



## Speculative Trade:

**1 Short Aug'24 Gasoil E/W (\$/mt)**

**Entry** -\$30.50/mt

**Target** -\$35.50/mt

**Stop** -\$28/mt

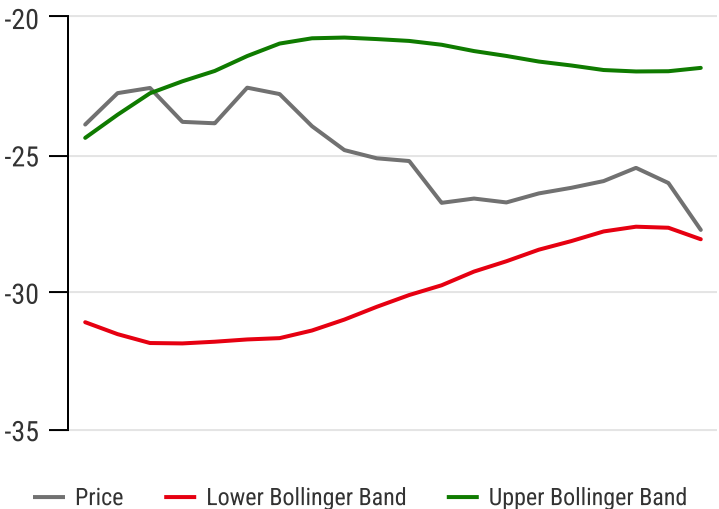
**Risk/Reward**

**2:1**

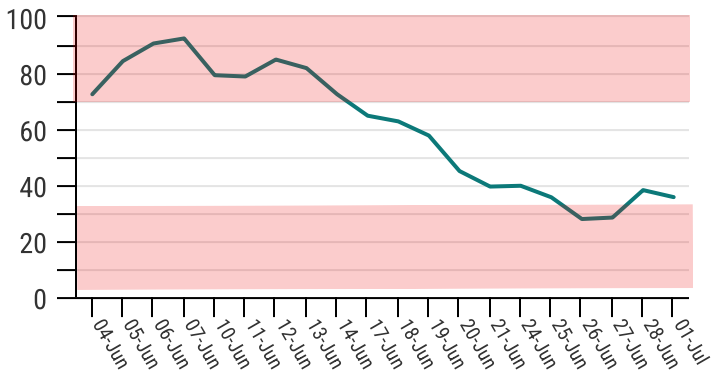
**RSI Marker**

**NEUTRAL**

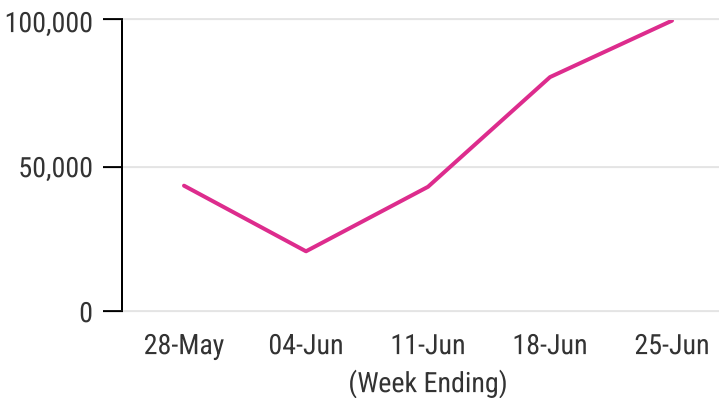
Aug 10ppm Gasoil E/W (\$/mt)



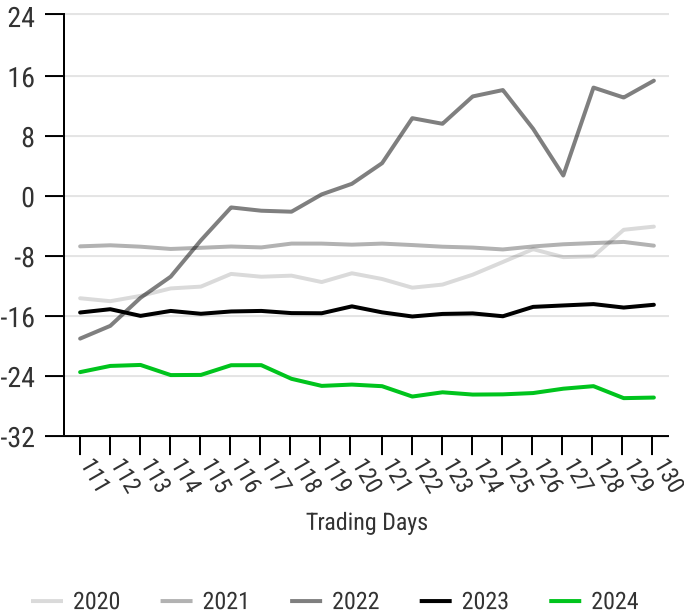
RSI Marker



Managed-by-Money Net Length - ICE LS Gasoil Futures



Historical Aug Gasoil E/W (\$/mt)



