



MarketWatch | Refined Products

Thursday, August 15, 2024

Market Commentary

Recap: The crude market continued to give up its previous gains after the EIA reported a larger than expected build in crude stocks. The oil market posted a high of \$79.10 in overnight trading as it retraced some of Tuesday's losses in light of the API reporting a 5.21 million barrel draw in oil stocks. The market erased some of its gains before it found some support as the latest U.S. inflation data seemed to have sealed the case for a September interest rate cut. The market later continued to trend lower as the EIA reported a build of 1.4 million barrels, the first build in seven weeks. The crude market retraced more than 38% of its move from a low of \$71.67 to a high of \$80.16 as it sold off to a low of \$76.83 ahead of the close. The September WTI contract settled down \$1.37 at \$76.98 and October Brent contract settled down 93 cents at \$79.76. Meanwhile, the product markets ended the session lower, with the heating oil market settling down 2.1 cents at \$2.3682 and the RB market settling down 5.36 cents at \$2.3211.

Technical Analysis: The oil market is seen trading sideways, within its recent trading range. The market is seen finding support at its low of \$76.83, \$73.70, \$75.91, \$75.85, \$74.91 and \$74.60. Resistance is seen at \$79.10, \$80.15-\$80.16, \$81.34, \$82.27-\$82.29, \$82.50 and \$83.58.

Fundamental News: The Palestinian Islamist group Hamas said it would not take part in a new round of Gaza ceasefire talks scheduled for Thursday in Qatar, cutting hopes for a negotiated truce that Iranian sources say could hold back an Iranian attack on Israel. An official said mediators are expected to consult with the Palestinian group afterwards. The U.S. has said it expects indirect talks to go ahead as planned in Qatar's capital Doha on Thursday and that a ceasefire agreement was still possible. However, Axios reported that U.S. Secretary of State Antony Blinken has postponed a trip to the Middle East that had been expected to begin on Tuesday. Meanwhile, three senior Iranian officials have said that only a ceasefire deal in Gaza would hold Iran back from direct retaliation against Israel for the assassination of Hamas leader Ismail Haniyeh on its soil last month. The Israeli government said it would send a delegation to Thursday's talks, while Hamas requested a workable plan to implement a proposal it has already accepted rather than more talks.

An analyst at Standard Charter Bank in a research note to clients appeared to be moderating their prior bullish outlook for the crude oil market said Tuesday "the oil market appears to be pricing in something bleaker; we find sentiment among traders is unusually downbeat."

TD Securities in a research note this week said the "OPEC+ acknowledgement of weakening demand may also be a cue that the group is considering to defer its plan to gradually unwind voluntary production cuts, which risks eventually creating a surplus even barring a recessionary outlook."

Libya's Waha oil company's production was reduced by 115,000 bpd due to maintenance on the pipeline pumping oil from the Waha field to Es Sider port. The company's production capacity is about 300,000 bpd, which is exported through Es Sider terminal.

IIR Energy said U.S. oil refiners are expected to shut about 299,000 bpd of capacity in the week ending August 16th, increasing available refining capacity by 363,000 bpd. Offline capacity is expected to fall to 239,000 bpd in the week ending August 23rd.

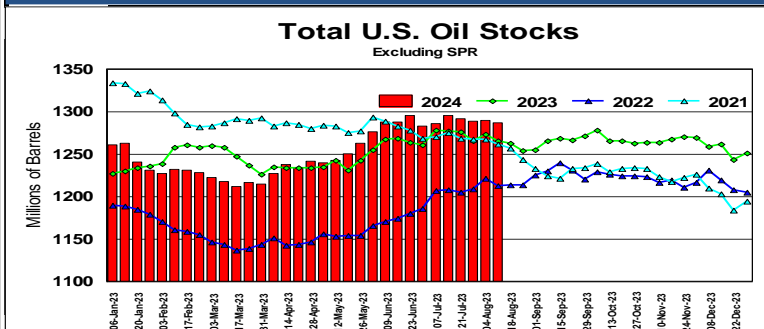
Early Market Call - as of 8:15 AM EDT

WTI - Sep \$77.84, up 86 cents
 RBOB - Sep \$2.3500, up 2.89 cents
 HO - Sep \$2.3791, up 1.09 cents

All NYMEX | Prior Settlements

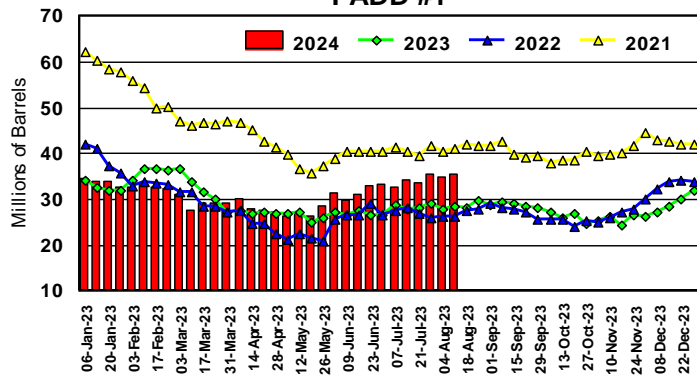
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.3682	-0.0210	0.0126
Oct-24	2.3877	-0.0233	0.0160
Nov-24	2.3968	-0.0231	0.0182
Dec-24	2.3994	-0.0229	0.0211
Jan-25	2.4037	-0.0222	0.0212
Feb-25	2.3998	-0.0213	0.0219
Mar-25	2.3869	-0.0201	0.0230
Apr-25	2.3692	-0.0190	0.0245
May-25	2.3568	-0.0183	0.0248
Jun-25	2.3481	-0.0172	0.0246
Jul-25	2.3515	-0.0169	0.0247
Aug-25	2.3565	-0.0166	0.0248
Sep-25	2.3626	-0.0162	0.0252
Oct-25	2.3673	-0.0161	0.0254
Nov-25	2.3660	-0.0162	0.0258
Dec-25	2.3594	-0.0163	0.0259
Jan-26	2.3564	-0.0162	0.0256

Sprague HeatCurve October 2024-April 2025		\$2.3947
	Close	Change
Crude - WTI	\$75.8400	-\$0.9600
Crude - Brent	\$79.7600	-\$0.9300
Natural Gas	\$2.2190	\$0.0710
Gasoline	\$2.3211	-\$0.0536



Weekly EIA Petroleum Status Report for the Week Ending August 9, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 1.357 million barrels
 Cushing, OK Crude Stocks Down 1.665 million barrels
Gasoline Stocks Down 2.894 million barrels
Distillate Stocks Down 1.673 million barrels
Refinery % Operated 91.5%, up 1%

PADD #1

	Week Ending August 9, 2024	Week Ending August 2, 2024	Week Ending August 11, 2023
Distillate Stocks (in million bbl)			
New England	4.1	3.9	3.1
Central Atlantic	17.9	18.9	13.8
Total PADD #1	35.3	34.8	28.5
Distillate Imports (thousands b/d)	57	96	96

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