



MarketWatch | Refined Products

Friday, June 28, 2024

Market Commentary

Recap: The oil market traded higher on Thursday as the market remained supported by concerns over the geopolitical tension in the Middle East. However, its gains were limited by the unexpected builds reported in crude and gasoline stocks in the EIA report on Wednesday. The market traded mostly sideways in overnight trading, posting a low of \$80.51, before it breached its previous highs and rallied to a high of \$82.04 amid some supportive economic data and comments made by a Fed official stating that inflation appeared to be narrowing, which would allow the Fed to cut interest rates later this year. The market later erased some of its gains and settled a sideways trading range during the remainder of the session. The August WTI contract settled up 84 cents at \$81.74 and the August Brent contract settled up \$1.14 at \$86.39. The product markets ended the session higher, with the heating oil market settling up 1.01 cents at \$2.5476 and the RB market settling up 10 points \$2.5456.

Technical Analysis: The crude market on Friday will remain supported by the increasing political risk perception, while its gains are capped by the inventory builds. Technically, stochastics remains in overbought territory and continue to trend sideways. The market is seen finding resistance at its high of \$82.04, \$82.42, \$82.80 and \$84.00. Meanwhile, support is seen at its low of \$80.51, \$80.18, \$79.17, \$78.37, \$77.58, \$77.42, \$77.35, \$77.24, \$76.86 and \$76.11.

Fundamental News: According to a survey by The Wall Street Journal, oil prices are forecast to remain around current levels in the second half and progressively soften early next year. Brent crude is estimated at \$86.32 and \$85.92/barrel in the third and fourth quarters of 2024, respectively. In the first two quarters of next year, Brent crude is expected to fall to \$84.50/barrel and \$82.46/barrel, respectively. WTI crude is seen at \$81.81/barrel and \$81.76/barrel in the third and fourth quarter of this year, respectively and at \$80.33 and \$78.25/barrel in the first and second quarters of 2025.

The U.S. Senate budget committee launched an investigation of 18 domestic oil producers, including Exxon Mobil Corp, BP Plc and Chevron, about any efforts to illegally coordinate with OPEC on oil output and crude oil prices. This followed allegations that the former head of Pioneer Natural Resources Co colluded with the cartel. Budget Committee Chairman Sheldon Whitehouse has requested documents from the oil companies on grounds that evidence suggests the oil and gas industry may be trying to depress production.

A spokesman for Yemen's Houthi, Yahya Saree, said the military group targeted a vessel in the Red Sea with a drone boat and a number of missiles and drones.

The U.S. Supreme Court blocked an Environmental Protection Agency regulation aimed at reducing ozone emissions that may increase air pollution in neighboring states. The 5-4 decision granted requests by Ohio, Indiana and West Virginia as well as U.S. Steel Corp pipeline operator Kinder Morgan and industry groups to halt enforcement of the EPA's "Good Neighbor" plan restricting ozone pollution from upwind states, while they contest the rule's legality in a lower court.

Early Market Call - as of 8:25 AM EDT

WTI - August \$82.16, up 42 cents
 RBOB - July \$2.5508, up 52 points
 HO - July \$2.5557, up 81 points

All NYMEX | Prior Settlements

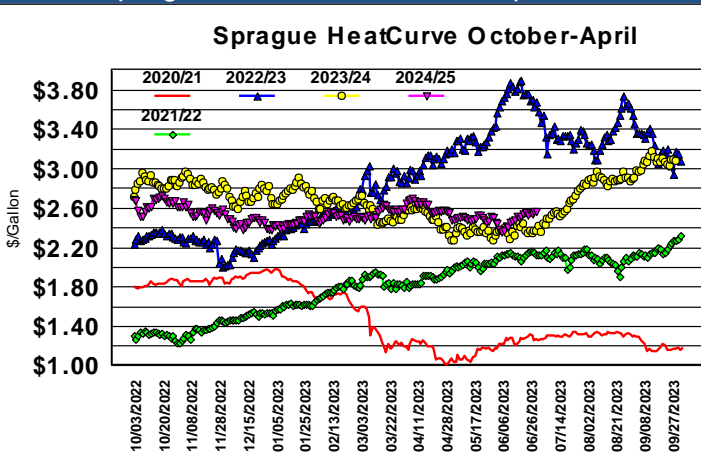
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jul-24	2.5476	0.0101	0.0231
Aug-24	2.5629	0.0099	0.0242
Sep-24	2.5759	0.0087	0.0236
Oct-24	2.5809	0.0075	0.0218
Nov-24	2.5782	0.0074	0.0213
Dec-24	2.5714	0.0074	0.0201
Jan-25	2.5706	0.0069	0.0194
Feb-25	2.5626	0.0061	0.0190
Mar-25	2.5475	0.0055	0.0188
Apr-25	2.5250	0.0049	0.0186
May-25	2.5094	0.0044	0.0185
Jun-25	2.4970	0.0040	0.0177
Jul-25	2.4935	0.0032	0.0170
Aug-25	2.4916	0.0028	0.0164
Sep-25	2.4916	0.0027	0.0165
Oct-25	2.4907	0.0027	0.0170
Nov-25	2.4853	0.0031	0.0183

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Aug Brent-WTI Spread \$4.65	\$81.7400	\$0.8400
Crude - Brent		\$86.3900	\$1.1400
Natural Gas		\$2.6850	-\$0.0600
Gasoline		\$2.5456	\$0.0010

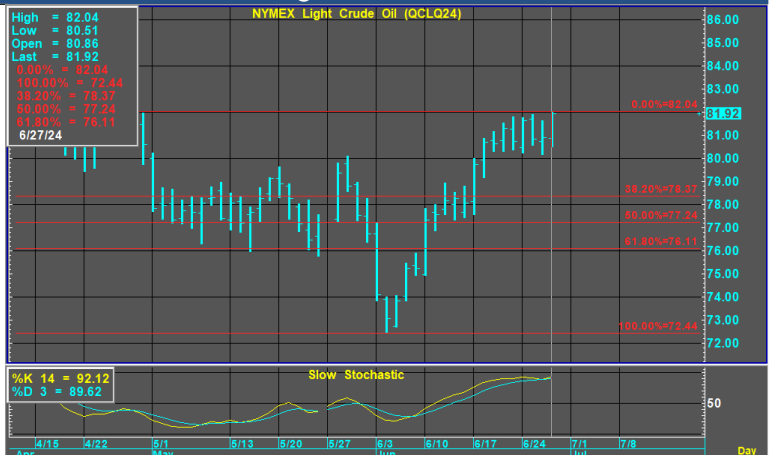
EIA Working Gas Storage Report

	21-Jun-24	14-Jun-24	Change	21-Jun-23
East	646	631	15	616
Midwest	753	736	17	677
Mountain	237	230	7	163
Pacific	283	279	4	200
South Central	1179	1168	11	1,127
Salt	334	337	-3	330
Nonsalt	845	831	14	797
Total	3097	3045	52	2,783

Sprague HeatCurve October-April



August WTI



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