

Market Commentary

Recap: The NYMEX oil futures markets while finishing lower Friday basically remained mired in a trading range that the crude oil, heating oil and gasoline contracts have been contained in for the past week. Traders appear awaiting fresh fundamental news that could tip the current supply demand balance in one direction or the other. The market will look for updates on whether a ceasefire is finally becoming realized between Israel and Hamas, the awaking of the Atlantic hurricane season, increased threats to oil sands production from expanding Canadian wild fires, or a viable Venezuelan election this weekend. Traders appear to be awaiting some significant fundamental factor to build their near term market outlook around and without a change in market dynamics price action next week could once again remain trapped in this week's trading ranges.

Technical Analysis: Technically we are keeping a close eye on the heating oil market. If this market is capable of breaching the lows of its congestion pattern established this past week, prices could rapidly drop as potential protective stops are elected with prices possibly tumbling 5-7 cents lower, providing an attractive longer term buying opportunity, especially as we are on the verge of entering into the heart of Atlantic hurricane season.

Fundamental News: 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 and further to 465,000 bpd in the week ending August 9th.

Goldman Sachs said that whoever wins the U.S. presidential election in November will have limited tools to significantly increase domestic oil supply next year. It said Strategic Petroleum Reserve stocks are low and regulatory easing may only significantly increase U.S. long-run supply. Goldman Sachs expects Brent prices to range from \$75/barrel to \$90/barrel in 2025, assuming trend-like growth in GDP and steady oil demand as well as market balancing by OPEC and affiliates. Goldman Sachs expects oil prices to fall as much as \$11/barrel next year as a result of weaker demand and GDP in a scenario where the U.S. imposes an across-the-board tariff of 10% on goods imports. However, tariffs could impact oil prices by as much as \$19 if the Federal Reserve delays interest rate cuts beyond 2025 due to a higher core inflation rate, with Brent at \$62/barrel in the fourth quarter of 2025 compared to a current forecast of \$81/barrel.

Baker Hughes reported that the number of oil-directed drilling rigs operating in the United States this week rose by 5 to 482 rigs. Total oil and gas rigs rose by three to 589 and marked the largest monthly gain since November 2022.

Platts reported that operators at PBF Energy's 160,000 b/d Paulsboro refinery are expected to shut down a 50,000 b/d crude unit in August due to poor economics.

Motiva Enterprises was repairing a leak on the shut fluidic catalytic cracker 3 unit at its 626,000 bpd Port Arthur, Texas, refinery on Thursday. The 81,000-bpd FCC-3 was shut after a malfunction on Wednesday.

The CFTC after the close released their Commitment of Traders Report for the week ending July 23rd and it showed that hedge funds and large speculators had reduced their net long position in the WTI contract by 31,220 contracts to 207,538 contracts.

Early Market Call - as of 8:20 AM EDT

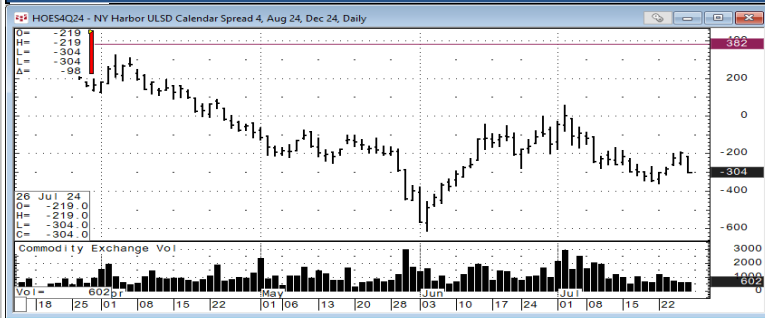
WTI - Sep \$76.85, down 31 cents
 RBOB - Aug \$2.4492, down 1.13 cents
 HO - Aug \$2.4098, down 99 points

All NYMEX | Prior Settlements

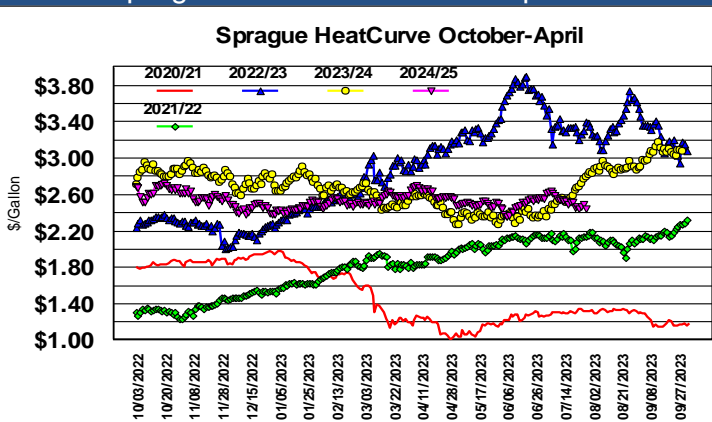
	USLD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	\$2.4197	-\$0.0515	\$0.0006
Sep-24	\$2.4376	-\$0.0505	\$0.0006
Oct-24	\$2.4515	-\$0.0480	\$0.0009
Nov-24	\$2.4553	-\$0.0448	-\$0.0007
Dec-24	\$2.4490	-\$0.0428	-\$0.0045
Jan-25	\$2.4517	-\$0.0413	-\$0.0052
Feb-25	\$2.4472	-\$0.0402	-\$0.0062
Mar-25	\$2.4334	-\$0.0391	-\$0.0075
Apr-25	\$2.4140	-\$0.0373	-\$0.0076
May-25	\$2.4005	-\$0.0355	-\$0.0074
Jun-25	\$2.3910	-\$0.0336	-\$0.0067
Jul-25	\$2.3917	-\$0.0326	-\$0.0057
Aug-25	\$2.3939	-\$0.0319	-\$0.0049
Sep-25	\$2.3968	-\$0.0312	-\$0.0044
Oct-25	\$2.3994	-\$0.0303	-\$0.0038
Nov-25	\$2.3972	-\$0.0291	-\$0.0032
Dec-25	\$2.3913	-\$0.0272	-\$0.0021

Sprague HeatCurve October 2024-April 2025		\$2.4447	
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$3.97	\$77.1600	-\$1.5200
Crude - Brent		\$81.1300	-\$1.2400
Natural Gas		\$2.0060	-\$0.0430
Gasoline		\$2.4605	-\$0.0154

NYMEX Heating Oil August - December 2024 Spread



Sprague HeatCurve October-April



NYMEX December 2024

