models usually come with a year's waiting period attached, but are now available practically immediately. Also, people want fewer wheels on their vehicles: motorbikes and mopeds are in greater demand, and by the way, they consume less gasoline than their four wheeled alternatives. Maybe they just want to pop wheelies more easily. Slowdown signals to further focus on.


Asia looked to China to prop up oil demand, but its refineries have been slashing output – the IEA downwardly revised its forecast for China's total oil demand in 2025 from a 2.2% growth y-o-y to 1.9%. Now people are refocussing on India, but growth there also appears to be slowing. As we have been discussing, comparatively, Dubai remains weak relative to Brent and WTI, going into contango in the wake of Asia's Great stagnation. Consequently, backwardation has all but disappeared for the Dubai structure while Brent and WTI both remain strong.

We are thankful to our readers, who helpfully pointed out we had a blooper on our Friday Report. We missed a Dubai partials convergence. Trafigura declared an October loading Oman to Vitol, which should have been published on our Asian 1.53 Friday report. As always, we strive to ensure our reporting is accurate and grounded in fact, so if you spot any errors please do not hesitate to get in touch. We always want to get things right!

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			19-Aug-24	1-Day Change	7-Day Change
Crude					
Brent	(\$/bbl)		78.380	-1.330	-0.950
WTI	(\$/bbl)		74.750	-1.440	-1.140
Dubai	(\$/bbl)		77.830	-1.220	-0.740
Distillates					
Gasoil 0.1 NWE	(\$/mt)		712.610	-17.000	-13.750
NWE Jet	(\$/mt)		754.110	-20.000	-17.250
Singapore 10ppm	(\$/bbl)		92.600	-2.130	-1.340
Sing Kero	(\$/bbl)		91.850	-2.030	-1.240
Gasoline					
RBOB	(c/gal)		213.070	-5.170	-8.830
EBOB	(\$/mt)		759.090	-17.180	-29.740
Singapore 92	(\$/bbl)		84.630	-1.460	-1.970
Singapore 95	(\$/bbl)		88.630	-1.460	-2.060
Naphtha					
US C5 ENT	(c/gal)		149.310	-2.450	-1.280
NWE Naphtha	(\$/mt)		643.740	-9.520	-6.580
MOPJ Naphtha	(\$/mt)		663.490	-8.270	-5.080
Fuel Oil					
3.5% barges	(\$/mt)		437.710	-5.580	-3.110
Singapore 380	(\$/mt)		441.710	-9.150	-14.420
Singapore 180	(\$/mt)		449.710	-9.830	-13.860
0.5% barges	(\$/mt)		524.070	-6.790	-4.630
Singapore 0.5%	(\$/mt)		569.790	-4.880	-1.840
NGLs					
US Propane LST	(c/gal)		76.731	-0.509	-0.116
NWE Propane	(\$/mt)		568.270	-3.650	+0.900
Saudi Propane CP	(\$/mt)		593.770	-4.700	+0.900
Asian Propane FEI	(\$/mt)		633.770	-7.200	-0.100
US Butane ENT	(c/gal)		99.230	+0.730	+6.130
Saudi Butane CP	(\$/mt)		583.270	-5.200	+2.400



		Long Tenor Swaps						
		Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude								
Brent	(\$/bbl)	79.080	78.380	77.850	77.440	77.090	77.460	76.560
WTI	(\$/bbl)	75.200	74.750	74.010	73.440	72.980	73.477	72.283
Dubai	(\$/bbl)	77.830	77.830	77.030	76.500	76.120	76.550	75.637
Distillates								
Gasoil 0.1 NWE	(\$/mt)	710.750	712.610	713.230	711.000	709.690	711.307	708.597
NWE Jet	(\$/mt)	748.250	754.110	757.730	758.500	760.190	758.807	762.097
Singapore 10ppm	(\$/bbl)	92.440	92.600	92.650	92.550	92.350	92.517	92.453
Sing Kero	(\$/bbl)	91.600	91.850	91.880	91.960	91.940	91.927	92.013
Gasoline								
RBOB	(c/gal)	230.200	213.070	208.830	205.960	204.910	206.567	212.607
EBOB	(\$/mt)	764.090	759.090	719.840	701.840	690.840	704.173	693.090
Singapore 92	(\$/bbl)	84.830	84.630	83.960	83.310	82.910	83.393	82.670
Singapore 95	(\$/bbl)	88.930	88.630	87.860	87.010	86.610	87.160	86.437
Naphtha								
US C5 ENT	(c/gal)	148.310	149.310	149.810	149.690	149.440	149.647	149.227
NWE Naphtha	(\$/mt)	649.240	643.740	639.990	634.740	629.990	634.907	622.407
MOP-Japan Naphtha	(\$/mt)	665.740	663.490	658.240	652.740	647.740	652.907	637.907
Fuel Oil								
3.5% barges	(\$/mt)	447.210	437.710	426.960	419.960	415.960	420.960	413.293
Singapore 380	(\$/mt)	445.960	441.710	433.960	427.710	423.860	428.510	420.027
Singapore 180	(\$/mt)	453.210	449.710	443.460	437.960	434.610	438.677	432.193
0.5% barges	(\$/mt)	529.070	524.070	517.320	511.820	507.320	512.153	501.403
Singapore 0.5%	(\$/mt)	576.290	569.790	561.290	554.540	549.040	554.957	541.290
NGLs								
US Propane LST	(c/gal)	76.351	76.731	77.851	78.351	78.471	78.224	76.684
NWE Propane	(\$/mt)	588.270	568.270	557.270	553.270	549.270	553.270	529.603
Saudi Propane CP	(\$/mt)	593.770	593.770	593.770	597.270	601.270	597.437	585.437
Asian Propane FEI	(\$/mt)	636.270	633.770	634.770	636.020	633.770	634.853	609.603
US Butane ENT	(c/gal)	99.230	99.230	99.230	99.230	98.850	99.103	95.307
Saudi Butane CP	(\$/mt)	583.270	583.270	585.270	590.770	596.770	590.937	582.437