The August 10ppm gasoil East/West (E/W) contract began the month on a weak note, sinking from an intraday high of -\$24.80/mt on 26 June to -\$29.15/mt on 02 July. We anticipate further weakness filtering into the prompt E/W in the short term on the back of stronger ICE LS gasoil. ICE gasoil has been rallying on both a cracks and spreads basis. While the prompt ICE gasoil spread initially witnessed resistance this week, we saw the spread rally from \$0.45/mt on 01 July to \$0.75/mt the following day. By contrast, Sing 10ppm spreads have been less inspiring. The prompt spread has been trading within a \$0.05-0.20/bbl range all week and was sitting at \$0.12/mt on 02 July.

Further highlighting the bullishness in European gasoil, CFTC data for the week ending 25 June showcased a third week of increases in speculative net length, which increased to nearly 100mb—its highest value since March 2022. The money-managed long:short ratio for the ICE gasoil futures currently stands at 8.44:1.00, +49% w/w. In addition, we see a fairly bleak economic outlook for Asia's gasoil demand amid a deepening economic crisis in China and tepid fuel demand from India due to the monsoon season.

We recommend monitoring freight due to its characteristic inverse correlation with the gasoil E/W. In addition, we suggest watching for the Atlantic hurricane season, which may disrupt US exports into Europe.



Speculative Trade:

