



MarketWatch | Refined Products

Friday, August 9, 2024

Market Commentary

Recap: The crude market on Thursday continued to retrace its recent losses as increasing concerns over escalating tensions in the Middle East offset demand concerns that had pushed the market to its lowest levels since early this year at the start of the week. It also remained supported following the larger than expected draw in crude stocks of 3.7 million barrels reported by the EIA on Wednesday. The crude market traded sideways and posted a low of \$74.60 early in the morning. However, the market bounced off that level and continued to recover from its sharp decline on Monday. It retraced more than 38% of its move from a high of \$83.58 to a low of \$71.67 as it rallied to a high of \$76.52 ahead of the close. The market was further supported after U.S. jobs data eased demand concerns as initial unemployment benefit claims fell more than expected. The September WTI contract settled up 96 cents at \$76.19 and the October Brent contract settled up 83 cents at \$79.16. The product markets ended the session higher, with the heating oil market settling up 22 points at \$2.3578 and the RB market settling up 4.19 cents at \$2.3992.

Technical Analysis: The oil market on Friday is seen trading sideways as the market remains supported by the possibility of retaliatory strikes by Iran against Israel following the killing of senior members of Hamas and Hezbollah. The market will also remain supported amid the force majeure at the Sharara oilfield declared on Tuesday. The oil market is seen finding resistance at its high of \$76.52, \$77.29, \$77.63, \$78.88, \$79.03 and \$79.13. Meanwhile, support is seen at \$75.75, \$75.08, \$74.60 followed by \$72.58, \$72.20, \$71.67 and \$71.27.

Fundamental News: ExxonMobil said it continues to work on getting its 251,800 b/d Joliet refinery back up and running. Operators noted they have "safely restarted selected units at our refinery and are carefully ramping up production. We're continuing to assess our equipment and working hard to resume full operations as safely and quickly as possible." Last week, the U.S. Environmental Protection Agency issued an emergency waiver to help alleviate fuel shortages in states where the supply of gasoline has been impacted by the shutdown of the Joliet refinery.

Phillips 66 reported emissions from a coker flare at its 265,000 bpd Sweeny, Texas refinery.

U.S. crude oil refiners are cutting third-quarter production plans as summer fuel demand falls and profit margins remain weak. Operators say they are budgeting more maintenance downtime into forecasts after running at an industry average 95% of capacity earlier this year. Marathon Petroleum said it would operate its 13 refineries at 90% of their combined crude intake capacity of 3 million bpd, down from 97% of capacity last quarter. Valero Energy plans to reduce its processing rate due to plant maintenance and soft margins. The midpoint of its processing target is about 2.86 million bpd, down from 3 million bpd last quarter. Phillips 66 is planning to run its plants in the low-90% of capacity range. HF Sinclair expects planned plant overhauls will reduce its combined run rate by about 7.8% at the midpoint of a range of between 570,000 bpd and 600,000 bpd. Its network ran at a rate of 635,000 bpd last quarter.

The United Kingdom Maritime Trade Operations agency said that it had received a report of an incident 45 nautical miles south of Yemen's Mokha.

A fall in the number of Americans applying for unemployment benefits last week relieved markets that had been in a near panic about prospects for a recession and how aggressive the Federal Reserve would have to be in easing policy. The Labor Department said initial claims for state unemployment benefits fell 17,000 to a seasonally adjusted 233,000 in the week ending August 3rd, the largest drop in about 11 months.

Early Market Call - as of 8:53 AM EDT

WTI - Sep \$76.53, up 34 cents
 RBOB - Sep \$2.3941, down 51 points
 HO - Sep \$2.3620, up 42 points

All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-24	2.3578	0.0022	-0.0486
Oct-24	2.3776	0.0059	-0.0452
Nov-24	2.3869	0.0083	-0.0390
Dec-24	2.3877	0.0094	-0.0348
Jan-25	2.3921	0.0096	-0.0332
Feb-25	2.3886	0.0107	-0.0322
Mar-25	2.3752	0.0113	-0.0322
Apr-25	2.3565	0.0118	-0.0318
May-25	2.3440	0.0120	-0.0317
Jun-25	2.3353	0.0118	-0.0316
Jul-25	2.3390	0.0122	-0.0300
Aug-25	2.3445	0.0128	-0.0280
Sep-25	2.3509	0.0135	-0.0256
Oct-25	2.3561	0.0142	-0.0243
Nov-25	2.3554	0.0152	-0.0234
Dec-25	2.3493	0.0158	-0.0232
Jan-26	2.3466	0.0158	-0.0222

Sprague HeatCurve October 2024-April 2025 \$2.3833

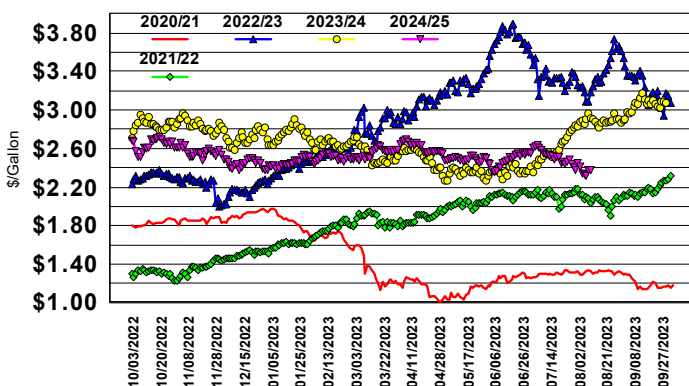
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$4.12	\$75.0400	\$0.8700
Crude - Brent		\$79.1600	\$0.8300
Natural Gas		\$2.1270	\$0.0150
Gasoline		\$2.3992	\$0.0419

EIA Working Gas Storage Report

	02-Aug-24	26-Jul-24	Change	02-Aug-23
East	719	711	8	694
Midwest	854	842	12	788
Mountain	257	253	4	195
Pacific	289	286	3	232
South Central	1152	1157	-5	1,113
Salt	300	307	-7	288
Nonsalt	851	851	0	825
Total	3270	3249	21	3,022

Sprague HeatCurve October-April

Sprague HeatCurve October-April



September WTI



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