

10/09/2024

Prices movement (front month)	02 Sep	02 Sep	% Change (Settlement Prices)
Brent Crude	77.52	71.84	-7.33%
VLSFO (Singapore)	585.33	567.86	-2.99%

## Crude Oil Market :

Crude markets continued to tumble throughout the back end of last week and into the beginning of this week. At the time of writing, the front month Brent crude future has fallen below the \$70/bbl mark for the first time since December 2021 and is down 3.3% in this session alone, after almost a 10% loss last week. Bearish factors come from a risk of oil market surplus as well as a weak demand outlook for the world's largest oil importer – China. Today's extreme moves are an extension of the ongoing bearish theme amid concerns for a surplus. Initial worries came from the approaching plan for OPEC to trickle more crude supply back into the market from Q4 onwards. On the falling prices this summer, the producer group decided to delay this plan by two months, which, has evidently been completely shrugged off by the market.

Another constant behind the recent weakness is poor data out of the US and China, indicating a softer demand outlook for the two oil giants. China's August crude import volumes were today reported down 7% y/y. Even OPEC, who are naturally bullish, lowered its demand growth to 2.0m b/d for 2024, down 80k b/d compared to last month's assessment, according to their August Monthly Oil Market Report.

Any support in the market might come from the incoming Storm Francine which could impact 9 major oil and gas platforms and 12 Gulf coast refineries. It is expected to make landfall on Wednesday in Louisiana as a category 2 hurricane.

### Nov24 Brent Crude Futures From 03/09/24 to Date (chart source BBG)



Source: FIS, Reuters, Oil Price, Bloomberg, BBC News, Morningstar

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