2 Short Aug'24 TA Arb (c/gal)

Entry 10c/gal

Target 7.50c/gal

Stop 11.25c/gal

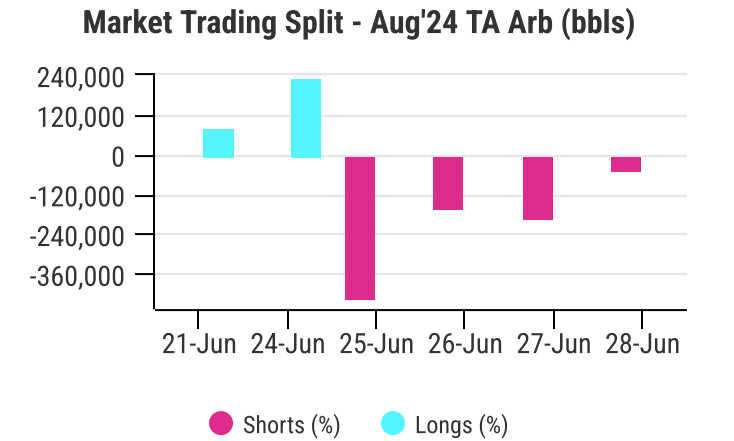
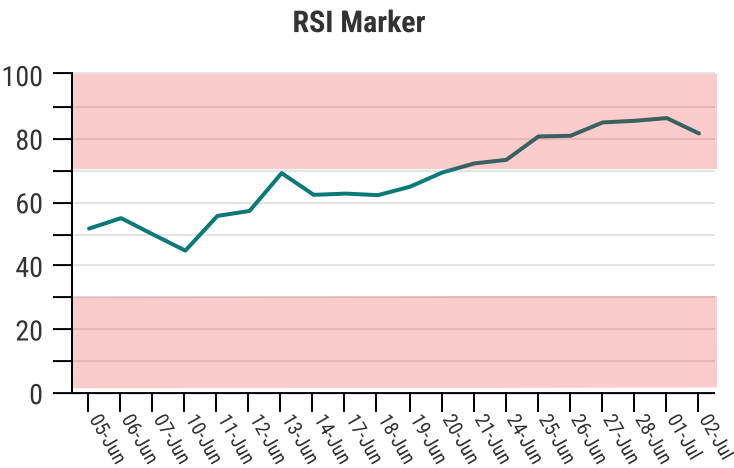
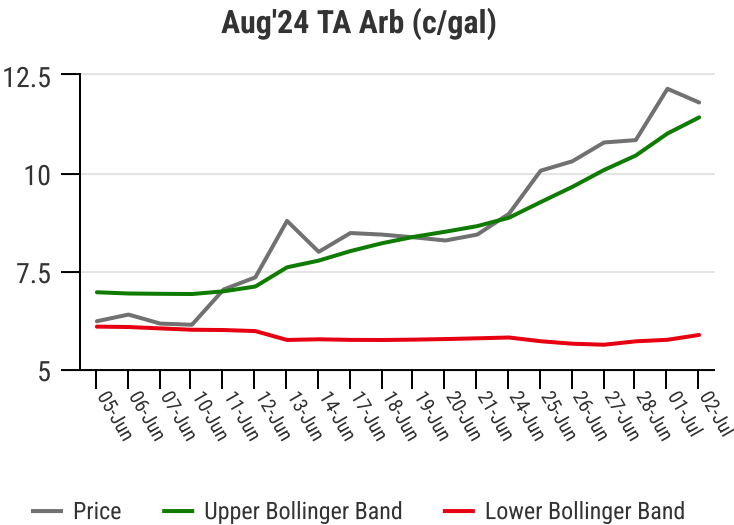
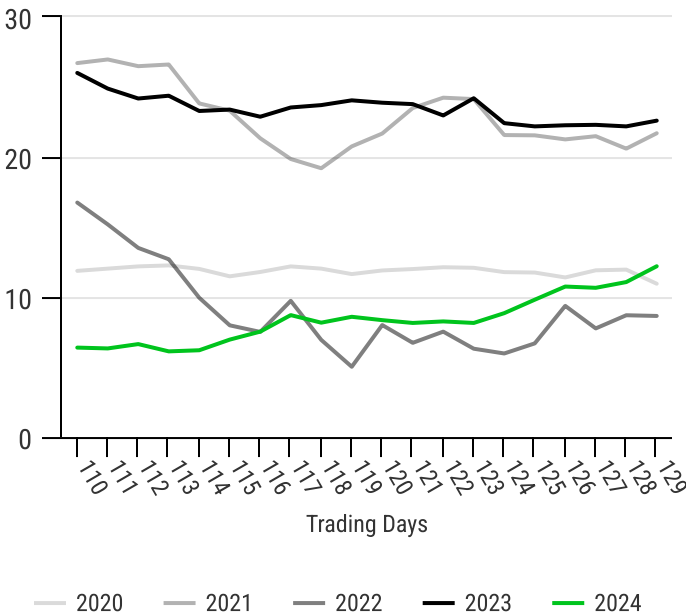
Risk/Reward  
2:1

RSI Indicator  
OVERBOUGHT

Market Position  
SHORT

Position Change  
SHORTER

Historical Aug TA Arb (c/gal)



The Aug differential between RBOB and EBOB gasoline (TA arb) has been rallying aggressively since 11 June, rising from just over 6c/gal to a high of 12.30c/gal on 01 July, the highest level seen since January 2024. On the technical side, the contract is significantly overbought on both an RSI and Bollinger band basis. The RSI of the Aug TA arb rose above 85 on 01 July, indicating it is deep in overbought territory. The price has remained above the upper Bollinger band since 21 June amidst rapidly rising volatility, as shown by the bands' massive widening over the past three weeks.

This week's counterparty data has been overwhelmingly sell-side, with the only buy-side action being 150kb of fund buying on 01 July. We have seen 337kb, 158kb and 67kb of trade house, refiner and major/NOC selling, respectively, since 24 June, which has caused the 7-day long:short trading split to shift markedly from 60:40 on 24 June to 30:70 on 28 June. We believe continuing or potentially exacerbating this trend will cause the arb's price to retrace. At these very high levels, we may see the physical unable to keep up, and as it is arbed from Europe to the US, suggested by the counterparty selling in the arb, then this may result in an oversupply in the US and the arb to suffer.



