



# MarketWatch | Refined Products

Wednesday, July 31, 2024

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** The oil market continued to trend lower on Tuesday settling lower for the third consecutive session amid concerns over demand in China. Some disappointing economic news from China has been weighing on market sentiment. A Reuters survey showed that China's manufacturing activity likely fell for a third consecutive month in July. The market was also weighed by the strength in the dollar ahead of the Federal Reserve's policy meeting that ends on Wednesday, when any new clues regarding an interest rate cut in September will be in focus. The market posted a high of \$75.97 in overnight trading before it continued to trend lower. It sold off to a low of \$74.59 by mid-day. The market later retraced some of its losses and remained in a sideways trading range as it positioned itself ahead of the release of the weekly oil inventory reports later on Tuesday and Wednesday morning. The September WTI contract settled down \$1.08 at \$74.73 and the September Brent contract settled down \$1.15 at \$78.63. The product markets ended in negative territory, with the heating oil market settling down 3.82 cents at \$2.3368 and the RB market settling down 2.82 cents at \$2.3871.

**Technical Analysis:** The crude market on Wednesday will likely trade sideways as it weighs the weekly petroleum stocks reports, which are expected to show draws across the board, against bearish data regarding China's factory activity in July, which is expected to have fallen for a third consecutive month. While, the market's lack of reaction to an Israel attack on a Hezbollah commander near Beirut on Tuesday, seems to indicate the market's view that it is unlikely to trigger a regional war, with market will look for further news regarding the tension in the Middle East. The oil market is seen finding support at its low of \$74.59, \$74.57-\$74.52 followed by \$73.44, \$72.42, and \$72.23. Meanwhile, resistance is seen at \$75.40, \$75.97, \$76.15, \$77.37, \$77.69 followed by \$78.60, \$78.73 and \$79.13.

**Fundamental News:** Sources stated that an OPEC+ panel is unlikely this week to make any changes to its current deal to cut production and to start unwinding some cuts from October, despite recent sharp declines in oil prices. Top ministers from OPEC and allies led by Russia or OPEC+ will hold an online Joint Ministerial Monitoring Committee meeting on Thursday morning.

On Tuesday, Israel targeted a commander of Hezbollah near the suburbs of Lebanon's capital Beirut. Israel confirmed it acted in response to the rocket attack in the Golan Heights. A senior Israeli official said that Tuesday's strike constitutes Israel's response to the strike from Hezbollah, suggesting no further military activity should be expected at this time.

Earlier, United States Defense Secretary Lloyd Austin does not believe that a fight between Israel and Hezbollah is inevitable, and said Washington would like to see things resolved in a diplomatic fashion.

Venezuela's opposition said it had voting-tally proof it had won the election claimed by President Nicolas Maduro. Protesters took to the streets after President Maduro was declared winner of the disputed poll. Maduro, in a live broadcast from the presidential palace, said his forces were acting against what he called violent protesters. The armed forces have long supported Maduro and there are no signs leaders were breaking from the government. The Venezuelan Conflict Observatory said "numerous acts of repression and violence carried out by paramilitary collectives and security forces have been reported". On Monday, electoral authorities said that Maduro had won a third term as president with 51% of the vote.

However, the opposition said the 73% of voting tallies to which it has access showed its candidate Edmundo Gonzalez had won an unassailable victory, winning more than twice as many votes as Maduro. Independent pollsters called Maduro's claim of victory implausible, and governments in the U.S. and elsewhere immediately cast doubt on the results and called for a full tabulation of votes. The Organization of American States' election observation department said it cannot recognize the results by Venezuela's national electoral council declaring President Nicolas Maduro the winner of Sunday's vote.

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

WTI - August \$77.39, up \$2.67  
 RBOB - August \$2.4426, up 5.55 cents  
 HO - August \$2.4042, up 6.74 cents

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.3368	-0.0382	-0.0731
Sep-24	2.3587	-0.0348	-0.0684
Oct-24	2.3759	-0.0333	-0.0634
Nov-24	2.3820	-0.0313	-0.0602
Dec-24	2.3798	-0.0281	-0.0578
Jan-25	2.3849	-0.0270	-0.0558
Feb-25	2.3814	-0.0267	-0.0557
Mar-25	2.3691	-0.0260	-0.0545
Apr-25	2.3518	-0.0252	-0.0521
May-25	2.3408	-0.0242	-0.0493
Jun-25	2.3337	-0.0231	-0.0462
Jul-25	2.3371	-0.0222	-0.0437
Aug-25	2.3417	-0.0214	-0.0418
Sep-25	2.3467	-0.0207	-0.0404
Oct-25	2.3513	-0.0200	-0.0390
Nov-25	2.3504	-0.0195	-0.0377
Dec-25	2.3451	-0.0192	-0.0361

### Sprague HeatCurve October 2024-April 2025 \$2.3770

		Close	
Crude - WTI	Sep Brent- WTI Spread \$3.90	\$74.7300	-\$1.0800
Crude - Brent		\$78.6300	-\$1.1500
Natural Gas		\$2.1260	\$0.0900
Gasoline		\$2.3871	-\$0.0282

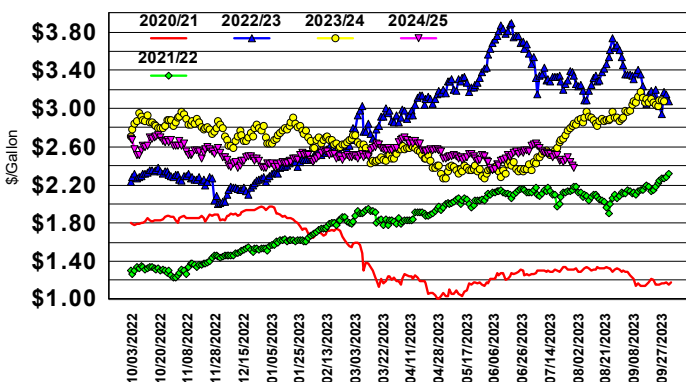
### API Report for the Week Ending July 26, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 4.495 million barrels	Down 2.7 million barrels
Gasoline Stocks	Down 1.917 million barrels	Down 1.3 million barrels
Distillate Stocks	Down 322,000 barrels	Down 800,000 barrels
Refinery Runs		Up 0.5% at 92.1%

## Sprague Heat Curve October-April

## September WTI

Sprague HeatCurve October-April



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