



MarketWatch | Refined Products

Monday, August 19, 2024

Market Commentary

Recap: The oil market on Friday sold off following its inside trading day on Thursday and settled 0.25% lower for the week after less than supportive economic indicators from China overshadowed any geopolitical risks. China's Premier Li Qiang told a cabinet plenary session on Friday that great efforts must be made to support the economy and the country will focus on stimulating consumption. Economic data showed China's economy lost momentum in July with new home prices falling at the fastest pace in nine years, industrial output slowing and unemployment rising. Also, Chinese refineries sharply lowered crude processing rates last month on low fuel demand. The crude market posted a high of \$78.16 on the opening and continued to trend lower. The market retraced more than 50% of its move from a low of \$71.67 to a high of \$80.16 as it sold off to a low of \$75.54 early in the morning. The oil market later bounced off its low and traded in a sideways trading range during the remainder of the session. The September WTI contract settled down \$1.51 at \$76.65 and the October Brent contract settled down \$1.36 at \$79.68. The product markets ended the session lower, with the heating oil market settling down 4.92 cents at \$2.3287 and the RB market settling down 4.78 cents at \$2.3102.

Technical Analysis: The crude market will continue to trade within its recent trading range as it remains pressured by concerns over demand and while a potential retaliatory strike by Iran on Israel has so far failed to materialize, it will limit the market's losses. The market is seen finding support at its low of \$75.54, \$74.91, \$74.60 followed by \$72.58, \$72.20 and \$71.67. Resistance is seen at \$78.16, \$78.60, \$79.10 and \$80.15-\$80.16.

Fundamental News: Gaza ceasefire talks in Doha were paused on Friday with negotiators set to meet again next week in search of an agreement to end fighting between Israel and Hamas and free remaining hostages. In a joint statement, the United States, Qatar and Egypt said that the U.S. presented on Friday a Gaza ceasefire proposal that closes the remaining gaps in a manner that allows for the rapid implementation of the agreement and is consistent with the principles set out by President Joe Biden on May 31st. The statement came out after negotiators met in Doha on Thursday and Friday in the latest round of ceasefire talks. U.S. President Joe Biden said "we are closer than we've ever been" to a ceasefire in Gaza "but we're not there yet."

U.S. Secretary of State Antony Blinken will arrive in Israel on Sunday for a visit to the country. An Axios reporter said the U.S. Secretary of State will meet with Israeli Prime Minister Benjamin Netanyahu on Monday.

Baker Hughes said U.S. energy firms this week cut their oil and natural gas rigs for the second time in three weeks. The oil and gas rig count fell by two to 586 in the week to August 16th. Baker Hughes said oil rigs fell by two to 483 this week, while gas rigs increased by one to 98.

Waha Oil Company said maintenance on the pipeline linking Libya's Waha oilfield to the port of Es-Sider has been completed and flows have resumed. It said oil production is expected to return to normal levels in the coming hours. Production was suspended for maintenance early this week after a fire broke out at the pipeline.

IIR Energy said U.S. oil refiners are expected to shut in about 488,000 bpd of capacity in the week ending August 16th, increasing available refining capacity by 174,000 bpd. Offline capacity is expected to fall to 389,000 bpd in the week ending August 23rd and to 298,000 bpd in the subsequent week.

Early Market Call - as of 8:20 AM EDT

- WTI - Sep \$76.17 down 48 cents
- RBOB - Sep \$2.3023 down 79 points
- HO - Sep \$2.3125 down 1.62 cents

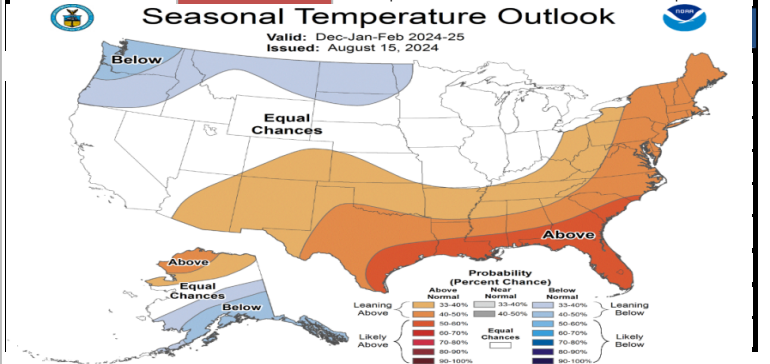
All NYMEX | Prior Settlements

	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-24	2.3287	-0.0492	-0.0110
Oct-24	2.3466	-0.0503	-0.0143
Nov-24	2.3595	-0.0501	-0.0124
Dec-24	2.3668	-0.0471	-0.0082
Jan-25	2.3731	-0.0452	-0.0068
Feb-25	2.3702	-0.0441	-0.0070
Mar-25	2.3573	-0.0432	-0.0073
Apr-25	2.3409	-0.0418	-0.0059
May-25	2.3293	-0.0404	-0.0057
Jun-25	2.3212	-0.0394	-0.0057
Jul-25	2.3253	-0.0381	-0.0063
Aug-25	2.3312	-0.0363	-0.0065
Sep-25	2.3384	-0.0344	-0.0061
Oct-25	2.3447	-0.0328	-0.0054
Nov-25	2.3446	-0.0319	-0.0054
Dec-25	2.3388	-0.0312	-0.0059
Jan-26	2.3361	-0.0305	-0.0060

Sprague HeatCurve October 2024-April 2025 \$2.3627

	Close	Change
Crude - WTI	\$75.5400	-\$1.4500
Crude - Brent	\$79.6800	-\$1.3600
Natural Gas	\$2.1230	-\$0.0740
Gasoline	\$2.3102	-\$0.0478

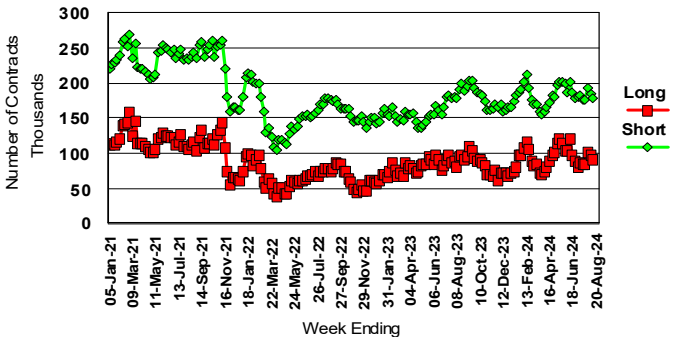
Sep Brent-WTI Spread \$4.14



Commitment of Traders Report for the Week Ending August 13, 2024

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