## Speculative Trade:

**3** Long Aug FEI/MOPJ (\$/mt)

Entry -\$50.00/mt

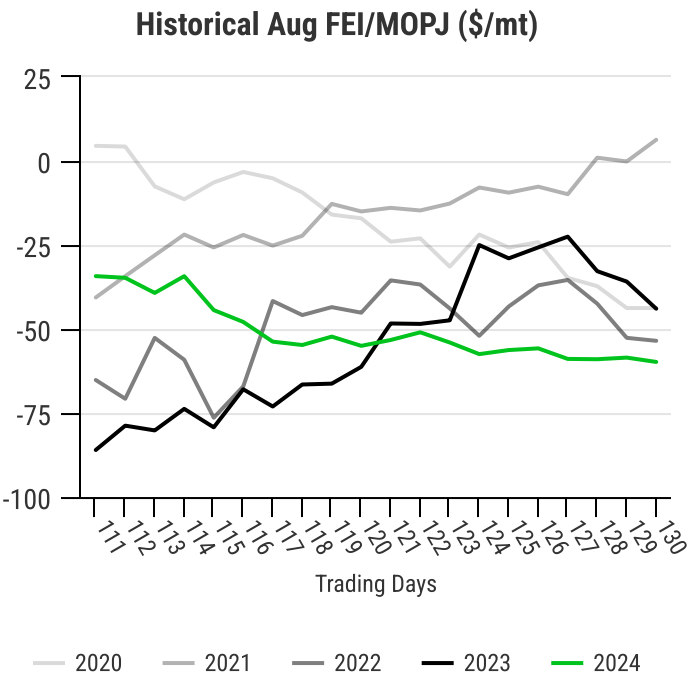
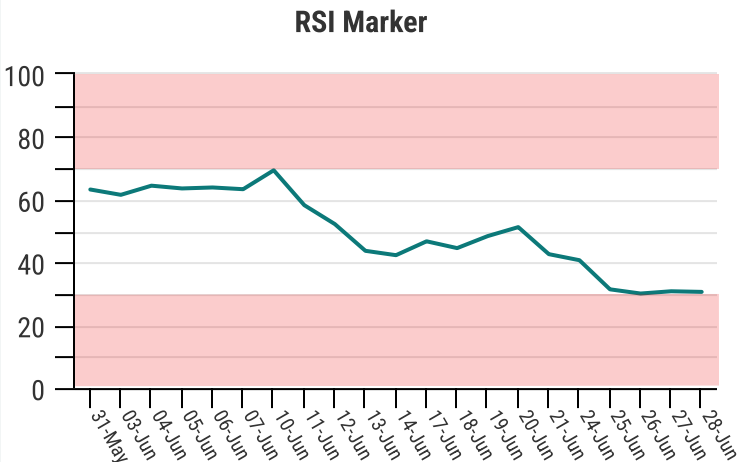
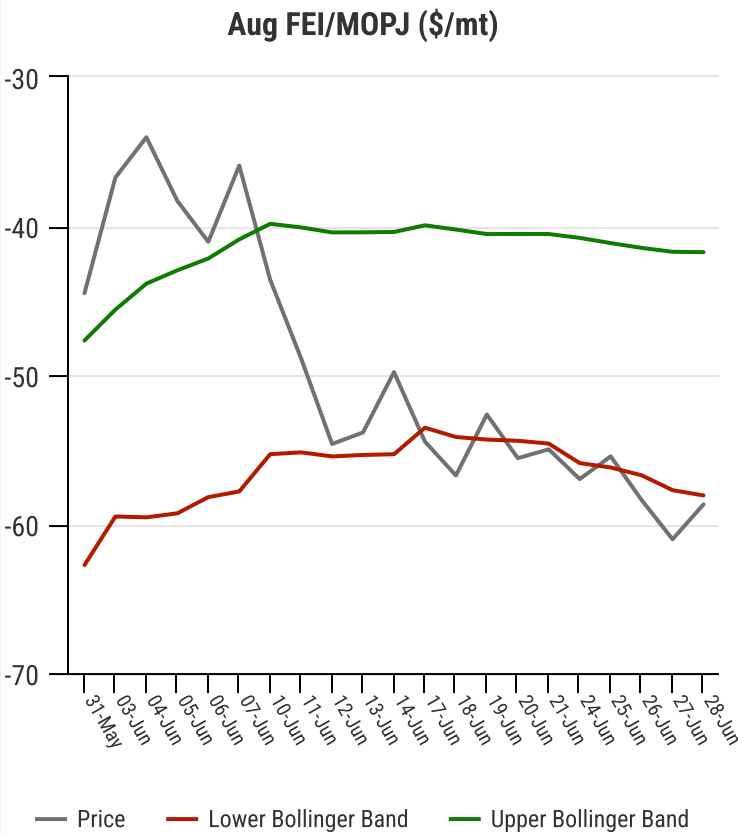
Target -\$40.00/mt

Stop -\$55.00/mt

Risk/Reward  
2:1

Market Position  
LONG

Position Change  
LONGER



August'24 FEI/MOPJ reached a low of almost -\$64.00/mt on 1 July. We have since seen it rebound to -\$56.00/mt on 2 July. FEI has seen good buying from DCE players, which has firmed up the curve. We expect this strength to continue. FEI propane strength is largely down to petchem demand which we hope to continue as benzene margins have been supported from low levels amid greater benzene demand and fewer positions in benzene, as we have seen these unwind.

