



# MarketWatch | Refined Products

Wednesday, October 9, 2024

## Market Commentary

**Recap:** The crude market on Tuesday posted an outside trading day, as it continued on its upward trend in follow through strength seen on Monday before it sold off on profit taking. The market quickly rallied to a high of \$78.46 on the opening overnight. However, the market just as quickly erased its gains on concerns over China's economy as traders were disappointed after China's top economic planner ended a briefing on Tuesday without announcing new stimulus measures to spur growth in the sluggish economy. The oil market continued to trend lower and extended its losses to \$4.45 as it posted a low of \$72.69 in afternoon trading. The market was also pressured by the reports that Hezbollah left the door open to a ceasefire with Israel. The crude market later retraced some of its sharp losses ahead of the close. The November WTI contract settled down \$3.57 at \$73.57 and the December Brent contract settled down \$3.75 at \$77.18. The product markets also ended the session sharply lower, with the heating oil market ending the session down 9.9 cents at \$2.2972 and the RB market settling down 8.57 cents at \$2.0681.

**Technical Analysis:** The crude market on Wednesday will likely trade sideways following its volatile trading range on Tuesday. The market will be driven by the weekly petroleum stocks reports, which are expected to show a build in crude stocks of over 1 million barrels and draws of over 1 million barrels in product stocks. While the market traded lower on the prospect of a ceasefire between Israel and Hezbollah, the market is still awaiting the Israeli response to last week's Iranian missile attack. The oil market is seen finding support at its low of \$72.69 followed by \$71.54, \$70.52, \$69.87 and \$69.50. Meanwhile, resistance is seen at \$74.66, \$76.20, its high of \$78.46 followed by \$79.10 and \$80.16.

**Fundamental News:** The EIA estimated in its Short Term Energy Outlook that world petroleum demand in 2024 will increase by 920,000 bpd to 103.06 million bpd, unchanged from a previous estimate and expects demand to increase by 1.2 million bpd to 104.3 million bpd in 2025, up 0.29% from a previous estimate of 104.6 million bpd. World oil output is forecast to increase by 500,000 bpd to 102.5 million bpd in 2024, up 0.29% from a previous estimate of 102.2 million bpd, while output in 2025 is forecast to increase by 320,000 bpd to 135.54 million bpd, down 0.1% from a previous estimate of 104.6 million bpd. U.S. oil output is forecast to increase by 290,000 bpd to 13.22 million bpd in 2024, down 0.23% from a previous forecast of 13.25 million bpd and output in 2025 is expected to increase by 320,000 bpd to 13.54 million bpd, which is down 0.95% from a previous estimate of 13.67 million bpd. Meanwhile, U.S. oil demand in 2024 is forecast at 20.3 million bpd, unchanged from a previous estimate. Demand in 2025 is forecast to increase by 200,000 bpd to 20.5 million bpd, which is down 0.49% from a previous forecast.

Israel's Defense Minister said it appeared the replacement for slain Hezbollah leader Sayyed Hassan Nasrallah had been "eliminated". Defense Minister Yoav Gallant made the announcement about Hashem Safieddine as Israel began ground operations in southwest Lebanon, expanding its incursions to a new zone, and as Hezbollah left the door open to a negotiated ceasefire.

Energy companies began shutting down their pipelines and fuel-delivery terminals in Tampa, Florida ahead of Hurricane Milton. Kinder Morgan Inc shutdown its pipelines that are part of its central Florida pipeline system and closed all terminals in the Tampa area in response to Hurricane Milton. Citgo also shut down its Tampa terminal as Hurricane Milton approaches the Florida coast. Buckeye has suspended operations at its Tampa terminal facilities on Tuesday. Meanwhile, an increasing number of gasoline retailers were running out of fuel on Tuesday amid some panic buying ahead of Hurricane Milton's landfall. According to GasBuddy, as many as 15.8% of Florida's gasoline stations had run out of fuel on Tuesday morning.

