

Market Commentary

Recap: The oil market on Tuesday traded higher as the market's focus turned to the U.S. Federal Reserve's policy meeting that ends on Wednesday after the latest U.S. retail sales data pointed to a resilient economy. The crude market was also supported by the expectations of lower U.S. crude stocks, with the weekly inventory reports expected to show a small draw of about 200,000 barrels in the week ending September 13th and concerns over U.S. production that was still resuming in the aftermath Hurricane Francine. The market traded sideways in overnight trading and posted a low of \$69.61. However, the market bounced off its low and extended its gains to over \$1.80 as it posted a high of \$71.92 in afternoon trading. It retraced more than 50% of its move from a high of \$77.60 to a low of \$65.27. The October WTI contract later erased some of its gains ahead of the close and settled up \$1.10 at \$71.19 and the November Brent contract settled up 95 cents at \$73.70. The product markets also ended the session higher, with the heating oil market settling up 3.99 cents at \$2.1367 and the RB market settling up 3.37 cents at \$2.0019.

Technical Analysis: The crude market on Wednesday will likely retrace some of its gains ahead of the release of the weekly petroleum stocks report in the morning. The inventory reports are expected to show a slight decline in crude stocks. The market will also await for the Federal Reserve's decision in the afternoon regarding interest rate cuts. The Fed is expected to start its easing cycle, with the markets looking for a cut of 50 basis points. The oil market is seen finding resistance at \$71.92, \$72.89 and \$74.41. Meanwhile, support is seen at \$69.61, \$68.65, \$68.47, \$67.43 and \$67.24.

Fundamental News: Marathon Petroleum reported it experienced an emergency flaring event at its 365,000 b/d Carson, California refinery on Monday morning.

PBF Energy Inc reported unplanned flaring due to a malfunction at its 160,000 bpd Torrance, California refinery.

Platts is reporting that according to secondary sources, Iraq produced 4.228 million b/d in August down 50,000 b/d from July levels, but well above its OPEC+ commitments. Platts estimated Kurdish production has been at 250,000 b/d. Iraq's state oil marketer reportedly warned Kurdish officials that Kurdish output will be restricted to 46,000 b/d, with any additional volumes going forward would result in the withholding of budget payments to the Kurdish Regional Government.

Alberta's premier warned late last week that the planned Canadian government legislation to impose a cap on greenhouse gas emissions will potentially force Alberta's heavy oil producers to reduce output by 1.2 million b/d by 2030.

Production at U.S. factories increased in August amid a rebound in motor vehicle output, but data for the previous month was revised lower, suggesting that manufacturing continued to tread water. The Federal Reserve said factory output increased 0.9% in August after a downwardly revised 0.7% decline in July. Production at factories increased 0.2% on a year-on-year basis in August. Overall industrial production increased 0.8% in August after decreasing 0.9% in July. Capacity utilization for the industrial sector increased to 78.0% from 77.4% in July. The operating rate for the manufacturing sector increased to 77.2% in August from 76.6% in July.

U.S. retail sales unexpectedly increased in August, suggesting that the economy remained on a solid footing through much of the third quarter. The Commerce Department's Census Bureau said retail sales increased 0.1% in August after an upwardly revised 1.1% increase in July.

Early Market Call - as of 8:20 AM EDT

WTI - Oct \$70.67, down 52 cents

RBOB - Oct \$1.9861, down 1.58 cents

HO - Oct \$2.1341, down 26 points

All NYMEX | Prior Settlements

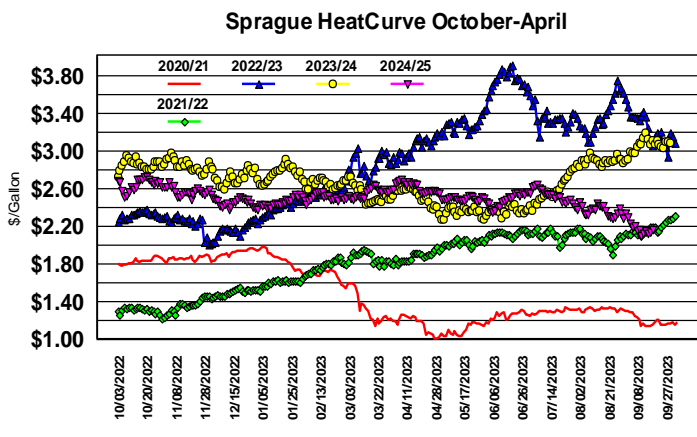
	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Oct-24	\$2.1367	\$0.0399	\$0.0787
Nov-24	\$2.1497	\$0.0382	\$0.0758
Dec-24	\$2.1620	\$0.0365	\$0.0742
Jan-25	\$2.1730	\$0.0355	\$0.0738
Feb-25	\$2.1767	\$0.0340	\$0.0736
Mar-25	\$2.1725	\$0.0322	\$0.0748
Apr-25	\$2.1656	\$0.0306	\$0.0757
May-25	\$2.1639	\$0.0297	\$0.0762
Jun-25	\$2.1650	\$0.0290	\$0.0761
Jul-25	\$2.1747	\$0.0287	\$0.0762
Aug-25	\$2.1847	\$0.0282	\$0.0762
Sep-25	\$2.1948	\$0.0274	\$0.0759
Oct-25	\$2.2049	\$0.0268	\$0.0756
Nov-25	\$2.2094	\$0.0261	\$0.0738
Dec-25	\$2.2107	\$0.0254	\$0.0724
Jan-26	\$2.2145	\$0.0250	\$0.0717
Feb-26	\$2.1767	-\$0.0111	\$0.0357

Sprague HeatCurve October 2024-April 2025			\$2.1658
		Close	Change
Crude - WTI	Nov Brent- WTI Spread \$3.74	\$69.9600	\$0.9400
Crude - Brent		\$73.7000	\$0.9500
Natural Gas		\$2.3240	-\$0.0490
Gasoline		\$1.9682	\$0.0380

API Report for the Week Ending September 13, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 1.96 million barrels	Down 2.1 million barrels
Gasoline Stocks	Up 2.34 million barrels	Down 1.1 million barrels
Distillate Stocks	Up 2.3 million barrels	Down 1.1 million barrels
Refinery Runs		Down 0.7% at 92.1%

Sprague HeatCurve October-April



NYMEX October 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.