MOPJ saw strong buying in June, and 57% of all trades with Onyx in Aug MOPJ flat price have been buying. This indicates the possibility of buy-side saturation. There has also been some selling at the top end of the flat price levels we have seen.

In the backend, we saw decent buying from trade houses, producers, and refiners in Q4'24. In August, there were also 43 kb and 21 kb of producer and trade house buying in the past week, respectively. If the FEI premiums remain strong, the FEI/MOPJ should be supported.



Monthly Trades Review

On a standardised position risk of \$10,000 across the trades, the PnL for Onyx Alpha in June has been **+\$30,000\***.

Trades	Entry Level	Volume	Status	Entry Level	Stop Loss	Report Date
Long Jul-24 FEI/CP (\$/mt)	\$50.00	4,000	Stopped Out	\$50.00	\$47.50	04-Jun
Short Jul-24 Gasnaph (\$/mt)	\$152.00	1,667	Took Profit	\$152.00	\$158.00	04-Jun
Short Jul-24 Gasoil E/W (\$/mt)	-\$24.50	10,000	Stopped Out	-\$24.50	-\$23.50	04-Jun
Long Jul-24 C3 E/W (\$/mt)	\$94.00	2,500	Awaiting Entry	\$94.00	\$90.00	11-Jun
Short Jul/Aug-24 C3 CP (\$/mt)	\$8.00	5,000	Took Profit	\$8.00	\$10.00	11-Jun
Long Aug-24 Gasoline E/W (\$/mt)	-\$7.80	20,000	Stopped Out	-\$7.80	-\$8.30	18-Jun
Short Aug/Sep-24 C3 LST (c/gal)	-\$0.0050	80000	Stopped Out	-0.500c	-0.375c	18-Jun
Short Jul/Aug-24 Brent/Dubai (\$/bbl)	\$0.00	200,000	Awaiting Entry	\$0.00	\$0.05	18-Jun
Long Aug-24 Benzene/MOPJ (\$/mt)	\$317.00	1,111	Awaiting Entry	\$317.00	\$308.00	25-Jun
Short Aug/Oct-24 Sing 380 (\$/mt)	\$20.00	5,000	Awaiting Entry	\$20.00	\$22.00	25-Jun

Previous Speculative Trades:

