

Market Commentary

Recap: The oil market on Tuesday ended the session lower ahead of the release of the weekly petroleum stocks reports later in the afternoon and on Wednesday morning. The market's recent gains, which were attributed to the geopolitical tension in the Middle East, were also limited by weak U.S. consumer confidence data increasing concerns about the economic outlook. The crude market opened slightly higher and posted a high of \$81.90 before it started to erase some of its previous gains in overnight trading. The market, however, erased its gains and sold off to a low of \$80.76 ahead of the close. The August WTI contract settled down 80 cents at \$80.83 and continued to sell off, posting a low of \$80.69 in the post settlement period. The August Brent contract settled down \$1.00 at \$85.01. The product markets ended the session in mixed territory, with the heating oil market settling down 1.2 cents at \$2.5094 and the RB market settling up 32 points at \$2.5147.

Technical Analysis: The crude market on Wednesday will be driven by the weekly petroleum stocks reports, which are expected to show draws across the board. While the market may retrace its losses amid the expected draws in stocks, its gains will be limited as the market looks ahead to the release of the Personal Consumption Expenditure index data on Friday. The market is seen finding resistance at its high of \$81.90, \$81.98, \$82.42, \$82.80 and \$84.00. Meanwhile, support is seen at \$80.69, \$80.23, \$79.17 and \$78.29. Further support is seen at \$77.58, \$77.42, \$77.35, \$77.17 and \$76.05.

Fundamental News: Colonial Pipeline Co is allocating space for Cycle 38 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Iran's oil minister claimed that as a result of investments of more than \$34 billion over the past three years in 155 energy projects, Iran's crude oil production has grown by more than 70% and reached 3.6 million b/d.

Nigerian oil and gas producer Aiteo Eastern Exploration reported earlier this week it has resumed production at its OML 29 license, ending a seven day shutdown following the discovery of a leak at the Nembe Creek facility back on June 17th. Some 50,000 b/d of production had been impacted.

Mexican regulators reported that crude oil production by Pemex remained below 1.5 million b/d for the second month in a row in May, while gas production was at its lowest level since 2020. Crude oil production in May was reported at 1.48 million b/d, almost 100,000 b/d below May 2023 levels. Meanwhile gross natural gas production was 4.3 bcf/d, with approximately 1 bcf/d of production coming from just two fields.

Reuters reported Tuesday that according to its calculations Russia's oil and gas revenues in June are set to rise by more than 50% year on year to \$9.4 billion, after a decrease in subsidies to refineries as well as Russia's ability to limit the impact of sanctions.

U.S. consumer confidence fell slightly in June amid worries about the economic outlook. The Conference Board said that its consumer confidence index fell to 100.4 in June from a downwardly revised 101.3 in May. Consumers' 12-month inflation expectations fell to 5.3% from 5.4% in May.

The Federal Reserve Bank of Richmond's monthly manufacturing index in June fell to -10 from 0 in May.

Early Market Call - as of 8:30 AM EDT

WTI - July \$81.34, up 51 cents
 RBOB - July \$2.5273, up 1.26 cents
 HO - July \$2.5307, up 2.13 cents

All NYMEX | Prior Settlements

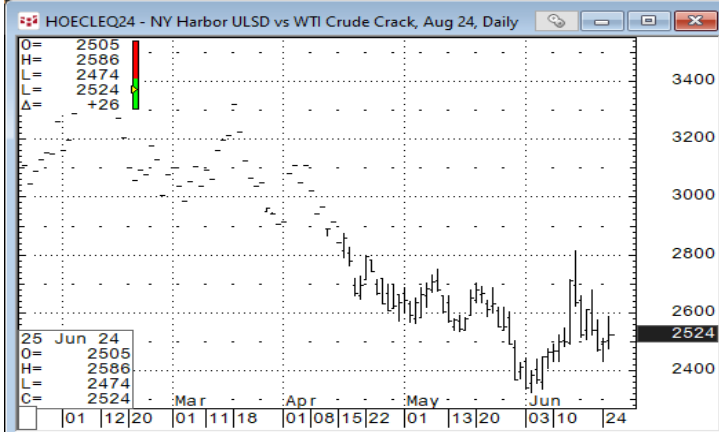
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jul-24	2.5094	-0.0120	-0.0114
Aug-24	2.5264	-0.0119	-0.0094
Sep-24	2.5418	-0.0126	-0.0075
Oct-24	2.5497	-0.0135	-0.0072
Nov-24	2.5489	-0.0136	-0.0055
Dec-24	2.5438	-0.0131	-0.0048
Jan-25	2.5436	-0.0128	-0.0054
Feb-25	2.5367	-0.0126	-0.0050
Mar-25	2.5227	-0.0124	-0.0040
Apr-25	2.5012	-0.0124	-0.0031
May-25	2.4865	-0.0119	-0.0024
Jun-25	2.4749	-0.0114	-0.0024
Jul-25	2.4726	-0.0104	-0.0015
Aug-25	2.4716	-0.0095	-0.0011
Sep-25	2.4720	-0.0088	-0.0007
Oct-25	2.4712	-0.0084	-0.0002
Nov-25	2.4652	-0.0088	0.0005

Sprague HeatCurve October 2024-April 2025			\$2.5364
		Close	Change
Crude - WTI	Aug Brent- WTI Spread \$4.18	\$80.8300	-\$0.8000
Crude - Brent		\$85.0100	-\$1.0000
Natural Gas		\$2.7560	-\$0.0550
Gasoline		\$2.5147	\$0.0032

API Report for the Week Ending June 14, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 914,000 barrels	Down 200,000 barrels
Gasoline Stocks	Up 3.843 million barrels	Down 900,000 barrels
Distillate Stocks	Down 1.178 million barrels	Down 300,000 barrels
Refinery Runs		Up 0.3% at 93.8%

August Heating Oil Crack Spread



August RBOB Crack Spread

