

Market Commentary

Recap: The oil market posted an inside trading day on a price correction after rallying over the previous three sessions on supply concerns amid fears of widening Middle East conflict and a potential shutdown of most of Libya's oil fields. The market traded to a high of \$77.48 in overnight trading. However, the market pulled back and held resistance at its previous high of \$77.60 after it failed to break above its 200 day moving average during Monday's move higher. The crude market sold off to a low of \$75.40 in afternoon trading ahead of the close. The October WTI contract settled down \$1.89 at \$75.53 and the October Brent contract settled down \$1.88 at \$79.55. The product markets settled lower, with the heating oil market settling down 6.18 cents at \$2.2862 and the RB market settling down 3.3 cents at \$2.2469.

Technical Analysis: The crude market is seen trading within its recent trading range as the market is seen weighing the expected draws in crude stocks of over 2 million barrels on the week as well as draws in products stocks and the concerns over widening Middle East conflict against the concerns over economy, with UBS forecasting a 25% chance of a U.S. recession, up from a previous estimate of 20% due to soft number in the July labor report. The market is seen finding resistance at its high of \$77.48, \$77.60, \$78.43 and \$78.54. Meanwhile, support is seen at \$75.40, \$75.25, \$75.04, \$74.53, \$73.81 followed by \$72.83, \$71.58, \$71.46, \$70.80 and \$70.00.

Fundamental News: Engineers said several oilfields across Libya have halted output as closures spread, amid a dispute over control of the central bank and the country's oil revenue. On Monday, authorities in the east of the country where most of its oilfields are located threatened to close them all, stepping up their standoff with the country's internationally recognized government in Tripoli, which is heavily dependent on the fields for its revenues. There has still been no confirmation of any closures from the Tripoli-based government, or from the National Oil Corp, which controls the country's oil resources. However engineers at the southeastern Amal and Nafoora oilfields said production was halted, while engineers at Abu Attifel, also in the east, said output was reduced. Engineers at the southwestern El Feel oilfield, with 70,000 bpd, also said output had been halted. Meanwhile, Libya's eastern parliament speaker Aguila Saleh said that oil and gas flows will remain on hold until Libya's central bank governor resumes his legal duties.

According to a Department of Energy document, the U.S. is seeking to buy about 3.6 million barrels of domestically produced crude oil to help replenish the Strategic Petroleum Reserve. The sour crude or oil relatively high in sulfur would be for delivery in January through March of 2025 to the reserve's Bryan Mound site in Texas.

Goldman Sachs cut its average 2025 Brent forecast and range for prices by \$5/barrel saying unexpected increases in oil inventories and slow China demand is likely to weigh on the market. The bank cut its range for Brent prices to \$70-\$85/barrel and its 2025 average Brent forecast to \$77/barrel from a previous estimate of \$82/barrel. Goldman Sachs said U.S. liquids supply is beating expectations on ongoing efficiency gains and China demand growth has slowed on structural road fuel switching and on petrochemical demand weakness. However, it added that India's demand, lower interest rates and a normalization in valuation should limit downward price pressure.

S&P Global Commodities at Sea is estimating that over 6.2 million mt of diesel/gasoil will arrive at European ports from global exporters in August. Some 3.9 million mt has already been delivered with a further 2.3 million mt currently inbound. It estimates that U.S. exports will account for the bulk of the arriving middle distillates.

Early Market Call - as of 8:35 AM EDT

WTI - Oct \$74.40, down \$1.13

RBOB - Sep \$2.2095, down 3.74 cents

HO - Sep \$2.2478, down 3.84 cents

All NYMEX | Prior Settlements

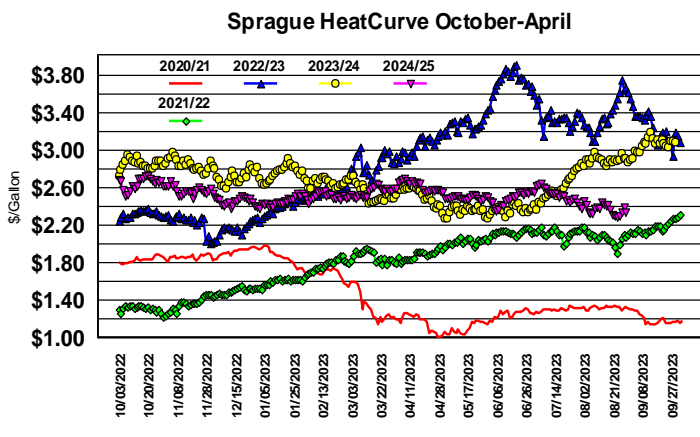
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-24	\$2.2862	-\$0.0618	\$0.0230
Oct-24	\$2.3106	-\$0.0591	\$0.0309
Nov-24	\$2.3257	-\$0.0557	\$0.0340
Dec-24	\$2.3354	-\$0.0510	\$0.0349
Jan-25	\$2.3442	-\$0.0482	\$0.0355
Feb-25	\$2.3430	-\$0.0463	\$0.0355
Mar-25	\$2.3318	-\$0.0443	\$0.0363
Apr-25	\$2.3171	-\$0.0422	\$0.0366
May-25	\$2.3085	-\$0.0406	\$0.0377
Jun-25	\$2.3032	-\$0.0391	\$0.0387
Jul-25	\$2.3085	-\$0.0380	\$0.0392
Aug-25	\$2.3149	-\$0.0371	\$0.0394
Sep-25	\$2.3221	-\$0.0360	\$0.0395
Oct-25	\$2.3281	-\$0.0348	\$0.0396
Nov-25	\$2.3285	-\$0.0336	\$0.0404
Dec-25	\$2.3245	-\$0.0326	\$0.0416
Jan-26	\$2.3231	-\$0.0319	\$0.0417

Sprague HeatCurve October 2024-April 2025			\$2.3336
		Close	Change
Crude - WTI	Oct Brent-WTI Spread \$4.02	\$75.5300	-\$1.8500
Crude - Brent		\$79.5500	-\$1.8800
Natural Gas		\$1.9040	-\$0.0520
Gasoline		\$2.2469	-\$0.0330

API Report for the Week Ending August 16, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 3.407 million barrels	Down 2.3 million barrels
Gasoline Stocks	Down 1.863 million barrels	Down 1.6 million barrels
Distillate Stocks	Down 1.405 million barrels	Down 1.1 million barrels
Refinery Runs		Up 0.2% at 92.5%

NYMEX October Heat Crack



NYMEX October WTI



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