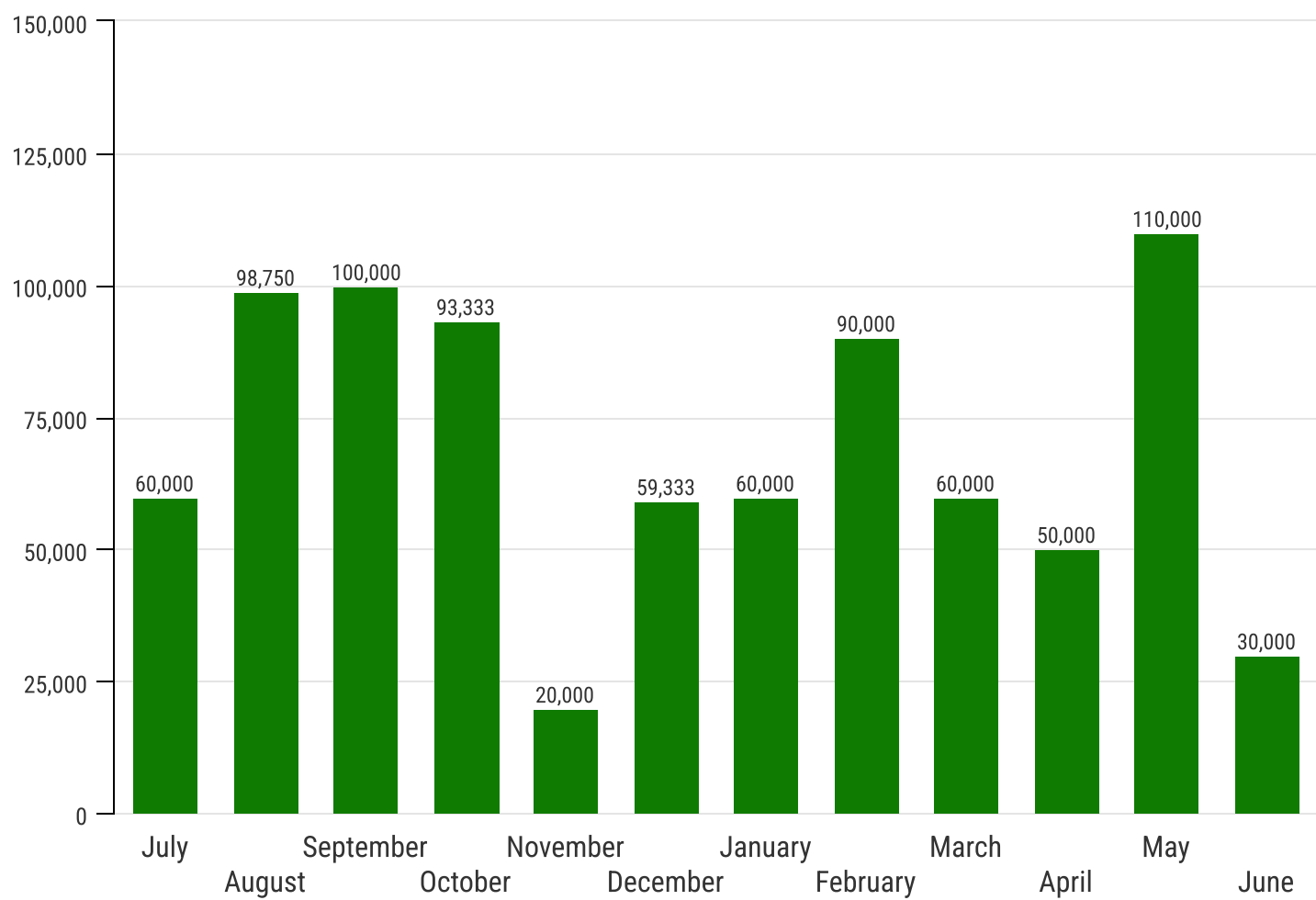
Trades	Entry Level	Volume	Status	Initial target	Stop Loss	Report Date
Long Q3-24 LST/FEI (\$/mt)	-\$210.00/mt	1,538	Took Profit	-\$197.00/mt	-\$216.50/mt	14-May
Long Jul/Aug-24 Sing 0.5 (\$/mt)	\$5.00/mt	6,667	Stopped Out	\$8.00/mt	\$3.50/mt	28-May
Long Aug-24 Gasoline E/W (\$/bbl)	-\$9.50/bbl	13,333	Took Profit	-\$8.00/bbl	-\$10.25/bbl	28-May



## Annual Review

Total PnL 2024: **\$400,000**

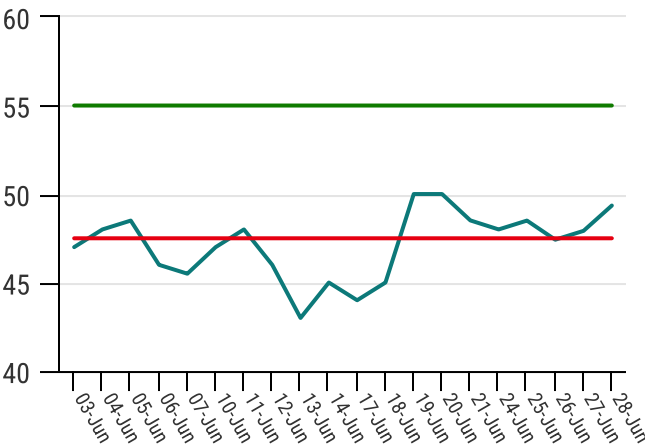
Previous Months' PnL (\$)



