



# MarketWatch | Refined Products

Thursday, October 17, 2024

## Market Commentary

**Recap:** The oil market on Wednesday traded in negative territory for much of the session as it remained pressured by an easing of fears of a supply disruption and recent forecasts of less oil demand growth. Oil prices remained lower in response to a Washington Post report that Israel would not strike Iranian oil and nuclear sites, although Israel later stated that it would make its decision according to its own national interest. The crude market posted a high of \$71.31 in overnight trading before it sold off to a low of \$69.64 by mid-day. The market later settled in a sideways trading pattern as it positioned itself ahead of the release of the weekly petroleum stocks reports later on Wednesday and Thursday morning. The November WTI contract ended the session down 19 cents at \$70.37 and the December Brent contract ended the day down 3 cents at \$74.22. The product market ended the session in mixed territory, with the heating oil market settling down 1.3 cents at \$2.1747 and the RB market settling up 26 points at \$2.0403.

**Technical Analysis:** The crude market on Thursday will be driven by the oil inventory reports, which are expected to show a build in crude stocks of close to 2 million barrels. The market also remains uncertain over what Israel will do to retaliate Iran's missile attack on the country on October 1<sup>st</sup>. The oil market is seen finding support at its low of \$69.64 followed by \$67.70, \$66.33, \$64.99 and \$64.61. However, resistance is seen at its high of \$71.31, \$72.12, \$73.05, \$74.08 and \$75.12.

**Fundamental News:** Iran's state atomic energy agency spokesperson, Behrouz Kamalvandi, said the probability of an Israeli attack on Iran's nuclear sites remains low but any potential damage would be "quickly compensated". The Iranian spokesperson added that the U.N. nuclear watchdog and the international community should condemn any threat or attack on nuclear sites. In a statement on Tuesday, Israel's Prime Minister Benjamin Netanyahu's office said that Israel would listen to the United States but would decide its actions according to its own national interest. The statement was attached to a Washington Post article which said Israel's Prime Minister had told President Joe Biden's administration that Israel would strike Iranian military targets, not nuclear or oil targets.

Iran's IRNA news agency reported that Iranian authorities are working on controlling an oil spill that was first reported on Sunday four miles off Iran's Kharg Island, its top export terminal in the Persian Gulf. Meanwhile, the Tasnim news agency reported that the leak happened on subsea pipelines.

PDVSA reported lightning during a recent thunderstorm caused a fire that destroyed a crude oil storage tank at the Las Salinas terminal located on the eastern shore of Lake Maracaibo. The tank reportedly had a 75,000 barrel capacity.

Trading sources and analysts said a resumption of Libyan crude output after a political crisis over the central bank cut the OPEC member's exports to a four-year low, has led to a surplus in crude supplies in Europe, forcing competing sellers to cut their prices.

IIR Energy said U.S. oil refiners are expected to shut in about 1.01 million bpd of capacity in the week ending October 18<sup>th</sup>, increasing available refining capacity by 77,000 bpd. Offline capacity is expected to fall to 819,000 bpd in the week ending October 25<sup>th</sup>.

**Early Market Call - as of 8:30 AM EDT**

WTI - Nov \$70.65, up 26 cents  
 RBOB - Nov \$2.0420, up 17 points  
 HO - Nov \$2.1822, up 75 points

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	\$2.1747	-\$0.0130	-\$0.1022
Dec-24	\$2.1874	-\$0.0125	-\$0.0996
Jan-25	\$2.1980	-\$0.0115	-\$0.0974
Feb-25	\$2.2041	-\$0.0113	-\$0.0942
Mar-25	\$2.1996	-\$0.0112	-\$0.0906
Apr-25	\$2.1910	-\$0.0113	-\$0.0897
May-25	\$2.1868	-\$0.0110	-\$0.0887
Jun-25	\$2.1860	-\$0.0103	-\$0.0870
Jul-25	\$2.1952	-\$0.0099	-\$0.0847
Aug-25	\$2.2051	-\$0.0095	-\$0.0822
Sep-25	\$2.2156	-\$0.0095	-\$0.0802
Oct-25	\$2.2257	-\$0.0097	-\$0.0791
Nov-25	\$2.2317	-\$0.0097	-\$0.0794
Dec-25	\$2.2351	-\$0.0099	-\$0.0803
Jan-26	\$2.2404	-\$0.0097	-\$0.0797
Feb-26	\$2.2391	-\$0.0091	-\$0.0778
Mar-26	\$2.2306	-\$0.0086	-\$0.0765

Sprague HeatCurve October 2025-April 2026		\$2.2337
	Close	Change
Crude - WTI	\$69.8200	-\$0.1900
Crude - Brent	\$74.2200	-\$0.0300
Natural Gas	\$2.3670	-\$0.1310
Gasoline	\$2.0403	\$0.0026

## API Report for the Week Ending October 11, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 1.58 million barrels	Up 1.4 million barrels
Gasoline Stocks	Down 5.93 million barrels	Down 1.5 million barrels
Distillate Stocks	Down 2.67 million barrels	Down 1.8 million barrels
Refinery Runs		Down 0.3% at 87.3%

## NYMEX November Heating Oil



## NYMEX November WTI



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