



MarketWatch | Refined Products

Tuesday, July 16, 2024

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market traded mostly sideways as the market weighed concern over demand in China against supportive U.S. economic data reported last week and the continuing geopolitical tensions in the Middle East. The crude market opened relatively unchanged and posted a high of \$82.58 in overnight trading before it sold off to \$81.47. The market was pressured as data from China showed that its GDP grew 4.7% in the second quarter, the slowest growth since the first quarter of 2023. Concerns over Chinese demand continued as it reported that refinery output in June fell by 3.7% on the year. This followed a report on Friday showing that China's crude oil imports fell by 2.3% in the first half of the year. The oil market traded sideways before further pressure pushed the market to a low of \$81.47 by mid-morning. The August WTI contract remained range bound during the remainder of the session and settled down 30 cents at \$81.91. The September Brent contract settled down 18 cents at \$84.85. Meanwhile, the product markets ended the session in mixed territory, with the August heating oil market settling up 40 points at \$2.5136 and the August RB market settling down 2.37 cents at \$2.4916.

Technical Analysis: The crude market is still seen trading sideways as it continues to trade within its recent range from \$80.00 to \$84.50 as the market awaits the release of the latest weekly petroleum stocks reports. The inventory reports are expected to show a build of 1 million barrels. The market is seen finding support at \$81.47, \$80.81, \$80.51, \$80.18 and \$79.91. Meanwhile, resistance is seen at \$82.58, \$83.74, \$84.52 and \$86.69.

Fundamental News: Britain's maritime agency and security firm Ambrey said a merchant vessel in the Red Sea reported three missiles had exploded nearby on Monday after the ship earlier came under attack by three small craft. Earlier on Monday, UKMTO said an unmanned small craft collided with the vessel twice and two manned small craft fired at it. Both the vessel and crew were also reported as safe and proceeding to the next port of call. There was no immediate claim of responsibility for the attack.

The Interior Department's Bureau of Land Management announced the Biden administration is seeking input on whether to add more areas for protection from oil and gas drilling in Alaska's National Petroleum Reserve. The regulations had blocked development on 40% of NPR-A to protect wildlife habitat and indigenous communities' way of life, but did not affect existing oil and gas operations.

Russian Deputy Prime Minister, Alexander Novak, said the global oil market will be balanced in the second half of the year and thereafter, thanks to the OPEC+ deal on production supply. Separately, Russia's Deputy Prime Minister said Russia may decide by the end of July whether to reinstate a gasoline exports ban from August if the situation on the domestic fuel market "gets tense," such as in the case of shortages. He said the domestic fuel market has been stable so far, but there have been some difficulties with a popular gasoline, Ai-95 grade, which are being dealt with.

According to China's National Bureau of Statistics, the country's crude oil production in June increased 2.4% on the year to 17.95 million tons or about 4.37 million bpd. Year-to-date crude oil output expanded 1.9% on the year to 107.05 million tons or 4.29 million bpd. China's refinery output in June fell 3.7% on the year, down for a third month amid planned maintenance.

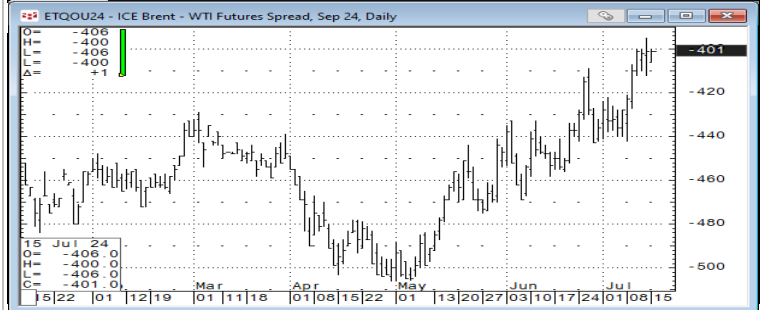
IIR Energy said U.S. oil refiners are expected to shut in about 267,000 bpd of capacity in the week ending July 19th, increasing available refining capacity by 29,000 bpd. Offline capacity is expected to fall to 216,000 bpd in the week ending July 26th.

Early Market Call - as of 8:00 AM EDT
WTI - Aug \$80.32, down 1.59 cents

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.5136	0.004	-0.0655
Sep-24	2.5279	0.001	-0.0649
Oct-24	2.539	-0.0004	-0.0613
Nov-24	2.541	-0.001	-0.0586
Dec-24	2.5339	-0.0006	-0.0574
Jan-25	2.5353	-0.0009	-0.0576
Feb-25	2.5315	-0.0009	-0.0563
Mar-25	2.519	-0.001	-0.0548
Apr-25	2.4978	-0.0016	-0.0542
May-25	2.482	-0.002	-0.0539
Jun-25	2.4696	-0.0026	-0.0536
Jul-25	2.4682	-0.0024	-0.0523
Aug-25	2.4683	-0.0022	-0.051
Sep-25	2.4693	-0.002	-0.05
Oct-25	2.4699	-0.0016	-0.0495
Nov-25	2.4657	-0.0007	-0.049
Dec-25	2.4576	-0.0002	-0.0484

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$4.01	\$80.8400	-\$0.1800
Crude - Brent		\$84.8500	-\$0.1800
Natural Gas		\$2.1580	-\$0.1710
Gasoline		\$2.4916	-\$0.0237

ICE September Brent-WTI Spread



August Heating Oil Crack Spread

August RBOB Crack Spread