**Early Market Call - as of 8:35 AM EDT**

WTI - Nov \$73.60, up 3 cents  
 RBOB - Nov \$2.0607, down 74 points  
 HO - Nov \$2.2876, down 96 points

## All NYMEX | Prior Settlements

|        | ULSD (HO)<br>Close | Prior Settle<br>Change | Change In<br>One Week |
|--------|--------------------|------------------------|-----------------------|
| Nov-24 | \$2.2972           | -\$0.0990              | \$0.1230              |
| Dec-24 | \$2.3101           | -\$0.0965              | \$0.1232              |
| Jan-25 | \$2.3199           | -\$0.0955              | \$0.1219              |
| Feb-25 | \$2.3231           | -\$0.0946              | \$0.1214              |
| Mar-25 | \$2.3152           | -\$0.0929              | \$0.1190              |
| Apr-25 | \$2.3055           | -\$0.0910              | \$0.1168              |
| May-25 | \$2.3000           | -\$0.0887              | \$0.1121              |
| Jun-25 | \$2.2969           | -\$0.0859              | \$0.1052              |
| Jul-25 | \$2.3031           | -\$0.0833              | \$0.1010              |
| Aug-25 | \$2.3103           | -\$0.0807              | \$0.0980              |
| Sep-25 | \$2.3188           | -\$0.0783              | \$0.0962              |
| Oct-25 | \$2.3281           | -\$0.0764              | \$0.0951              |
| Nov-25 | \$2.3345           | -\$0.0746              | \$0.0953              |
| Dec-25 | \$2.3388           | -\$0.0726              | \$0.0962              |
| Jan-26 | \$2.3433           | -\$0.0712              | \$0.0951              |
| Feb-26 | \$2.3398           | -\$0.0697              | \$0.0932              |
| Mar-26 | \$2.3296           | -\$0.0677              | \$0.0902              |

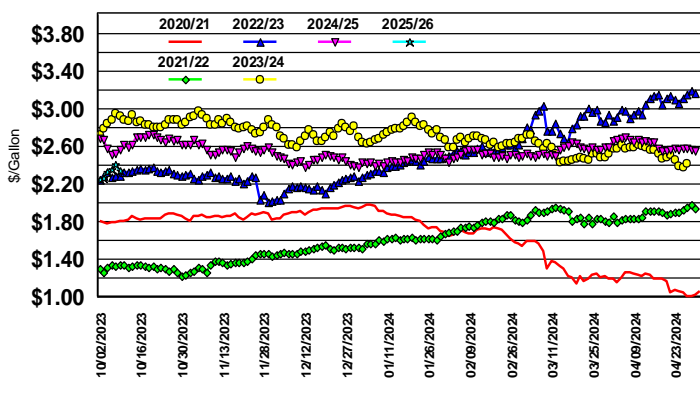
| Sprague HeatCurve October 2025-April 2026 |                       | \$2.3350  |
|---|-----------------------|-----------|
|   |                       | Change    |
| Crude - WTI                               | Dec Brent- WTI Spread | -\$3.5700 |
| Crude - Brent                             | \$3.61                | -\$3.7500 |
| Natural Gas                               |                       | -\$0.0130 |
| Gasoline                                  |                       | -\$0.0857 |

## API Report for the Week Ending October 4, 2024

|                           | Actual                   | Mkt Expectations         |
|---------------------------|--------------------------|--------------------------|
| Crude Oil Stocks(exl SPR) | Up 10.96 million barrels | Up 1.4 million barrels   |
| Gasoline Stocks           | Down 557,000 barrels     | Down 1.5 million barrels |
| Distillate Stocks         | Down 2.6 million barrels | Down 1.8 million barrels |
| Refinery Runs             |                          | Down 0.3% at 87.3%       |

## NYMEX November Heating Oil

Sprague HeatCurve October-April



## NYMEX November WTI



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