



MarketWatch | Refined Products

Tuesday, June 25, 2024

Market Commentary

Recap: The crude market traded higher on Monday as the market remained supported by tensions in the Middle East and an easing of the U.S. dollar, which had rallied to a seven week high on Friday. The market opened lower in overnight trading and posted a low of \$80.23 as the market continued to trade lower following Friday's late selling. However, the oil market bounced off its low and rallied higher amid the continuing geopolitical risks in the Middle East and an increase in Ukrainian drone attacks on Russian refineries. The crude market traded to a high of \$81.78 ahead of the close, still holding resistance at its previous high of \$81.79. The August WTI contract settled up 90 cents at \$81.63 and the August Brent contract settled up 77 cents at \$86.01. The product markets ended the session mixed, with the heating oil market settling up 2.99 cents at \$2.5214 and the RB market settling down 22 points at \$2.5115.

Technical Analysis: The oil market on Tuesday will likely continue to trend higher ahead of the release of the weekly petroleum stocks reports late Tuesday and Wednesday morning. The inventory reports are expected to show draws in crude stocks of 3 million barrels on the week. The market will also remain supported by the concerns regarding the geopolitical tension in the Middle East, with the European foreign policy chief, Josep Borrell, stating that the Middle East was close to seeing an expansion of the conflict into Lebanon after Hezbollah threatened EU member Cyprus. The market is seen finding resistance at its highs of \$81.78-\$81.79 followed by \$81.98, \$82.42, \$82.80, \$84.00 and \$84.57. Meanwhile, support is seen at \$81.25, \$80.23, \$79.17 followed by \$78.22, \$77.58, \$77.42, \$77.35, \$77.12 and \$76.01.

Fundamental News: European foreign policy chief, Josep Borrell, said that the Middle East was close to seeing the conflict expanding into Lebanon just days after Iran-backed Hezbollah threatened EU member Cyprus. He said "The risk of this war affecting the south of Lebanon and spilling over is every day bigger." Iran-backed Hezbollah began attacking Israel shortly after Hamas' Oct. 7 assault sparked the war in Gaza. Hezbollah has said it would not stop until there is a ceasefire in Gaza. Last week, Hezbollah chief Sayyed Hassan Nasrallah said that nowhere in Israel would be safe if a full-fledged war breaks out between the two foes, and also threatened EU member Cyprus for the first time and other parts of the Mediterranean.

Ukraine's President Volodymyr Zelenskiy, said that Ukraine has hit more than 30 Russian oil refineries, terminals and oil depots. Ukraine has stepped up attacks on Russian oil facilities this year, seeking to disrupt oil supplies to the Russian army and cut Russia's revenues to finance its war against Ukraine.

Chevron said it expects upstream turnarounds and downtime to impact 65,000 bpd of oil equivalent in production in the second quarter mostly driven by Tengizchevroil in Kazakhstan and several Gulf of Mexico assets. It said it expects downstream turnarounds to impact earnings by \$300 million to \$400 million mainly due to maintenance at the El Segundo and Richmond refineries in California.

IIR Energy said U.S. oil refiners are expected to shut in about 85,000 bpd of capacity in the week ending June 28th, increasing available refining capacity by 68,000 bpd. Offline capacity is expected to fall to 79,000 bpd in the week ending July 5th.

The United Kingdom Maritime Trade Operations said a merchant vessel in the Arabian Sea reported an explosion in close proximity to it on Monday. It said the crew was reported safe and the vessel was proceeding to its next port of call.

