US elections – if Trump wins he will drill baby drill meaning greather crude oil supply coming from the US which will put downward preassure on crude oil prices and its byproduct prices.

OPEC+ extended production cuts till October 2024. We look at the next OPEC+ meeting on 26th November.

Any escalation between Ukraine - Russia and Israel - Iran can cause supply disruptions (in production and transportation) and put upward pressure on prices.

Guyana is set to hire Exonn for offshore oil extraction, so that will impact supply.

Then there is the shift away from fossil fuels. (The IEA forecast that global oil demand will peak in 2029)

There is a decline in OPEC+ influcence on oil prices with Angola leaving in December 2023 and non-opec countries supplying more (Guyanna, Brasil, US, Canada). For example, OPEC’s 2.2 million barrels per day cut only brought prices to $80 and not $100 as perhaps wanted.

28 July Venezuela presidential elections. We are looking at the US sanctions on Venezuela, which, if lifted, will allow Venezuela to trade and thus export oil to the US. This will incentivize higher oil production, increasing the global oil supply, which will put downward pressure on prices.

Today we will get the Chinese Official PMIs which basically says that for a PMI above 50 the manufacturing or services sector is generally expanding, while a PMI below 50 suggests that it is generally contracting. For China manfuacturing is dominant and it requires byproducts of oil so a high PMI means a high future demand and this means upward pressure on prices of oil products and crude oil itself. Managers are responsible for buying the raw materials and services that their companies need to operate and they are basically surveyed on their thoughts on new orders, production levels, employment, inventory, prices of inputs.The forecast is 49.5.

Tankan Survey in Japan (Mon)- key economic indicator of the economic conditions in Japan (assessing the perspectives of business managers) more broader than a PMI but again. Ranges form -100 to 100 with + meaning optimism and – pesimism.

US ISM manufacturing PMI (Mon) – expected at 49 (prev 48.7)

UK elections (Thu) – I listened to Starmer mentioning clean energy by 2030 so more renewables less oil. Then there are talks about higher taxes which put downward preassure on oil demand 9from consumers, from business activity)

US Jobs Report (Fri) – unemployment expected to be unchanged at 4%

On the 11th we have UK GDP Estimate and US CPI (June)

Chinese GDP Q2 on the 15th

People’s Bank of China Low Prime Rate (22)

On the 24 th EZ, UK & US Flash PMIs (Jul)

**EIA**

***Crude oil***

Changes in global oil inventories and refinery activity (+demand and supply for price discovery) have also played a role. For instance, fluctuating inventory levels in the OECD countries and adjustments in refinery outputs according to market demand have influenced oil prices.

We now expect OPEC+ will not begin relaxing voluntary cuts until 4Q24, in line with the group’s recent announcement

Because of less OPEC+ production, we expect more oil will be withdrawn from global inventories in 2H24 which puts upward pressure on oil prices.

expect Global oil inventories will decrease by an average of 0.6 million b/d from 3Q24 through 1Q25

We expect that global production of petroleum and other liquid fuels will increase by 0.8 million b/d in 2024. Forecast production outside of OPEC+ increases by almost 2.0 million b/d in 2024, led by increasing production from the United States, Canada, Brazil, and increasingly Guyana. Expect OPEC+ liquid fuels production to decrease by 1.2 million b/d in 2024

We forecast that global consumption of liquid fuels will increase by 1.1 million b/d in 2024 and 1.5

million b/d in 2025. Most of the expected growth is from non-OECD countries, which increase their

liquid fuels consumption by 1.1 million b/d in 2024 and 1.3 million b/d in 2025. The growth in non-OECD

consumption is led by China and India, which we expect will increase consumption by a combined 0.6

million b/d in 2024 and 0.7 million b/d in 2025. In

***Distillate crack spreads***

averaged almost 50 cents per gallon

expect distillate crack spreads to increase to about 75 cents/gal in 4Q24 (more distillate is used for heating and the corn harvest)

expect manufacturing activity will increase over the next 18 months, supporting trucking demand and increasing distillate consumption (On-highway trucking—the single-largest end use of distillate fuel oil)

We forecast the share of distillate consumption made up of biofuels (so lower demand for distillate fuel oil) will increase to 9% in 2024. Government policies aimed at reducing greenhouse gas emissions drive the majority of this growth in demand for biofuels.

***LPG***

Around 40% of LPG comes from refineries, and the rest from NGL fractionation.

one-third of LPG goes as feedstocks for petrochemicals and 45% to residential heating and cooking.

Industry takes 9%, road transport burns 7%, and agriculture 6% (mainly for drying crops).

LPGs combine propane, normal butane (n-butane), and isobutane.

Isobutane (100 octane number) serves as a gasoline octane enhancer but also as a refrigerant and propellent.

Propane finds outlets as a petrochemical feedstock to produce ethylene and propylene.

n-butane to boost gasoline volatility to improve ignition during cold weather, also used in the

manufacture of MTBE and butylene.

LPG demand will grow by 1.7 mb/d between 2023 and 2030. Development of the petrochemical industry drives most of this growth

China accounts for 35% of global demand growth (versus a market share of 23% today) while the Middle East represents 8% (versus 7%).

LPG supply increases overall by 1.3 mb/d

***C5+ from NGLs fractionation mostly goes to naphtha***

most of the naphtha used globally, especially as a petrochemical feedstock and for blending into gasoline, comes from crude oil refining

Naphtha generally encompasses hydrocarbons with carbon numbers primarily in the range of about C5 to C12.

It's used as a feedstock for producing high-octane gasoline, as a solvent, and as a raw material in the petrochemical industry, especially for the production of olefins in steam crackers.

A substantial uplift to the global naphtha supply

Increase in C5+ production over 2023-2030 (+12%) boosts growth in naphtha supply by 200 kb/d to 785 kb/d over the period, including refinery output.

This surge in C5+ supply comes from the United States (+100 kb/d) and Canada (+30 kb/d) as well as from the Middle East (+120 kb/d).

While much of the C5+ finds its way to the naphtha pool, some of it is used as diluent for heavy crudes as well as for blending in gasoline