



MarketWatch | Refined Products

Friday, August 16, 2024

Market Commentary

Recap: The crude oil market posted an inside trading day on Thursday as it retraced some of its losses after U.S. economic data allayed fears of an imminent recession. The market bounced higher on the opening and posted a low of \$76.93, still holding support at Wednesday's low of \$76.83. The market retraced most of its previous losses as it posted a high of \$78.60. It was supported as data showed U.S. retail sales increased more than expected in July and another report showed a smaller than expected increase in the number of Americans filing for unemployment benefits. Data showing U.S. consumer prices increased moderately in July reinforced expectations that the Federal Reserve will cut interest rates next month and lent support to the market. However, the market erased some of its gains ahead of the close. The September WTI contract settled up \$1.18 at \$78.16 and the October Brent contract settled up \$1.28 at \$81.04. The product markets settled in positive territory, with the heating oil market settling up 97 points at \$2.3779 and the RB market settling up 3.69 cents at \$2.3580.

Technical Analysis: The oil market will remain rangebound within its recent trading range as stochastics are trending sideways. The market is seen remaining supported by concerns over how Iran will respond to the killing of the leader of the Palestinian militant group Hamas last month. The market is seen finding resistance at \$78.60, \$79.10, \$80.15-\$80.16, \$81.34, \$82.27-\$82.29, \$82.50 and \$83.58. Meanwhile, support is seen at \$76.93, \$76.83, \$73.70, \$75.91, \$75.85, \$74.91 and \$74.60.

Fundamental News: The White House urged all sides to attend Gaza ceasefire talks in Doha in order to get a deal implemented, urging Israel and Hamas to compromise and saying progress is still possible in coming days. White House national security spokesman, John Kirby, also said information shows Iran has not moved off its threat to attack Israel, including potentially through proxies. He said the U.S. is watching the situation closely and is prepared, though "hopefully it doesn't come to that".

The U.S. EIA said China's diesel demand fell by 11% year over year to 3.9 million barrels per day in June, the biggest percentage decline since July 2021. According to the EIA, diesel consumption reached an all-time high in China last year but demand has dropped sharply since the second quarter this year. The decline is largely due the country's ailing property sector that has slowed economic growth and that liquefied natural gas is replacing diesel in heavy-duty trucks.

Libyan company Waha Oil confirmed Wednesday a fire had broken out on its Gazout-Es Sider crude oil pipeline link on Tuesday and was extinguished Tuesday night. As a result, the company has curbed crude flows through the pipeline as it conducts maintenance on the impacted line, some 30 km from the port of El Sider. Repairs were expected to last several days.

The EPA reported that the U.S. generated more renewable blending credits in July versus the previous month. It reported that about 1.33 billion ethanol blending credits were generated in July compared with 1.21 billion in June. Credits generated from biodiesel blending fell to 826.9 million in July from 827.2 million in June.

Early Market Call - as of 8:20 AM EDT

WTI - Sep \$76.27, down \$1.89
 RBOB - Sep \$2.3138, down 4.41 cents
 HO - Sep \$2.3272, down 5.07 cents

All NYMEX | Prior Settlements

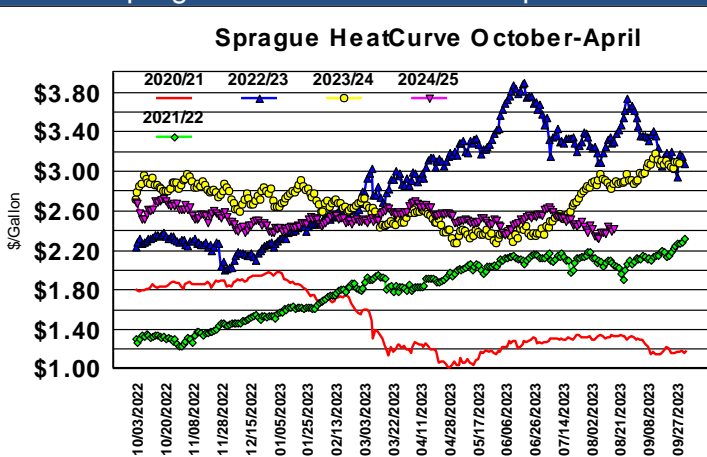
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.3779	0.0097	0.0201
Oct-24	2.3969	0.0092	0.0193
Nov-24	2.4096	0.0128	0.0227
Dec-24	2.4139	0.0145	0.0262
Jan-25	2.4183	0.0146	0.0262
Feb-25	2.4143	0.0145	0.0257
Mar-25	2.4005	0.0136	0.0253
Apr-25	2.3827	0.0135	0.0262
May-25	2.3697	0.0129	0.0257
Jun-25	2.3606	0.0125	0.0253
Jul-25	2.3634	0.0119	0.0244
Aug-25	2.3675	0.0110	0.0230
Sep-25	2.3728	0.0102	0.0219
Oct-25	2.3775	0.0102	0.0214
Nov-25	2.3765	0.0105	0.0211
Dec-25	2.3700	0.0106	0.0207
Jan-26	2.3666	0.0102	0.0200

Sprague HeatCurve October 2024-April 2025			\$2.4084
		Close	Change
Crude - WTI	Sep Brent- WTI Spread \$4.05	\$76.9900	\$1.1500
Crude - Brent		\$81.0400	\$1.2800
Natural Gas		\$2.1970	-\$0.0220
Gasoline		\$2.3580	\$0.0369

EIA Working Gas Storage Report

	09-Aug-24	02-Aug-24	Change	09-Aug-23
East	723	719	4	712
Midwest	869	854	15	807
Mountain	260	257	3	200
Pacific	287	289	-2	238
South Central	1125	1152	-27	1,097
Salt	286	300	-14	275
Nonsalt	839	851	-12	822
Total	3264	3270	-6	3,055

Sprague HeatCurve October-April



September WTI



This market update is provided for information purposes only and is not intended as advice on any transaction nor is it a solicitation to buy or sell commodities. Sprague makes no representations or warranties with respect to the contents of such news, including, without limitation, its accuracy and completeness, and Sprague shall not be responsible for the consequence or reliance upon any opinions, statements, projections and analyses presented herein or for any omission or error in fact.