



# MarketWatch | Refined Products

Wednesday, July 17, 2024

## Market Commentary

**Recap:** The oil market continued to trend lower for the third consecutive session as market sentiment was weighed by concerns over a slowing Chinese economy cutting oil demand. The market was still focused on the economic data showing that China's economy grew 4.7% in April-June, the slowest pace since the first quarter of 2023 and missing a 5.1% forecast. The crude market opened at its high of \$81.93, breached its previous low of \$81.47 and continued to sell off to a low of \$80.22 early in the morning. The market later retraced some of its losses and settled in a sideways trading range. The August WTI contract settled down \$1.15 at \$80.76 while the Brent market settled down \$1.12 at \$83.73. The product markets ended the session in negative territory, with the heating oil market settling down 4.48 cents at \$2.4688 and the RB market settling down 1.41 cents at \$2.4775.

**Technical Analysis:** The oil market may continue to trend lower as the market pressured by concerns over demand. The market may also remain on its downward trend as the weekly petroleum stock reports are expected to show a small build in crude stocks of over 500,000 barrels on the week. The crude market is seen finding support at its low of \$80.22, \$80.18, \$79.91, \$79.17 and \$78.48. Meanwhile, resistance is seen at its high of \$81.93, \$82.58, \$83.74 and \$84.52.

**Fundamental News:** Iran's Acting Foreign Minister, Ali Bagheri Kani, said the country remains open to resuming negotiations with Washington toward restoring mutual participation in a nuclear deal.

Oman's maritime security center said the Prestige Falcon, a Comoros-flagged oil tanker, had capsized off the coast of Duqm. Shipping data by LSEG showed the tanker's destination as Yemen's Aden.

LyondellBasell Industries reported flaring at its 263,776 bpd Houston, Texas refinery.

Federal Reserve Governor, Adriana Kugler, said recent data suggests inflation will continue to decline to the U.S. central bank's 2% target, citing the faster decline in price pressures in recent months, moderation in wages, and an emerging balance between businesses' demand for workers and the number of people looking for jobs.

The Bureau of Labor Statistics said U.S. import prices were unchanged in June as lower prices for energy products offset a rebound in the cost of food. The flat reading in import prices followed a 0.2% decline in May. In the 12 months through June, import prices increased 1.6%. That followed a 1.4% advance in May. Imported fuel prices fell 1.0% after increasing 0.4% in May. Crude petroleum and natural gas prices both declined. Excluding fuels and food, import prices were unchanged. These so-called core import prices fell 0.1% in May. The report also showed that export prices fell 0.5% in June after declining 0.7% in May. In the 12 months through June, export prices increased 0.7% after gaining 0.5% in June.

U.S. retail sales were unchanged in June as a decline in receipts at auto dealerships was offset by strength elsewhere. The report from the Commerce Department, which showed sales for May were higher than initially estimated, did not change expectations that the Federal Reserve could start cutting interest rates in September amid cooling inflation. It also helped to assuage fears of a sharp slowdown in the economy. The unchanged reading in retail sales last month followed an upwardly revised 0.3% gain in May. Retail sales increased 2.3% on a year-on-year basis in June.

**Early Market Call - as of 8:15 AM EDT**

WTI - August \$81.43, up 67 cents  
 RBOB - August \$2.4808, up 33 points  
 HO - August \$2.4704, up 16 points

## All NYMEX | Prior Settlements

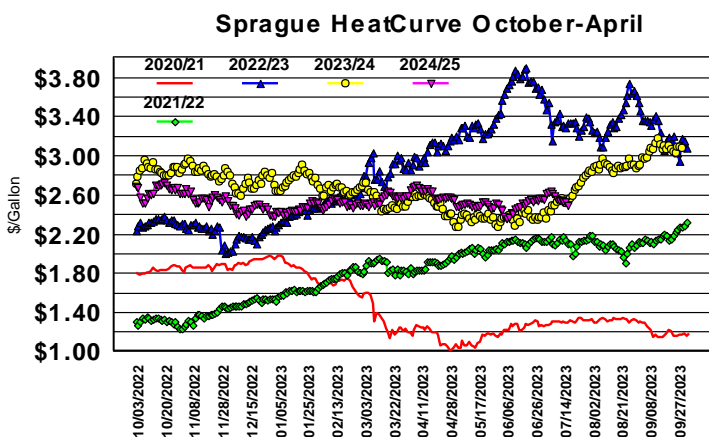
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.4688	-0.0448	-0.0548
Sep-24	2.4842	-0.0437	-0.0576
Oct-24	2.4969	-0.0421	-0.0556
Nov-24	2.5004	-0.0406	-0.0540
Dec-24	2.4954	-0.0385	-0.0526
Jan-25	2.4979	-0.0374	-0.0532
Feb-25	2.4951	-0.0364	-0.0521
Mar-25	2.4836	-0.0354	-0.0506
Apr-25	2.4639	-0.0339	-0.0495
May-25	2.4494	-0.0326	-0.0486
Jun-25	2.4385	-0.0311	-0.0476
Jul-25	2.4380	-0.0302	-0.0458
Aug-25	2.4392	-0.0291	-0.0439
Sep-25	2.4412	-0.0281	-0.0423
Oct-25	2.4429	-0.0270	-0.0407
Nov-25	2.4396	-0.0261	-0.0394
Dec-25	2.4321	-0.0255	-0.0386

Sprague HeatCurve October 2024-April 2025			\$2.4920		
		Close	Change		
Crude - WTI	Sep Brent- WTI Spread \$4.10	\$83.7300	-\$1.1200		
Crude - Brent					
Natural Gas				\$2.1880	\$0.0300
Gasoline				\$2.4775	-\$0.0141

### API Report for the Week Ending July 12, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 4.442 million barrels	Up 540,000 barrels
Gasoline Stocks	Up 365,000 barrels	Down 700,000 barrels
Distillate Stocks	Up 4.923 million barrels	Up 590,000 barrels
Refinery Runs		Unchanged at 95.2%

## Sprague Heat Curve October-April



## August WTI



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