

Market Commentary

Recap: The oil market on Wednesday posted an inside trading day and broke its three day losing streak in light of the supportive oil inventory reports. The crude market posted the day's trading range following the release of the EIA's weekly inventory report. The market traded to a low of \$76.98 despite the larger than expected draws in stocks reported across the board by the EIA. However, the market later bounced off its low and rallied to a high of \$78.19 by mid-day. The market later settled in a sideways trading pattern during the remainder of the session. The September WTI contract ended the session up 63 cents at \$77.59, while the September Brent contract settled up 70 cents at \$81.71. The product markets ended the session higher, with the heating oil market settling up 4.25 cents at \$2.4524 and the RB market settling up 3.74 cents at \$2.4515.

Technical Analysis: The crude market on Thursday is seen remaining range bound as it weighs the supportive oil inventory reports and supply risk from Canadian wildfires against a potential ceasefire agreement between Israel and Hamas as President Joe Biden and Israeli Prime Minister Benjamin Netanyahu are scheduled to meet and hold talks on the Gaza ceasefire. The market is seen finding resistance at its high of \$78.19, \$78.73, \$79.13, \$79.24 followed by \$80.00, \$80.98, \$81.34 and \$82.27. Meanwhile, support is seen at \$76.98, \$76.40 \$74.78, \$74.57-\$74.52 and \$73.44.

Fundamental News: The EIA reported that U.S. crude oil stocks fell for the fourth consecutive week, the longest declining streak since September 2023. It reported that U.S. gasoline demand increased to 9.46 million bpd in the week ending July 19th, the most for this time of the year since 2021's record high of over 10 million bpd. Product supplied of gasoline increased by 673,000 bpd on the week, the biggest weekly increase since November 2023.

S&P Global Commodities at Sea estimates loadings of diesel for export to Europe have surged to record highs in July to 517,000 b/d, up from 330,000 loaded in June. Growth in U.S. diesel exports to Europe has come at a time that western sanctions have disrupted Russian gasoil shipments to Europe but also Saudi exports to Europe have dropped off significantly in June and July.

IIR Energy reported that U.S. oil refiners are expected to shut in about 671,000 bpd of capacity in the week ending July 26th, cutting available refining capacity by 12,000 bpd. Offline capacity is expected to fall to 504,000 bpd in the week ending August 2nd.

Colonial Pipeline Co is allocating space for Cycle 44 shipments on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

The OPEC Secretariat said it had received a plan from Iraq to make up for overproduction in the first half of the year and said it would offset it by September 2025. OPEC said Iraq's overproduced volumes between January and June totaled about 1.184 million bpd.

Russian crude oil production in June exceeded quotas set by the OPEC+ group. However, Russia's Energy Ministry pledged on Wednesday to stick to the required output level in July. Russia's cumulative oil overproduction in January-June this year stood at 480,000 bpd under the OPEC+ deal and the country has pledged to offset the majority of the excess output next year. According to OPEC, Russia would offset 40,000 bpd of oil overproduction in October-November 2024, while 440,000 bpd of excess output will be offset in March-September 2025.

OPEC also reported that it received a plan from Kazakhstan to make up for the country's overproduction in the first six months of the year. The country overproduced 620,000 bpd between January and June.

Early Market Call - as of 8:10 AM EDT

WTI - Sep \$76.13, down \$1.46

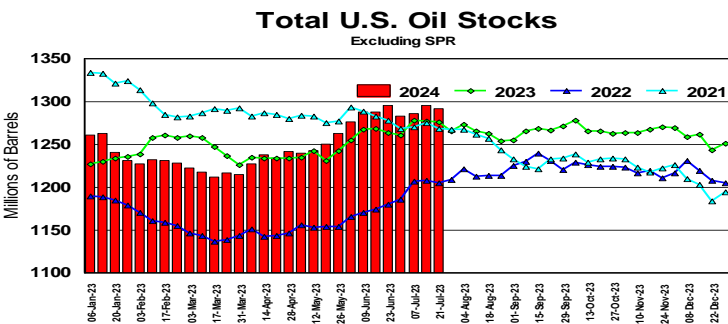
RBOB - Aug \$2.4085, down 4.3 cents

HO - Aug \$2.4053, down 4.71 cents

All NYMEX | Prior Settlements

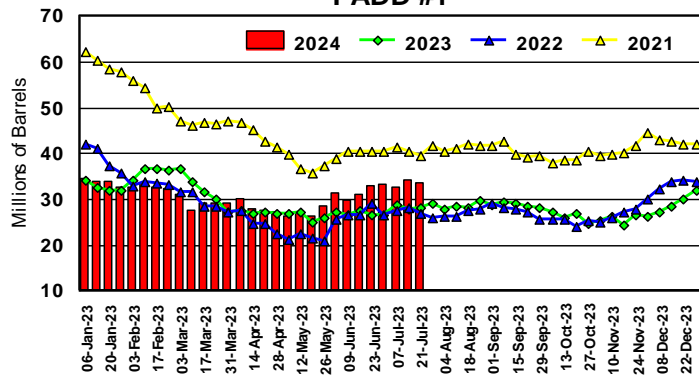
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	2.4524	0.0425	-0.0416
Sep-24	2.4690	0.0419	-0.0412
Oct-24	2.4799	0.0406	-0.0433
Nov-24	2.4803	0.0381	-0.0472
Dec-24	2.4729	0.0353	-0.0502
Jan-25	2.4743	0.0336	-0.0508
Feb-25	2.4692	0.0321	-0.0518
Mar-25	2.4545	0.0309	-0.0538
Apr-25	2.4339	0.0300	-0.0540
May-25	2.4196	0.0295	-0.0529
Jun-25	2.4091	0.0292	-0.0516
Jul-25	2.4093	0.0285	-0.0500
Aug-25	2.4115	0.0280	-0.0482
Sep-25	2.4146	0.0275	-0.0463
Oct-25	2.4173	0.0270	-0.0443
Nov-25	2.4150	0.0269	-0.0426
Dec-25	2.4082	0.0270	-0.0414

Sprague HeatCurve October 2024-April 2025		\$2.4676
	Close	Change
Crude - WTI	\$77.5900	\$0.6300
Crude - Brent	\$81.7100	\$0.7000
Natural Gas	\$2.1170	-\$0.0700
Gasoline	\$2.4515	\$0.0374



Weekly EIA Petroleum Status Report for the Week Ending July 19, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 3.741 million barrels
 Cushing, OK Crude Stocks Down 1.708 million barrels
Gasoline Stocks Down 5.572 million barrels
Distillate Stocks Down 2.753 million barrels
Refinery % Operated 91.6%, down 2.1%

PADD #1

	Week Ending July 19, 2024	Week Ending July 12, 2024	Week Ending July 21, 2023
Distillate Stocks (in million bbl)			
New England	4.1	4.6	3.5
Central Atlantic	17.0	17.3	13.2
Total PADD #1	33.4	34.1	28.1
Distillate Imports (thousands b/d)	81	96	154