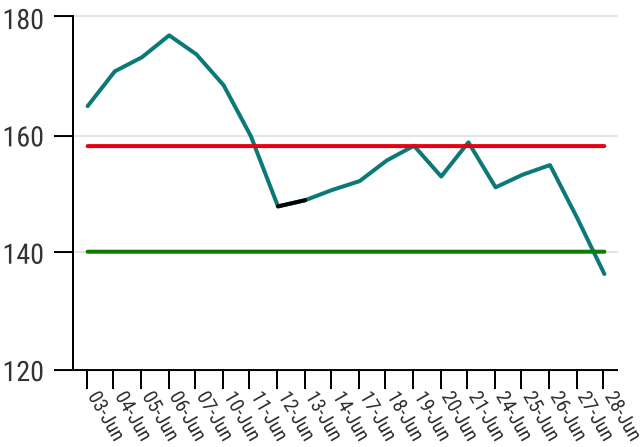


## June Monthly Trades Review

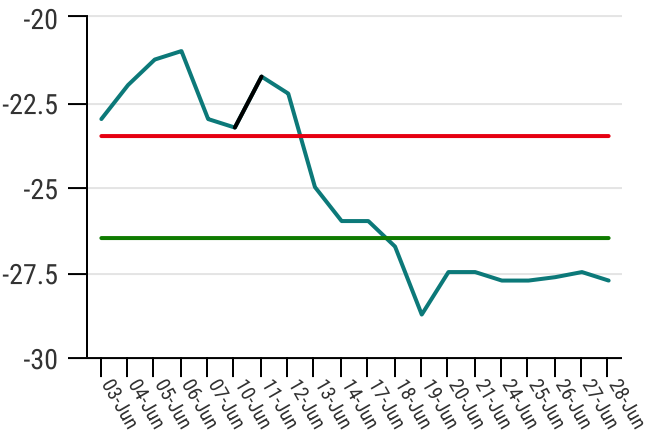
Long Jul-24 FEI/CP (\$/mt)



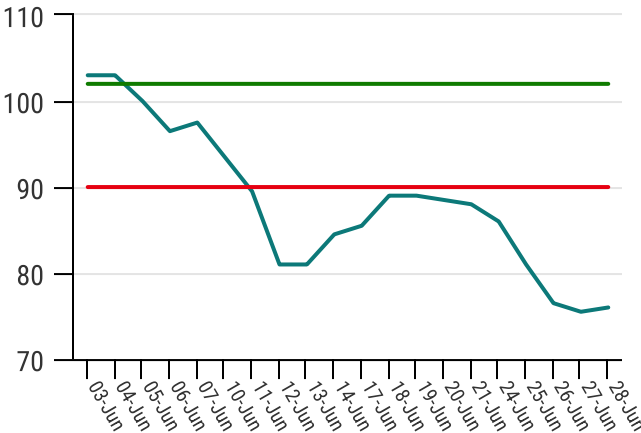
Short Jul-24 Gasnaph (\$/mt)



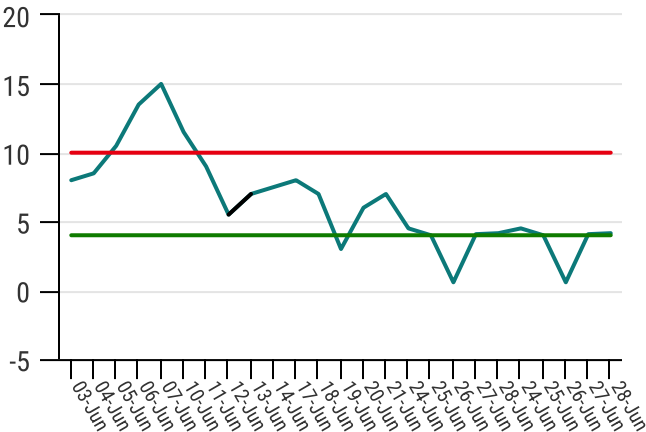
Short Jul-24 Gasoil E/W (\$/mt)



Long Jul-24 C3 E/W (\$/mt)



Short Jul/Aug-24 C3 CP (\$/mt)



### Key

- Stop Loss
- Secondary Stop Loss
- Initial Target
- Price After Trade Entry
- Price After Re-Entry
- Second Entry

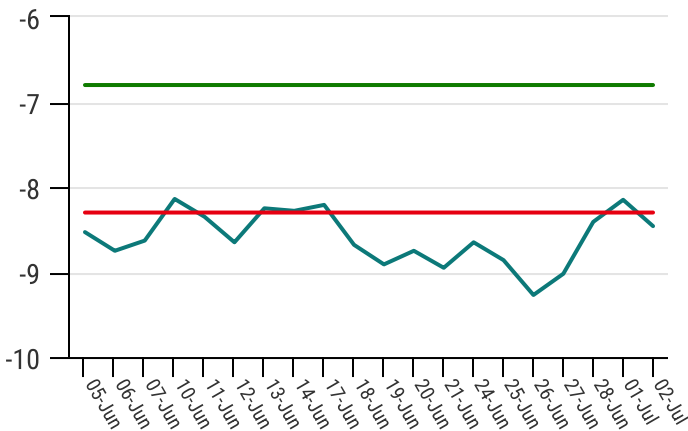


\*Please note that these graphs are visualisations of daily price flows and do not account for all intraday data.

