

Market Commentary

Recap: The oil market traded higher on Thursday after the latest U.S. inventory data showed crude oil stocks fell last week. The market posted a low of \$81.13 during Wednesday's shortened trading session due to the Juneteenth holiday. The market was pressured by the API report released on Tuesday afternoon showing a build in crude stocks of 2.264 million barrels in the week ending June 14th. However, the market traded higher during Thursday's session ahead of the July contract's expiration at the close. It was well supported by EIA report showing a draw of 2.5 million barrels on the week. The market was also supported by concerns over the escalating conflict in the Middle East, as Israeli forces attacked areas in the central Gaza Strip overnight while tanks deepened their advance into Rafah in the south. The expiring July contract rallied to a high of \$82.38 by mid-day before it retraced some of its gains in afternoon trading. The July WTI contract went off the board up 60 cents at \$82.17, while the August WTI contract settled up 58 cents at \$81.29. The product markets ended the session higher as well, with the heating oil market settling up 37 points at \$2.5245 and the RB market settling up 1.76 cents at \$2.5008.

Technical Analysis: The crude market is seen retracing some of its gains before it continues on its upward trend ahead of the weekend. Technically, the market has been trading within an upward trending channel and while its stochastics are in overbought territory, they are still trending higher. The market will watch for developments in the Middle East as tensions between Israel and Hezbollah increase. The oil market is seen finding resistance at its high of \$81.52, \$81.98, \$82.42, \$82.80, \$83.35 and \$84.00. Meanwhile, support is seen at \$80.35, \$80.30, \$79.17, \$77.58, \$77.42, \$77.35 and \$76.86.

Fundamental News: The American Automobile Association is estimating some 60.6 million Americans will drive 50 miles or more for the upcoming July 4th holiday period, a 4.8% increase over last year. Another 5.74 million are expected to fly this holiday period up 6.9% from 2023. The past Memorial Day holiday saw 6% more American air travelers than a year earlier.

The head of petroleum analysis at GasBuddy though noted overall gasoline demand appears to be "running a little bit lower than last year" and currently is estimating peak demand this summer will be some 10% lower than last year.

IIR Energy reported Wednesday it estimates U.S. refiners will have about 118,000 b/d of refining capacity offline in the week ending June 21st, decreasing available refining capacity by 21,000 b/d. Offline capacity is expected to fall to 85,000 b/d in the week ending June 28th.

The Environmental Protection Agency reported that the United States generated more renewable fuel blending credits in May compared with April's level. It said about 1.27 billion ethanol (D6) blending credits were generated last month, up from 1.20 billion in April. Biodiesel (D4) blending credits generated in May fell to about 661 million from about 804 million in April.

Colonial Pipeline Co is allocating space for Cycle 37 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

The U.S. Labor Department said initial claims for state unemployment benefits fell by 5,000 to a seasonally adjusted 238,000 in the week ending June 15th. That reversed 5,000 of the increase in the prior week, which had pushed up claims to a 10-month high. The number of continuing claims increased to a seasonally adjusted 1.828 million in the week ending June 8th.

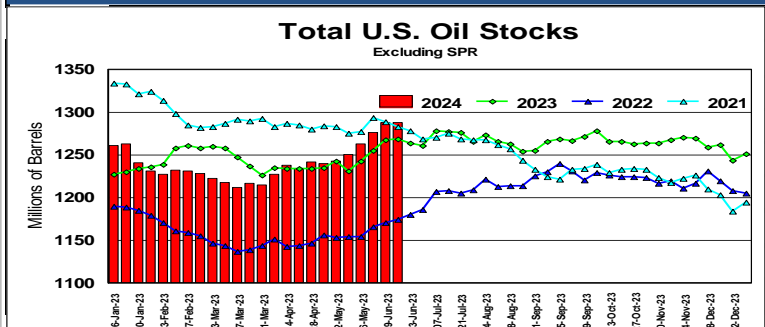
Early Market Call - as of 8:35 AM EDT

WTI - July \$81.29, unchanged
 RBOB - July \$2.5130, up 1.22 cents
 HO - July \$2.5245, unchanged

All NYMEX | Prior Settlements

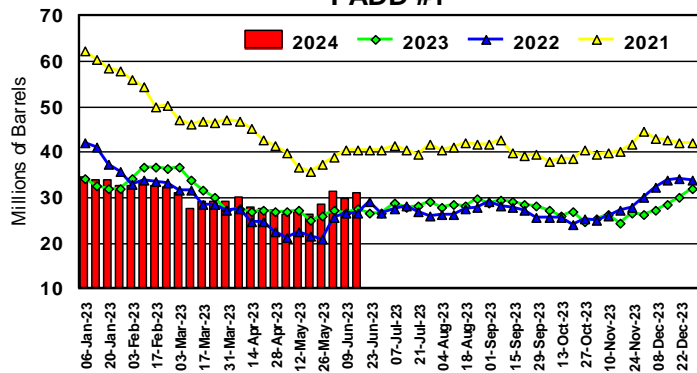
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jul-24	2.5245	0.0037	0.0377
Aug-24	2.5387	0.0029	0.0420
Sep-24	2.5523	0.0030	0.0429
Oct-24	2.5591	0.0022	0.0423
Nov-24	2.5569	0.0025	0.0406
Dec-24	2.5513	0.0027	0.0395
Jan-25	2.5512	0.0022	0.0371
Feb-25	2.5436	0.0019	0.0350
Mar-25	2.5287	0.0020	0.0349
Apr-25	2.5064	0.0021	0.0345
May-25	2.4909	0.0020	0.0327
Jun-25	2.4793	0.0020	0.0305
Jul-25	2.4765	0.0024	0.0295
Aug-25	2.4752	0.0025	0.0288
Sep-25	2.4751	0.0024	0.0279
Oct-25	2.4737	0.0023	0.0273
Nov-25	2.4670	0.0023	0.0261

Sprague HeatCurve October 2024-April 2025		\$2.5436
	Close	Change
Crude - WTI	\$81.2900	\$0.5800
Crude - Brent	\$85.7100	\$0.6400
Natural Gas	\$2.7410	-\$0.1680
Gasoline	\$2.5008	\$0.0176



Weekly EIA Petroleum Status Report for the Week Ending June 14, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 2.547 million barrels
 Cushing, OK Crude Stocks Up 307,000 barrels
Gasoline Stocks Down 2.28 million barrels
Distillate Stocks Down 1.726 million barrels
Refinery % Operated 93.5%, down 1.5%

PADD #1

	Week Ending June 14, 2024	Week Ending June 7, 2024	Week Ending June 15, 2023
Distillate Stocks (in million bbl)			
New England	3.9	4.3	3.7
Central Atlantic	15.5	15.3	11.8
Total PADD #1	30.9	29.7	27.6
Distillate Imports (thousands b/d)	131	59	79