



MarketWatch | Refined Products

Friday, July 19, 2024

Market Commentary

Recap: The oil market continued to trade within its recent trading range as it weighed the supportive API and EIA reports showing larger than expected draws in crude stocks against signals of economic easing following the release of the U.S. jobless claims report on Thursday morning. The market traded higher in follow through strength from Wednesday's session as it remained well supported by the oil inventory reports. It rallied to a high of \$83.82 in overnight trading. However, it erased some of its sharp gains and was further pressured by the jobs data showing that new claims for unemployment benefits increased more than expected last week. The market posted a low of \$82.04 by mid-morning before it once again rallied higher and retraced its earlier losses in afternoon trading. It traded in a range from its low to \$83.50 ahead of the close, with the August WTI contract settling down 4 cents at \$82.82. The Brent contract settled up 3 cents at \$85.11. The product markets ended the session mixed, with the heating oil market settling down 72 points at \$2.4868 and the RB market settling up 1.51 cents at \$2.5164.

Technical Analysis: The crude oil market is seen remaining supported on Friday as it continues to trade in a range from \$80.00 to \$84.50. The market is weighing increasing expectations that the Fed will soon cut interest rates against concerns about an economic slowdown that could cut fuel demand. The market is seen finding resistance at its high of \$83.82, \$84.52 and \$85.27. However, support is seen at its low of \$82.04, \$81.95, \$81.52, \$80.70, \$80.45 and \$80.22.

Fundamental News: The Kremlin said Saudi Crown Prince Mohammed bin Salman and Russian President Putin during a phone call on Wednesday reaffirmed their countries' commitment to the OPEC+ oil production accord.

Bloomberg is reporting that OPEC+ delegates scheduled to meet in August are not expecting to make any changes in their plans for a supply hike in the fourth quarter. Separately, three sources said an OPEC+ ministerial meeting next month is unlikely to recommend changing the group's output policy, including a plan to start unwinding one layer of oil output cuts from October. One of the three OPEC+ sources said the meeting would serve as a "pulse check" for the health of the market.

An Exxon Mobil company spokesman said Wednesday the company continued to survey the status of its Joliet refinery, in the wake of severe weather moving through the area of the refinery. The National Weather Service said an EF-2 tornado touched down just across Interstate 55 from the refinery on July 15th. The company in a filing with state regulators confirmed it had shut the crude distillation unit, the FCC unit and the catalytic reformer on July 15th.

Separately, according to industry monitor, IIR, Exxon Mobil's 251,800 bpd refinery in Joliet, Illinois, is likely to have most units offline through this week. A severe storm passed through Joliet earlier this week, leaving thousands without power. The power outage took 16 units offline on Monday night. Among them are a 127,000 bpd, a vacuum distillation unit and a 98,000 bpd fluid catalytic cracker unit. Four hydrotreater units and three sulfur recovery units also went down during the outage. The units are expected to be down for a week with plans to restart over the upcoming weekend.

The Clean Fuels Alliance America, one of the United States largest biofuels industry trade groups, said it plans to sue the EPA if the agency does not significantly hasten its Renewable Fuel Standard timeline. The group is intent to legally force the agency to issue its 2026 RFS volumes rules proposal by a statutory October 31, 2024 deadline. The agency earlier this year said it probably would probably not issue its proposals until March 2025 and finalized by December 2025.

Early Market Call - as of 8:55 AM EDT

WTI - Aug \$82.74, down 8 cents
 RBOB - Aug \$2.5165, up 1 point
 HO - Aug \$2.4909, up 41 points

All NYMEX | Prior Settlements

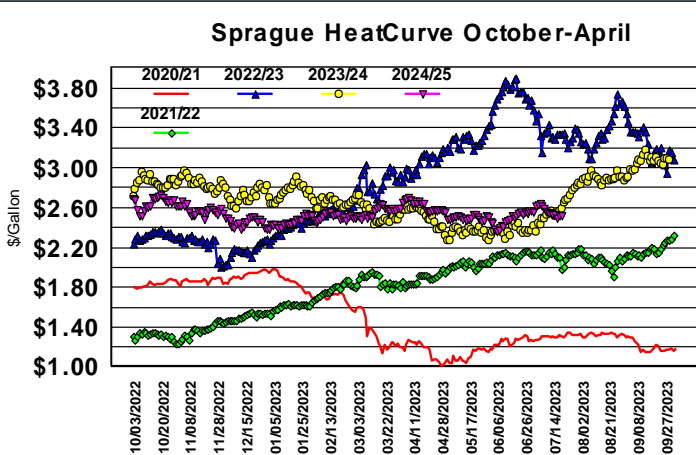
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Aug-24	2.4868	-0.0072	-0.0314
Sep-24	2.5033	-0.0069	-0.0325
Oct-24	2.5165	-0.0067	-0.0312
Nov-24	2.5213	-0.0062	-0.0293
Dec-24	2.5181	-0.0050	-0.0256
Jan-25	2.5203	-0.0048	-0.0250
Feb-25	2.5158	-0.0052	-0.0252
Mar-25	2.5025	-0.0058	-0.0256
Apr-25	2.4819	-0.0060	-0.0253
May-25	2.4665	-0.0060	-0.0250
Jun-25	2.4547	-0.0060	-0.0245
Jul-25	2.4533	-0.0060	-0.0237
Aug-25	2.4540	-0.0057	-0.0223
Sep-25	2.4558	-0.0051	-0.0210
Oct-25	2.4570	-0.0046	-0.0198
Nov-25	2.4533	-0.0043	-0.0188
Dec-25	2.4452	-0.0044	-0.0183

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$3.81	\$81.3000	-\$0.1400
Crude - Brent		\$85.1100	\$0.0300
Natural Gas		\$2.1250	\$0.0900
Gasoline		\$2.5164	\$0.0151

EIA Working Gas Storage Report

	12-Jul-24	05-Jul-24	Change	12-Jul-23
East	686	682	4	659
Midwest	814	800	14	736
Mountain	248	245	3	184
Pacific	289	289	0	230
South Central	1173	1183	-10	1,149
Salt	318	327	-9	322
Nonsalt	855	856	-1	828
Total	3209	3199	10	2,959

Sprague HeatCurve October-April



August WTI



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