

Market Commentary

Recap: The oil market traded lower on Wednesday following a downward revision to U.S. employment growth and outweighed the session's early gains attributed to the draws in crude and products stocks. The revision to U.S. nonfarm payrolls added fuel to increasing concerns for global economies. The U.S. added 818,000 fewer jobs than previously reported from the spring of 2023 to the spring of 2024. The government's revised estimate of employment growth showed the U.S. gained about 2.1 million jobs from April 2023 to March 2024, compared with the previously reported 2.9 million increase. The crude market traded mostly sideways and posted a high of \$74.16 as the EIA reported draws in crude stocks of over 4 million barrels and draws in product stocks. However, the market gave up its gains and sold off to a low of \$71.46 ahead of the close. The October WTI contract settled down \$1.24 at \$71.93 and the October Brent contract settled down \$1.15 at \$76.05. The product markets ended the session in negative territory, with the heating oil market settling down 1.35 cents at \$2.2497 and the RB market settling down 5.13 cents at \$2.2050.

Technical Analysis: The crude market is seen trending lower, with stochastics still pointing lower. Claims by the Biden administration that an end to the conflict between Israel and Hamas is in the making before the end of the year has cut some of the market's geopolitical risk. The market is seen finding support at its low of \$71.46, \$70.80 and \$70.00. Meanwhile, resistance is seen at its high of \$74.16, \$74.83, \$75.54, \$75.73 and \$76.75.

Fundamental News: U.S. crude oil export gains should plateau in 2024 after years of strong growth, with domestic output expected to increase by the smallest amount since the pandemic at a time when global oil demand remains low. According to U.S. government data, crude oil exports from U.S. ports averaged about 4.2 million bpd so far this year. That was up 3.5% from a year earlier or the lowest percentage increase since 2015, when the U.S. exported its first cargo of domestic crude oil after a 40-year federal ban on export of domestic crude ended. Last year, exports grew 13.5%. They have grown every year except in 2021 when COVID-19 crushed global oil demand. U.S. oil production is set to grow just 2.3% this year, as shale producers remain focused on shareholder returns and limit new spending on production. Offshore production is expected to rise this year on new project startups, such as Chevron's Anchor platform in the Gulf of Mexico. However, output is expected to ramp slowly over several years, meaning exports this year will not benefit.

IIR Energy said U.S. oil refiners are expected to shut in about 389,000 bpd of capacity in the week ending August 23rd, increasing available refining capacity by 99,000 bpd. Offline capacity is expected to fall to 298,000 bpd in the week ending August 30th.

BP has scheduled a shutdown of its 435,000 b/d refinery in Whiting for maintenance in September.

According to company filings, Enbridge is cutting tolls on Canadian oil export pipelines in the wake of increased competition from the recently opened Trans Mountain Expansion pipeline. Companies will be charged \$9.4877 a barrel, down from a rate of \$10.7006 a barrel, to ship heavy crude from Hardisty, Alberta to Texas.

Early Market Call - as of 8:20 AM EDT

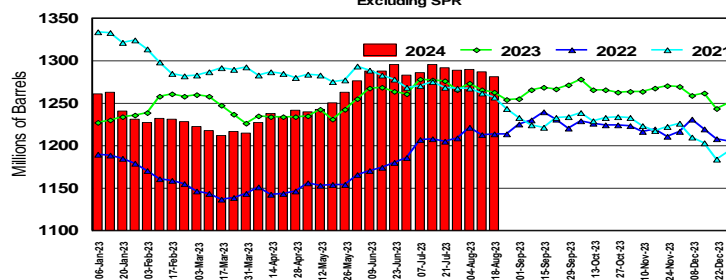
WTI - Oct \$72.08, up 15 cents
 RBOB - Sep \$2.2095, up 45 points
 HO - Sep \$2.2455, down 42 points

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.2497	-0.0135	-0.1185
Oct-24	2.2640	-0.0157	-0.1237
Nov-24	2.2737	-0.0180	-0.1231
Dec-24	2.2801	-0.0204	-0.1193
Jan-25	2.2879	-0.0208	-0.1158
Feb-25	2.2868	-0.0207	-0.1130
Mar-25	2.2746	-0.0209	-0.1123
Apr-25	2.2597	-0.0208	-0.1095
May-25	2.2508	-0.0200	-0.1060
Jun-25	2.2456	-0.0189	-0.1025
Jul-25	2.2512	-0.0181	-0.1003
Aug-25	2.2579	-0.0176	-0.0986
Sep-25	2.2655	-0.0171	-0.0971
Oct-25	2.2718	-0.0167	-0.0955
Nov-25	2.2718	-0.0163	-0.0942
Dec-25	2.2670	-0.0159	-0.0924
Jan-26	2.2660	-0.0154	-0.0904

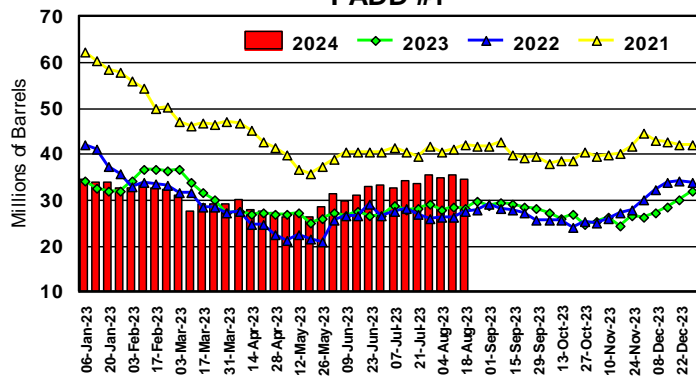
Sprague HeatCurve October 2024-April 2025		\$2.2785	
Close			
Crude - WTI	Oct Brent- WTI Spread \$4.12	\$71.9300	-\$1.2400
Crude - Brent		\$76.0500	-\$1.1500
Natural Gas		\$2.1770	-\$0.0210
Gasoline		\$2.2050	-\$0.0513

Total U.S. Oil Stocks Excluding SPR



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 16, 2024	Week Ending August 9, 2024	Week Ending August 18, 2023
Distillate Stocks (in million bbl)			
New England	3.9	4.1	3.0
Central Atlantic	18.4	17.9	15.1
Total PADD #1	34.4	35.3	28.3
Distillate Imports (thousands b/d)	44	57	70

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