

## Market Commentary

## All NYMEX | Prior Settlements

**Recap:** The crude market on Thursday remained steady following two sessions of losses as concerns over Libya's oil output outweighed a smaller than expected draw in U.S. crude stocks. The market was well supported as more than half of Libya's oil production or around 700,000 bpd was offline on Thursday, as a standoff between rival political factions over the central bank and oil revenue continued. The oil market posted a low of \$74.05 early in the session. The market, which held support at its previous low of \$73.82, retraced its losses and rallied higher. It breached its previous high of \$75.95 as it posted a high of \$76.91 by mid-morning. The market was further supported by news that Iraq is planning to cut its oil output in September as part of a plan to compensate for producing over the quota agreed with OPEC+. The market later traded in a sideways trading range during the remainder of the session. The October WTI contract settled up \$1.39 at \$75.91 and the October Brent contract settled up \$1.29 at \$79.94. The product markets also ended the session higher, with the heating oil market settling up 5.49 cents at \$2.2840 and the RB market settling up 3.29 cents at \$2.2477.

**Technical Analysis:** The oil market on Friday will continue to trade within its recent trading range from around \$71.00-\$78.00. The market will remain supported by the supply risk in Libya, amid the output cut and the halt of some of its exports. Also, the increased tension in the Middle East, with Israel's military operation in the West Bank, providing further support to the oil market. The crude market is seen finding support at its low of \$74.05, \$73.82-\$73.81, followed by \$72.83, \$71.58, \$71.46, \$70.80 and \$70.00. Meanwhile, resistance is seen at its high of \$76.91, \$77.48, \$77.60, \$78.43 and \$78.54.

**Fundamental News:** The EIA said U.S. gasoline prices were substantially lower than last year heading into the weekend of the Labor Day federal holiday on Monday, which ends the U.S. summer driving season. The retail price for regular gasoline in the U.S. averaged \$3.31/gallon on August 26<sup>th</sup>, down about 13% from a year earlier. The EIA said its estimates show demand is greater heading into the Labor Day weekend this year than last year. Its most recent data, which covers the week ended August 23<sup>rd</sup>, showed U.S. gasoline demand of 9.3 million bpd, the highest level for August since 2022.

More than half of Libya's oil production or around 700,000 bpd was offline on Thursday, as a standoff between rival political factions over the central bank and oil revenue threatens to break a four-year period of relative peace. Output at oilfields controlled by Waha Oil Company, a subsidiary of the National Oil Corporation, has fallen to 150,000 bpd from 280,000 bpd. Engineers said output was expected to fall further. Production has also been halted or reduced at the Sharara, Sarir, Abu Attifel, Amal and Nafoora fields. Libya pumped about 1.18 million bpd in July. Eastern factions have vowed to keep Libya's oil output shuttered until the internationally recognized Presidency Council and Government of National Unity in Tripoli, in the west, return veteran central bank governor Sadiq al-Kabir to his post. Later on Thursday, Libya's National Oil Corp said the country's average oil output on Wednesday stood at 591,024 bpd. Separately, two engineers said Libyan oil crescent ports halted export operations on Thursday.

Iraq plans to cut its oil output to between 3.85 million and 3.9 million bpd in September as part of a plan to compensate for producing over its quota agreed with OPEC and allies. Iraq cancelled a spot cargo of 1 million barrels in August to reduce its exports during the month. Iraqi Prime Minister Mohammed Shia al-Sudani stressed in a meeting with OPEC Secretary General Haitham Al Ghais, the country's commitment to the plans adopted by OPEC countries regarding oil production or what is determined within the framework of OPEC+ agreement.

**Early Market Call - as of 8:20 AM EDT**

WTI - Oct \$75.92, up 1 cent  
 RBOB - Sep \$2.2627, up 1.5 cents  
 HO - Sep \$2.2982, up 1.42 cents

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.2840	0.0549	0.0205
Oct-24	2.3126	0.0555	0.0339
Nov-24	2.3290	0.0532	0.0399
Dec-24	2.3381	0.0506	0.0427
Jan-25	2.3460	0.0491	0.0438
Feb-25	2.3439	0.0478	0.0435
Mar-25	2.3321	0.0468	0.0440
Apr-25	2.3177	0.0460	0.0451
May-25	2.3091	0.0451	0.0455
Jun-25	2.3036	0.0439	0.0453
Jul-25	2.3086	0.0431	0.0447
Aug-25	2.3144	0.0421	0.0436
Sep-25	2.3206	0.0407	0.0420
Oct-25	2.3262	0.0398	0.0411
Nov-25	2.3257	0.0389	0.0403
Dec-25	2.3206	0.0373	0.0394
Jan-26	2.3188	0.0364	0.0385

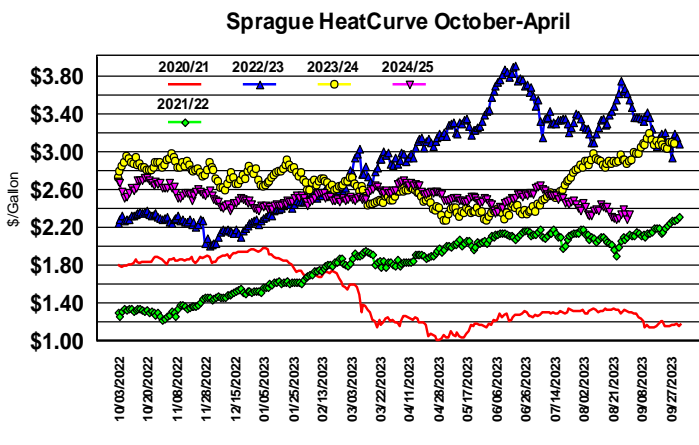
Sprague HeatCurve October 2024-April 2025		Close	
Crude - WTI	Oct Brent- WTI Spread \$4.03	\$75.9100	\$1.3900
Crude - Brent		\$79.9400	\$1.2900
Natural Gas		\$2.1370	\$0.0400
Gasoline		\$2.2477	\$0.0329

### EIA Working Gas Storage Report

	22-Aug-24	16-Aug-24	Change	23-Aug-23
East	754	735	19	745
Midwest	909	888	21	847
Mountain	266	263	3	211
Pacific	287	288	-1	246
South Central	1119	1125	-6	1,056
Salt	272	280	-8	252
Nonsalt	847	845	2	804
Total	3334	3299	35	3,106

## Sprague HeatCurve October-April

## October WTI



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