Early Market Call - as of 8:40 AM EDT

WTI - Aug \$81.24 down 33 cents
 RBOB - July \$2.5082 down 33 points
 HO - July \$2.5236 up 22 points

All NYMEX | Prior Settlements

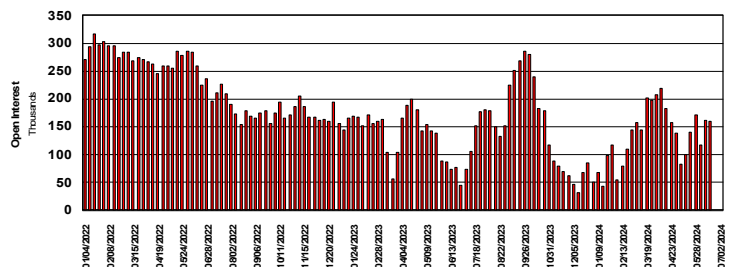
| | ULSD (HO) | Prior Settle | Change In |
|--------|-----------|--------------|-----------|
| | Close | Change | One Week |
| Jul-24 | 2.5214 | 0.0299 | 0.0389 |
| Aug-24 | 2.5383 | 0.0282 | 0.0400 |
| Sep-24 | 2.5544 | 0.0279 | 0.0433 |
| Oct-24 | 2.5632 | 0.0270 | 0.0444 |
| Nov-24 | 2.5625 | 0.0267 | 0.0450 |
| Dec-24 | 2.5569 | 0.0262 | 0.0440 |
| Jan-25 | 2.5564 | 0.0256 | 0.0419 |
| Feb-25 | 2.5493 | 0.0255 | 0.0412 |
| Mar-25 | 2.5351 | 0.0255 | 0.0416 |
| Apr-25 | 2.5136 | 0.0254 | 0.0420 |
| May-25 | 2.4984 | 0.0249 | 0.0416 |
| Jun-25 | 2.4863 | 0.0240 | 0.0408 |
| Jul-25 | 2.4830 | 0.0237 | 0.0407 |
| Aug-25 | 2.4811 | 0.0232 | 0.0407 |
| Sep-25 | 2.4808 | 0.0228 | 0.0410 |
| Oct-25 | 2.4796 | 0.0225 | 0.0418 |
| Nov-25 | 2.4740 | 0.0224 | 0.0424 |

Sprague HeatCurve October 2024-April 2025 \$2.5493

| | Close | Change |
|---------------|-----------|-----------|
| Crude - WTI | \$81.6300 | \$0.9000 |
| Crude - Brent | \$86.0100 | \$0.7700 |
| Natural Gas | \$2.8110 | \$0.1060 |
| Gasoline | \$2.5115 | -\$0.0022 |

Aug Brent-
WTI Spread
\$4.38

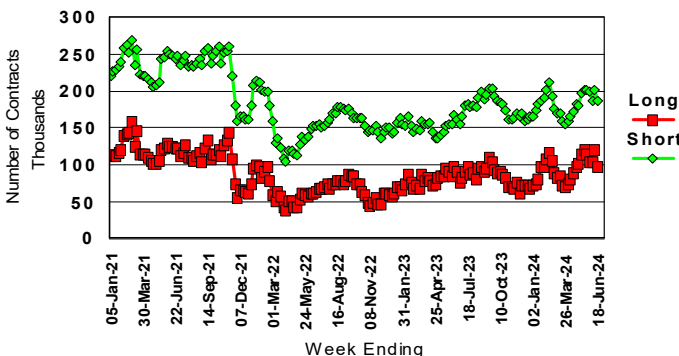
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending June 18, 2024

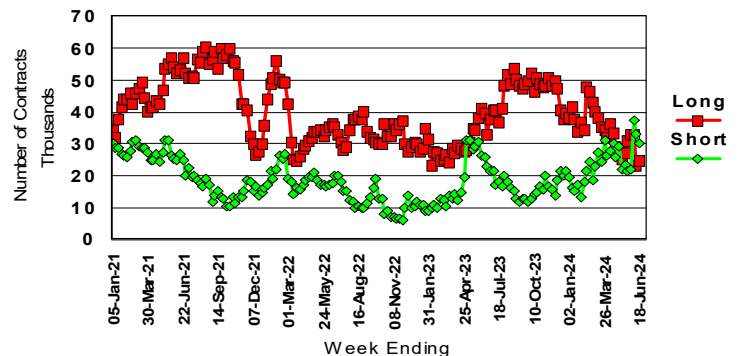
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



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