Front Month Spreads				
Sep/Oct		19-Aug-24	1-Day Change	7-Day Change
Crude				
Brent	(\$/bbl)	0.530	+0.000	-0.040
WTI	(\$/bbl)	0.740	-0.020	-0.090
Dubai	(\$/bbl)	0.800	+0.020	+0.140
Distillates				
Gasoil 0.1 NWE	(\$/mt)	-0.620	-0.870	-1.220
NWE Jet	(\$/mt)	-3.620	-1.370	-1.720
Singapore 10ppm	(\$/bbl)	-0.050	-0.090	+0.020
Sing Kero	(\$/bbl)	-0.030	-0.030	+0.120
Gasoline				
RBOB	(c/gal)	4.240	-0.650	-2.190
EBOB	(\$/mt)	39.250	-1.000	-5.750
Singapore 92	(\$/bbl)	0.670	+0.070	-0.050
Singapore 95	(\$/bbl)	0.770	+0.070	+0.000
Naphtha				
US C5 ENT	(c/gal)	-0.500	+0.000	+0.120
NWE Naphtha	(\$/mt)	3.750	-0.500	-1.750
MOP-Japan Naphtha	(\$/mt)	5.250	+0.250	-1.000
Fuel Oil				
3.5% barges	(\$/mt)	10.750	+0.750	+1.750
Singapore 380	(\$/mt)	7.750	-0.940	-3.500
Singapore 180	(\$/mt)	6.250	-0.930	-3.250
0.5% barges	(\$/mt)	6.750	+0.000	+0.500
Singapore 0.5%	(\$/mt)	8.500	+1.130	+1.500
NGLs				
US Propane LST	(c/gal)	-1.120	+0.000	+0.380
NWE Propane	(\$/mt)	11.000	+1.000	+2.500
Saudi Propane CP	(\$/mt)	0.000	+0.000	+3.000
Asian Propane FEI	(\$/mt)	-1.000	-1.500	-1.500
US Butane ENT	(c/gal)	0.000	+0.000	+1.250
Saudi Butane CP	(\$/mt)	-2.000	-0.500	+1.500