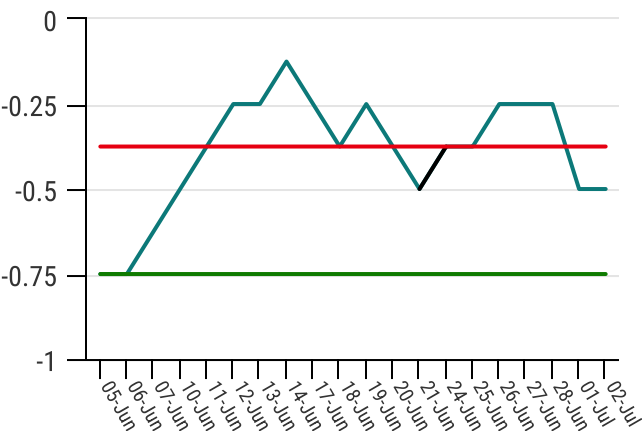


## June Monthly Trades Review

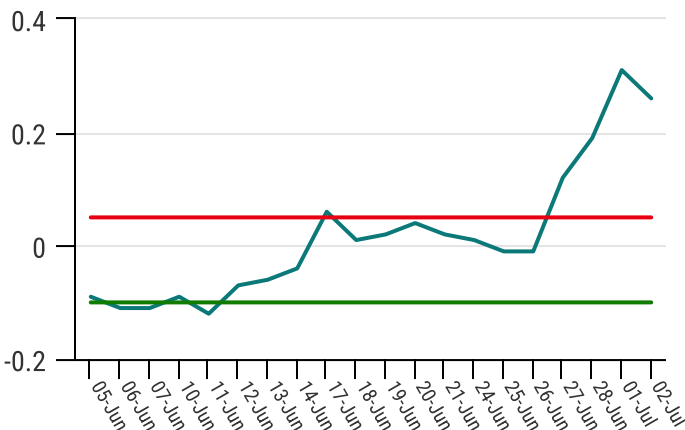
Long Aug-24 Gasoline E/W (\$/mt)



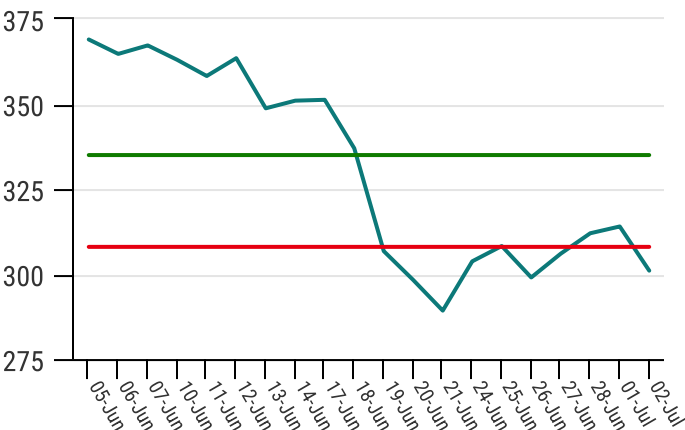
Short Aug/Sep-24 C3 LST (c/gal)



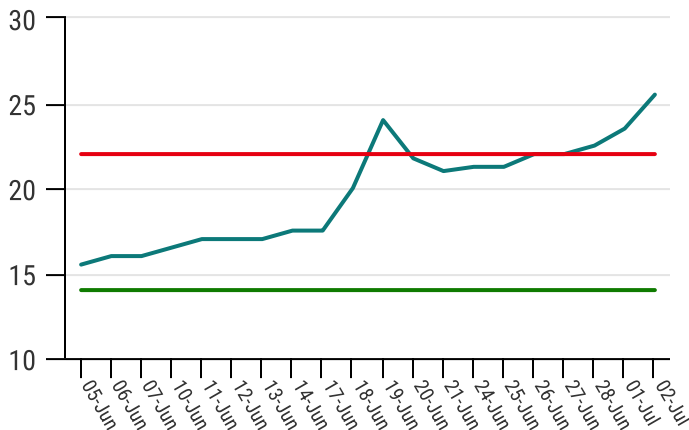
Short Jul/Aug-24 Brent/Dubai (\$/bbl)



Long Aug-24 Benzene/MOPJ (\$/mt)



Short Aug/Oct-24 Sing 380 (\$/mt)



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