

Market Commentary

All NYMEX | Prior Settlements

Recap: The crude market on Thursday rallied higher and settled in positive territory for the second consecutive day on supportive economic news. The market continued to trade higher in overnight trading on the supportive EIA weekly petroleum stocks report, which showed a larger than expected draw in crude stocks on Wednesday. The market gave up some of its overnight gains and remained pressured after the IEA reported global demand growth at its lowest level in more than a year at 710,000 bpd in the second quarter and while it kept its demand growth forecast for 2024 mostly unchanged at 970,000 bpd, its 2025 forecast was cut by 50,000 bpd to 980,000 bpd. The market was also awaiting the release the Consumer Price Index for June. Despite increased expectations that the Federal Reserve would cut interest rates in September in light of the CPI data showing a slowdown in inflation, the crude market sold off to a low of \$81.63. However, the market bounced off its low and rallied ahead of the close to a high of \$82.99. The August WTI contract settled up 52 cents at \$82.62 and the September Brent contract settled up 32 cents at \$85.40. The product markets settled in mixed territory, with the heating oil market settling down 2 points at \$2.5182 and the RB market ending the session up 1.44 cents at \$2.5178.

Technical Analysis: The oil market is seen remaining in its recent trading range from \$80.00 to \$84.50 as the market weighs the positive economic news against the less supportive demand growth outlook released by the IEA. The market on Friday is seen finding support at its low of \$81.63, \$80.81, \$80.51, \$80.18 and \$79.91. Meanwhile, resistance is seen at its high of \$82.87, \$83.32 and \$84.52.

Fundamental News: The International Energy Agency said in its monthly report that global oil demand growth will slow to just under a million bpd this year and next year, as Chinese consumption contracted in the second quarter amid economic issues. Global demand in the second quarter increased by 710,000 bpd year on year in its lowest quarterly increase in over a year. It said China accounted for 70% of global demand gains in 2023 but will account for about 40% in 2024 and 2025. The IEA's forecast for relatively low oil demand growth of 970,000 bpd this year was largely unchanged from its outlook last month. It sees an increase of 980,000 next year, down 50,000 bpd from its previous outlook. The IEA added that as the post-COVID economic rebound flattens out worldwide, slow economic growth, increased energy efficiency and the rise of electric vehicles will act as headwinds for growth this year and next. The IEA reported that it sees the third quarter call on OPEC+ crude 800,000 bpd higher than its output in June. It stated that oil supply growth in 2024 is expected to reach 770,000 bpd, increasing oil supply to a record 103 million bpd and global supply growth will reach 1.8 million bpd in 2025, with the U.S., Canada, Guyana and Brazil leading the gains.

Bloomberg News reported that the U.S. Federal Trade Commission plans to delay its decision whether to block Chevron's takeover of Hess until after an arbitration case with Exxon Mobil is settled.

Valero Energy reported operations requiring flaring at its 360,000 bpd Port Arthur, Texas refinery.

Colonial Pipeline Co is allocating space for Cycle 41 shipments on Line 20, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

Gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp terminal in the week ending July 11th fell by 4.69% on the week and by 20.82% on the year to 1.057 million tons, while gasoil stocks fell by 1.19% on the week but increased by 12.05% on the year to 2.158 million tons and fuel oil stocks fell by 1.34% on the week but increased by 0.72% on the year to 1.403 million tons.

Early Market Call - as of 8:18 AM EDT

WTI - Aug \$83.48, up 86 cents
 RBOB - Aug \$2.5335, up 1.57 cents
 HO - Aug \$2.5389, up 2.07 cents

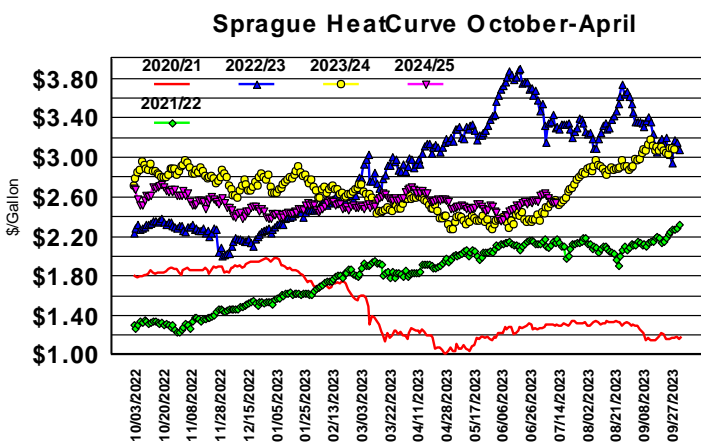
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	2.5182	-0.0002	-0.1161
Sep-24	2.5358	0.0015	-0.1122
Oct-24	2.5477	0.0030	-0.1086
Nov-24	2.5506	0.0035	-0.1040
Dec-24	2.5437	0.0031	-0.1016
Jan-25	2.5453	0.0023	-0.0995
Feb-25	2.5410	0.0021	-0.0960
Mar-25	2.5281	0.0022	-0.0920
Apr-25	2.5072	0.0022	-0.0887
May-25	2.4915	0.0021	-0.0864
Jun-25	2.4792	0.0021	-0.0844
Jul-25	2.4770	0.0022	-0.0822
Aug-25	2.4763	0.0021	-0.0806
Sep-25	2.4768	0.0021	-0.0794
Oct-25	2.4768	0.0019	-0.0785
Nov-25	2.4721	0.0015	-0.0772
Dec-25	2.4635	0.0013	-0.0761

Sprague HeatCurve October 2024-April 2025		\$2.5390
		Change
Crude - WTI	Sep Brent- WTI Spread \$4.02	\$81.3800 \$0.3100
Crude - Brent		\$85.4000 \$0.3200
Natural Gas		\$2.2680 -\$0.0610
Gasoline		\$2.5178 \$0.0144

EIA Working Gas Storage Report				
	05-Jul-24	28-Jun-24	Change	05-Jul-23
East	682	660	22	650
Midwest	800	779	21	719
Mountain	245	239	6	178
Pacific	289	282	7	222
South Central	1183	1174	9	1,146
Salt	327	326	1	325
Nonsalt	856	848	8	822
Total	3199	3134	65	2,916

Sprague Heat Curve October-April

August WTI



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