



MarketWatch | Refined Products

Friday, July 26, 2024

Market Commentary

Recap: The oil market ended the session higher after it posted an outside trading day on Thursday. In overnight trading, the market gave back some of Wednesday's gains following the bullish U.S. crude oil and products drawdowns. The crude market posted a low of \$76.04 early in the morning amid some negative sentiment, with concerns over the demand outlook in China. China's central bank made an unexpected interest rate cut to support its weakening economy. However, the market bounced off its low and retraced its earlier losses. It breached its previous high of \$78.19 and continued to trend higher. The market posted a high of \$78.40 ahead of the close. The oil market was well supported by strong U.S. economic data, with the Commerce Department reporting that the U.S. economy grew faster than expected in the second quarter while inflation eased. The market was also supported by news of wildfires burning in the western provinces of British Columbia and Alberta, including in the area of oil sands hub, Fort McMurray. The September WTI contract settled up 69 cents at \$78.28 and the September Brent settled up 66 at \$82.37. The product markets ended the session higher once again, with the heating oil market settling up 1.88 cents at \$2.4712 and the RB market settling up 1.61 cents at \$2.4676.

Technical Analysis: The crude market is seen remaining supported ahead of the weekend amid the supportive inventory reports this week, while the market awaits for further news on a potential ceasefire agreement between Israel and Hamas. The crude market is seen finding resistance at \$78.40, \$78.73, \$78.92, \$79.13, \$79.81 followed by \$80.00, \$80.70, \$81.34 and \$82.27. Support is seen at \$76.04, \$74.78, \$74.57-\$74.52, \$74.31 and \$73.44.

Fundamental News: Citi stated that it appears speculators continue to lean to bearish oil markets into the end of the quarter, barring a weather or supply shock.

A wildfire reached the Canadian town of Jasper, Alberta on Wednesday, as firefighters battled to save key facilities such as the Trans Mountain Pipeline. Wildfires burning across the region include 433 in British Columbia and 176 in Alberta, more than a dozen of them in the area of Fort McMurray. The Trans Mountain Pipeline, which can carry 890,000 bpd of oil from Edmonton to Vancouver, runs through a national park in the Canadian Rockies. Trans Mountain Pipeline said it was safely operating the pipeline and had deployed sprinkler protection as a preventive measure. The pipeline operator said there is no indication of damage to its infrastructure.

Russia's Deputy Prime Minister, Alexander Novak, said Russia will compensate for exceeding crude oil production quotas set by OPEC+ partners and there is no friction over the issue. He said the overproduction was a minor issue and that Russia was in constant touch with its OPEC+ partners. He said he expected the OPEC+ JMCC meeting on August 1st to be constructive. Separately, Russian Deputy Prime Minister, Alexander Novak, said Russia is not planning to ban diesel exports and the situation is stable. He said that Russia is not planning additional measures to normalize supplies of high-octane Ai-95 gasoline, adding that the supply difficulties are temporary.

PBF Energy reported unplanned flaring at its Torrance, California refinery.

Motiva Enterprises reported emissions at its 626,000 bpd Port Arthur, Texas refinery.

Valero Energy Corp plans to operate its 14 refineries up to 92% of their combined 3.2 million bpd total throughput capacity in the third quarter of 2024. Valero plans for its seven U.S. Gulf Coast refineries to operate between 95% and 98% of their combined total throughput of 1.8 million bpd.

Early Market Call - as of 8:20 AM EDT

WTI - Sep \$77.93, down 35 cents
 RBOB - Aug \$246.15, down 61 points
 HO - Aug \$2.4514, down 1.98 cents

All NYMEX | Prior Settlements

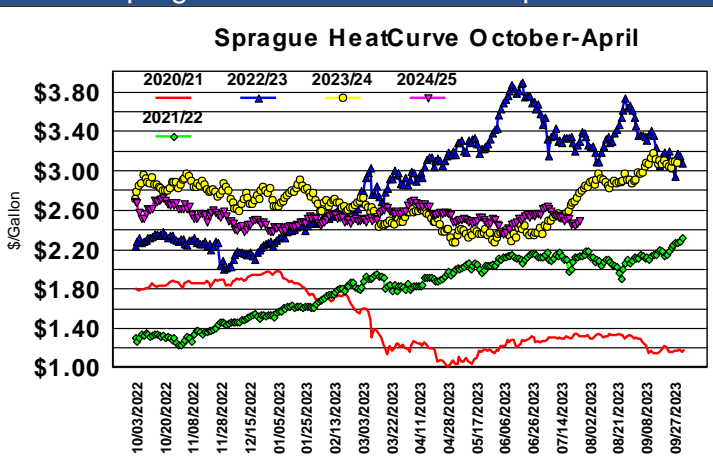
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.4712	0.0188	-0.0156
Sep-24	2.4881	0.0191	-0.0152
Oct-24	2.4995	0.0196	-0.0170
Nov-24	2.5001	0.0198	-0.0212
Dec-24	2.4918	0.0189	-0.0263
Jan-25	2.4930	0.0187	-0.0273
Feb-25	2.4874	0.0182	-0.0284
Mar-25	2.4725	0.0180	-0.0300
Apr-25	2.4513	0.0174	-0.0306
May-25	2.4360	0.0164	-0.0305
Jun-25	2.4246	0.0155	-0.0301
Jul-25	2.4243	0.0150	-0.0290
Aug-25	2.4258	0.0143	-0.0282
Sep-25	2.4280	0.0134	-0.0278
Oct-25	2.4297	0.0124	-0.0273
Nov-25	2.4263	0.0113	-0.0270
Dec-25	2.4185	0.0103	-0.0267

Sprague HeatCurve October 2024-April 2025		\$2.4862
	Close	Change
Crude - WTI	\$78.2800	\$0.6900
Crude - Brent	\$82.3700	\$0.6600
Natural Gas	\$2.0410	-\$0.0760
Gasoline	\$2.4676	\$0.0161

EIA Working Gas Storage Report

	19-Jul-24	12-Jul-24	Change	19-Jul-23
East	697	686	11	667
Midwest	827	814	13	752
Mountain	251	248	3	188
Pacific	289	289	0	232
South Central	1167	1173	-6	1,142
Salt	313	318	-5	313
Nonsalt	854	855	-1	829
Total	3231	3209	22	2,982

Sprague HeatCurve October-April



September WTI



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