



MarketWatch | Refined Products

Monday, July 22, 2024

Market Commentary

Recap: The oil market on Friday sold off more than 3% on renewed hopes of a ceasefire in Gaza. The market was also pressured by a strong dollar and concerns over China's economy continued to pressure the market. The U.S. dollar index rose following stronger than expected data on the U.S. labor market and manufacturing data earlier in the week, while weaker economic data weighed on market sentiment. The market posted a trading range from \$82.02 to a high of \$82.88 in overnight trading and settled in a sideways trading range. However, the market, which breached its earlier low, extended its losses to over \$2.50 as it sold off to a low of \$80.07 ahead of the close. The market was further pressured after U.S. Secretary of State, Antony Blinken, said a ceasefire between Israel and the Palestinian group Hamas was within sight. The August WTI contract settled down \$2.69 at \$80.13 and the September Brent contract settled down \$2.48 at \$82.63. Meanwhile, the product markets ended the session in negative territory, with the heating oil market settling down 6.97 cents at \$2.4191 and the RB market settling down 6.60 cents at \$2.4504.

Technical Analysis: The oil market, which sold off back towards the lower limits of its recent trading range from \$80.00 to \$84.50, may continue to hold support at its lows, as it awaits for further developments regarding a possible ceasefire between Israel and Hamas. The crude market is seen finding support at \$80.25, \$80.22-\$80.18, \$80.00 followed by \$79.91, \$79.17 and \$78.48. More distant support is seen at \$77.58, \$77.42, \$77.35 and \$77.05. Resistance is seen at \$81.50, \$82.50, \$82.88, \$83.82 and \$84.52.

Fundamental News: U.S. Secretary of State, Antony Blinken, said a long-sought ceasefire between Israel and Palestinian militant group Hamas was within sight, saying negotiators were "driving toward the goal line."

Baker Hughes said U.S. energy firms this week added oil and natural gas rigs for the second time in three weeks. The oil and gas rig count increased by two to 586 in the week ending July 19th, its highest since late June. Baker Hughes said oil rigs fell by one to 477 this week, their lowest since December 2021, while gas rigs increased by three to 103, their highest level since mid-May.

IIR Energy said U.S. oil refiners are expected to shut in about 573,000 bpd of capacity in the week ending July 19th, cutting available refining capacity by 277,000 bpd. Offline capacity is expected to fall to 288,000 bpd in the week ending July 26th and further to 122,000 in the week ending August 2nd.

Exxon Mobil Corp reported operations requiring flaring at its 609,024 bpd Beaumont, Texas refinery. Separately, Exxon Mobil reported an upset at its 251,800 bpd Joliet, Illinois refinery.

Euroilstock data showed that European oil refinery output in June increased 7.3% on the month to 9.86 million bpd, which was also up 4.4% on the year. Total crude intake was 9.5 million bpd in June, 6.6% higher than in May and up 5.5% from a year earlier.

Shipping tracking data showed that about 150,000 bpd of Canadian crude were exported from the U.S. Gulf Coast in June, slightly lower than average, despite the expansion of the Trans Mountain pipeline, which pulled some barrels west to Vancouver.

Early Market Call - as of 8:55 AM EDT

WTI - Aug \$79.45 down 68 cents
 RBOB - Aug \$2.4328 down 1.16 cents
 HO - Aug \$2.4085 down 1.06 cents

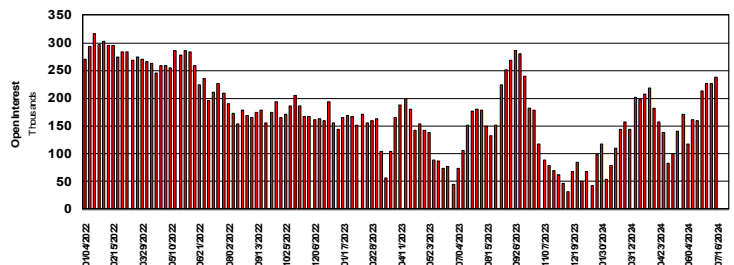
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.4191	-0.0677	-0.0905
Sep-24	2.4370	-0.0663	-0.0899
Oct-24	2.4506	-0.0659	-0.0888
Nov-24	2.4560	-0.0653	-0.0860
Dec-24	2.4535	-0.0646	-0.0810
Jan-25	2.4569	-0.0634	-0.0793
Feb-25	2.4534	-0.0624	-0.0790
Mar-25	2.4409	-0.0616	-0.0791
Apr-25	2.4216	-0.0603	-0.0778
May-25	2.4079	-0.0586	-0.0761
Jun-25	2.3977	-0.0570	-0.0745
Jul-25	2.3974	-0.0559	-0.0732
Aug-25	2.3988	-0.0552	-0.0717
Sep-25	2.4012	-0.0546	-0.0701
Oct-25	2.4032	-0.0538	-0.0683
Nov-25	2.4004	-0.0529	-0.0660
Dec-25	2.3934	-0.0518	-0.0644

Sprague HeatCurve October 2024-April 2025 \$2.4495

	Close	Change
Crude - WTI	<div style="display: flex; align-items: center;"> <div style="background-color: #c00000; color: white; padding: 5px; margin-right: 5px;"> Sep Brent- WTI Spread \$ </div> <div style="font-size: 2em;">}</div> <div style="margin-left: 10px;"> \$82.6300 \$2.1280 \$2.4504 </div> </div>	-\$2.4800
Crude - Brent		\$0.0030
Natural Gas		
Gasoline		-\$0.0660

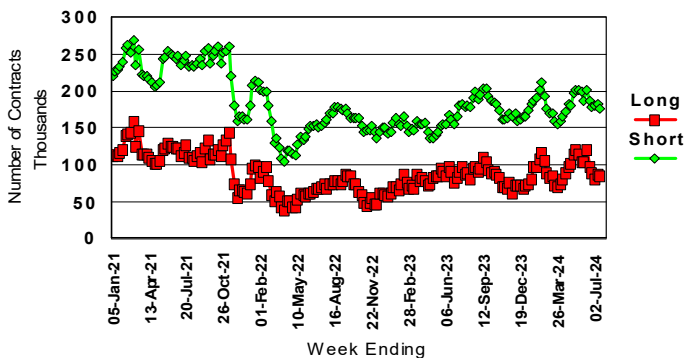
WTI Futures & Options: NYMEX & ICE Combined
 Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending July 16, 2024

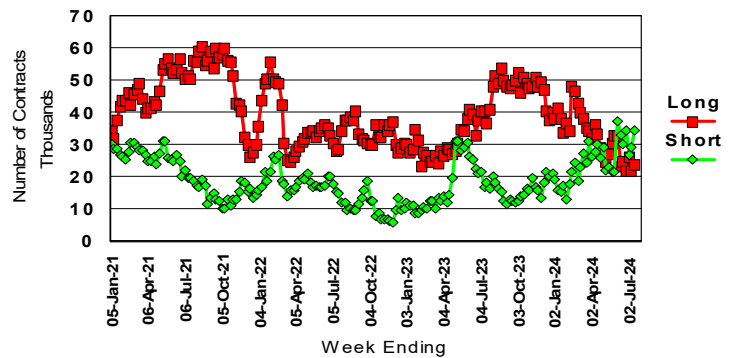
Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.