Front Month Cracks and Diffs			
September	19-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	0.550	-0.100	-0.220
WTI/Brent (\$/bbl)	-3.620	-0.110	-0.170
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	17.300	-0.930	-0.850
NWE Jet crack (\$/bbl)	17.350	-1.190	-1.190
NWE Jet Diff (\$/mt)	41.500	-3.000	-3.500
Gasoil E/W (\$/bbl)	-22.750	+0.950	+3.750
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.750	+0.100	+0.100
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-3.900	-0.250	-0.350
EBOB crack (\$/mt)	12.760	-0.710	-2.610
Singapore 92 crack (\$/bbl)	6.260	-0.130	-1.000
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.500	+0.600	+1.600
European Gasnaph (EBOB vs Naphtha) (\$/mt)	115.440	-7.600	-23.070
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	41.570	-3.800	-11.140
Naphtha			
US C5 ENT vs WTI Crack	-12.050	+0.400	+0.590
NWE Naphtha Crack (\$/bbl)	-6.050	+0.250	+0.210
MOPJ Naphtha Crack (\$/bbl)	-3.830	+0.390	+0.380
Naphtha E/W (NWE vs MOPJ) (\$/mt)	19.750	+1.250	+1.500
Fuel Oil			
3.5% barges crack (\$/bbl)	-9.450	+0.440	+0.450
Singapore 380 crack (\$/bbl)	-8.820	-0.110	-1.320
Singapore 180 crack (\$/bbl)	-7.560	-0.230	-1.240
Visco (180-380) (\$/mt)	8.000	-0.750	+0.500
HSFO E/W (380 vs 3.5% barges) (\$/mt)	4.000	-3.500	-11.250
0.5% barges crack (\$/bbl)	4.150	+0.250	+0.220
Singapore 0.5% crack (\$/bbl)	11.350	+0.550	+0.650
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	45.720	+1.910	+2.730
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	86.360	-1.210	-1.460
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	128.080	+4.200	+12.520
0.5% barges/gasoil (\$/mt)	-188.540	+10.210	+8.990
Sing 0.5% vs Sing 10ppm (\$/mt)	-120.080	+11.140	+8.080
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-168.500	+1.000	-1.500
US Propane LST vs Asian Propane FEI (\$/mt)	-234.000	+4.500	-0.500
Asian Propane FEI vs NWE Propane (\$/mt)	65.500	-3.500	-1.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	40.000	-2.500	-1.000
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	-75.470	+5.870	+7.570
Asian Pronap (FEI vs MOPJ) (\$/mt)	-69.720	+3.620	+6.070



Long Tenor Cracks / Diffs

	Balmo	Sep-24	Oct-24	Nov-24	Dec-24	Q4-24	Q1-25
Crude							
Brent/Dubai (\$/bbl)	1.260	0.550	0.820	0.940	0.970	0.910	0.923
WTI/Brent (\$/bbl)	-3.880	-3.620	-3.840	-3.980	-4.110	-3.977	-4.273
Distillates							
Gasoil 0.1 NWE crack (\$/bbl)	16.32	17.30	17.92	17.96	18.19	18.02	18.54
NWE Jet crack (\$/bbl)	15.88	17.35	18.31	18.83	19.40	18.85	20.14
NWE Jet Diff (\$/mt)	37.50	41.50	44.50	47.50	50.50	47.50	53.50
Gasoil E/W (\$/bbl)	-22.07	-22.75	-23.06	-21.49	-21.66	-22.07	-19.82
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	-0.84	-0.75	-0.77	-0.59	-0.41	-0.59	-0.44
Gasoline							
TA Arb (RBOB vs EBOB) (c/gal)	11.800	-3.900	3.080	5.350	7.450	5.293	14.500
EBOB crack (\$/mt)	12.650	12.760	8.570	6.820	5.840	7.077	6.643
Singapore 92 crack (\$/bbl)	5.750	6.260	6.110	5.870	5.820	5.933	6.113
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-6.900	-6.500	-2.460	-0.950	-0.030	-1.147	-0.540
European Gasnaph (EBOB vs Naphtha) (\$/mt)	114.940	115.440	79.940	67.190	60.940	69.357	70.773
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	40.980	41.570	41.240	41.320	42.990	41.850	50.827
Naphtha							
US C5 ENT vs WTI Crack	-12.920	-12.050	-11.100	-10.580	-10.210	-10.630	-9.607
NWE Naphtha Crack (\$/bbl)	-6.140	-6.050	-5.950	-6.120	-6.310	-6.127	-6.627
MOPJ Naphtha Crack (\$/bbl)	-4.290	-3.830	-3.900	-4.100	-4.320	-4.107	-4.887
Naphtha E/W (NWE vs MOPJ) (\$/mt)	16.500	19.750	18.250	18.000	17.750	18.000	15.500
Fuel Oil							
3.5% bgs crack (\$/bbl)	-8.660	-9.450	-10.620	-11.310	-11.600	-11.177	-11.477
Singapore 380 crack (\$/bbl)	-8.860	-8.820	-9.520	-10.090	-10.350	-9.987	-10.413
Singapore 180 crack (\$/bbl)	-7.720	-7.560	-8.020	-8.470	-8.660	-8.383	-8.497
Visco (180-380) (\$/mt)	7.250	8.000	9.500	10.250	10.750	10.167	12.167
HSFO E/W (380 vs 3.5% bgs) (\$/mt)	-1.250	4.000	7.000	7.750	7.900	7.550	6.733
0.5% bgs crack (\$/bbl)	4.240	4.150	3.620	3.160	2.800	3.193	2.400
Singapore 0.5% crack (\$/bbl)	11.670	11.350	10.540	9.890	9.370	9.933	8.680
VLSFO E/W (Sing 0.5% vs 0.5% bgs) (\$/mt)	47.220	45.720	43.970	42.720	41.720	42.803	39.887
European Hi5 (0.5% bgs vs 3.5% bgs) (\$/mt)	81.860	86.360	90.360	91.860	91.360	91.193	88.110
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	130.330	128.080	127.330	126.830	125.180	126.447	121.263
0.5% bgs/gasoil (\$/mt)	-181.680	-188.540	-195.910	-199.180	-202.370	-199.153	-207.193
Sing 0.5% vs Sing 10ppm (\$/mt)	-112.390	-120.080	-128.950	-134.960	-138.970	-134.293	-147.487
NGLs							
US Propane LST vs NWE Propane (\$/mt)	-190.48	-168.5	-151.67	-145.06	-140.44	-145.723	-130.077
US Propane LST vs Asian Propane FEI (\$/mt)	-238.48	-234	-229.17	-227.81	-224.94	-227.307	-210.077
Asian Propane FEI vs NWE Propane (\$/mt)	48	65.5	77.5	82.75	84.5	81.583	80
Asian Propane FEI vs Saudi Propane CP (\$/mt)	42.5	40	41	38.75	32.5	37.417	24.167
European Pronap (\$/mt)	-60.97	-75.47	-82.72	-81.47	-80.72	-81.637	-92.803
Asian Pronap (FEI vs MOPJ) (\$/mt)	-71.97	-69.72	-64.47	-55.47	-46.47	-55.47	-52.47



Inter-month Crack Spreads			
Sep/Oct	19-Aug-24	1-Day Change	7-Day Change
Crude			
Brent/Dubai (\$/bbl)	-0.270	-0.030	-0.180
WTI/Brent (\$/bbl)	0.220	-0.010	-0.040
Distillates			
Gasoil 0.1 NWE crack (\$/bbl)	-0.620	-0.140	-0.130
NWE Jet crack (\$/bbl)	-0.960	-0.170	-0.150
NWE Jet Diff (\$/mt)	-3.000	-0.500	-0.500
Gasoil E/W (\$/bbl)	0.310	+0.340	+1.200
Regrade (Sing Kero vs Sing 10ppm) (\$/bbl)	0.020	+0.060	+0.100
Gasoline			
TA Arb (RBOB vs EBOB) (c/gal)	-6.980	-0.350	-0.560
EBOB crack (\$/mt)	4.190	-0.090	-0.640
Singapore 92 crack (\$/bbl)	0.150	+0.080	+0.010
Gasoline E/W (Sing 92 vs EBOB) (\$/bbl)	-4.040	+0.190	+0.640
European Gasnaph (EBOB vs Naphtha) (\$/mt)	35.500	-0.500	-4.000
Asian Gasnaph (Sing 92 vs MOPJ) (\$/mt)	0.330	+0.330	+0.580
Naphtha			
US C5 ENT vs WTI Crack	-0.950	+0.030	+0.150
NWE Naphtha Crack (\$/bbl)	-0.100	-0.050	-0.150
MOPJ Naphtha Crack (\$/bbl)	0.070	+0.040	-0.060
Naphtha E/W (NWE vs MOPJ) (\$/mt)	1.500	+0.750	+0.750
Fuel Oil			
3.5% barges crack (\$/bbl)	1.170	+0.120	+0.320
Singapore 380 crack (\$/bbl)	0.700	-0.150	-0.500
Singapore 180 crack (\$/bbl)	0.460	-0.150	-0.460
Visco (180-380) (\$/mt)	-1.500	+0.000	+0.250
HSFO E/W (380 vs 3.5% barges) (\$/mt)	-3.000	-1.750	-5.250
0.5% barges crack (\$/bbl)	0.530	+0.000	+0.120
Singapore 0.5% crack (\$/bbl)	0.810	+0.180	+0.280
VLSFO E/W (Sing 0.5% vs 0.5% barges) (\$/mt)	1.750	+1.130	+1.000
European Hi5 (0.5% barges vs 3.5% barges) (\$/mt)	-4.000	-0.750	-1.250
Asian Hi5 (Sing 0.5% vs 380) (\$/mt)	0.750	+2.130	+5.000
0.5% barges/gasoil (\$/mt)	7.370	+1.050	+1.720
Sing 0.5% vs Sing 10ppm (\$/mt)	8.870	+1.800	+1.350
NGLs			
US Propane LST vs NWE Propane (\$/mt)	-16.830	-0.990	-0.520
US Propane LST vs Asian Propane FEI (\$/mt)	-4.830	+1.510	+3.480
Asian Propane FEI vs NWE Propane (\$/mt)	-12.000	-2.500	-4.000
Asian Propane FEI vs Saudi Propane CP (\$/mt)	-1.000	-1.500	-4.500
European Pronap (NWE Propane vs NWE Naphtha) (\$/mt)	7.250	+1.500	+4.250