



# MarketWatch | Refined Products

Friday, October 18, 2024

## Market Commentary

**Recap:** The crude market on Thursday continued to trend lower, posting yet another low as it continued to wait for further developments in the Middle East. The market was also pressured in light of some less than supportive news regarding China's housing sector plan that is not expected to induce enough investment demand to support its economy. The oil market posted a high of \$71.11 in overnight trading and traded mostly sideways in light of the APIs showing draws across the board. The EIA's oil inventory report also showed draws in crude stocks of 2.2 million barrels, compared with expectations of a build. The crude market posted a low of \$69.44 in afternoon trading after Israel said that Hamas leader Yahya Sinwar, the architect of the October 7<sup>th</sup> attack on Israel last year, has been killed in Gaza. The November WTI contract later bounced off that level and settled up 28 cents at \$70.09, while the December Brent contract settled up 23 cents at \$74.45. The product markets ended the session in positive territory amid the draws in stocks, with the heating oil market settling up 1.98 cents at \$2.1945 and the RB market settling up 65 points at \$2.0468.

**Technical Analysis:** The oil market on Friday is seen remaining in its recent trading range ahead of the weekend. The market is seen holding its support following the oil inventory reports, which showed draws across the board and as the market awaits for further news regarding Israel's retaliatory attack against Iran. The market is seen finding support at its low of \$69.44 followed by \$67.82, \$66.33, \$64.99 and \$64.61. Meanwhile, resistance is seen at its high of \$71.11, \$71.31, \$72.12, \$73.05, \$74.08 and \$75.12.

**Fundamental News:** The EIA reported that U.S. weekly oil field production increased by 100,000 bpd to a record 13.5 million bpd during the week ending October 11<sup>th</sup>. It reported gasoline stocks fell by 2.2 million barrels on the week, with inventories in the Gulf Coast falling to the lowest level since March 2021.

JP Morgan forecast global oil consumption will increase by 7.1 million bpd or 7% between 2023 and 2035 to 108.5 million bpd.

The U.S. Department of Defense said U.S. military forces, including U.S. Air Force B-2 bombers, conducted precision strikes against five underground weapons storage locations in Houthi-controlled areas of Yemen. It said the strike was designed to further degrade the Houthis' capability to continue their destabilizing behavior and to protect and defend U.S. forces and personnel.

The commander of Iran's Revolutionary Guards, Hossein Salami, warned Israel against attacking the Islamic Republic in retaliation for its missile attack on October 1<sup>st</sup>, as the Israeli military stepped up its offensive in Lebanon against Tehran-backed Hezbollah. Meanwhile, Hezbollah member of parliament Hassan Fadlallah said the armed group would keep fighting, but he reiterated its leaders are carefully coordinating with Lebanon's speaker of parliament in efforts to reach a ceasefire.

Colonial Pipeline Co is allocating space for Cycle 61 shipments on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi. Colonial Pipeline Co is also allocating space for Cycle 61 shipments on Line 2, which carries distillates from Atlanta, Georgia to Nashville, Tennessee.

The EPA reported that the U.S. generated fewer renewable blending credits in September versus the month prior. It reported that about 1.21 billion ethanol (D6) blending credits were generated last month, compared with about 1.32 billion in August. Credits generated from biodiesel (D4) blending fell to 671 million in September from 724 million in October.

**Early Market Call - as of 8:10 AM EDT**

WTI - Nov \$70.69, up 2 cents  
 RBOB - Nov \$2.0478, up 10 points  
 HO - Nov \$2.1916, down 29 points

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.1945	0.0198	-0.1564
Dec-24	2.2047	0.0173	-0.1569
Jan-25	2.2133	0.0153	-0.1564
Feb-25	2.2181	0.0140	-0.1535
Mar-25	2.2128	0.0132	-0.1497
Apr-25	2.2034	0.0124	-0.1476
May-25	2.1988	0.0120	-0.1447
Jun-25	2.1977	0.0117	-0.1409
Jul-25	2.2067	0.0115	-0.1367
Aug-25	2.2165	0.0114	-0.1323
Sep-25	2.2270	0.0114	-0.1285
Oct-25	2.2366	0.0109	-0.1261
Nov-25	2.2422	0.0105	-0.1251
Dec-25	2.2454	0.0103	-0.1247
Jan-26	2.2509	0.0105	-0.1225
Feb-26	2.2501	0.0110	-0.1185
Mar-26	2.2419	0.0113	-0.1154

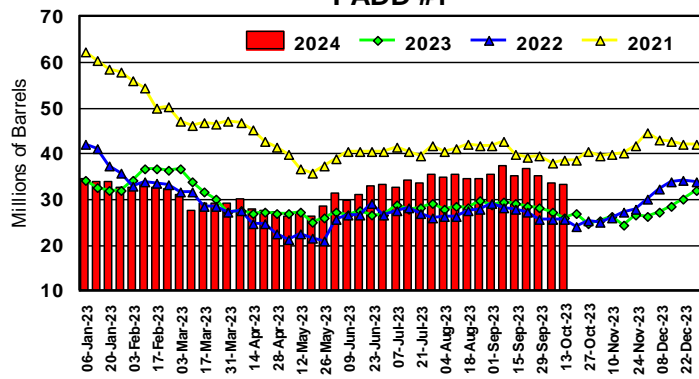
Sprague HeatCurve October 2025-April 2026		\$2.2445
	Close	Change
Crude - WTI	\$70.0900	\$0.2700
Crude - Brent	\$74.4500	\$0.2400
Natural Gas	\$2.3470	-\$0.0200
Gasoline	\$2.0468	\$0.0065

## EIA Working Gas Storage Report

	11-Oct-24	04-Oct-24	Change	11-Oct-23
East	893	873	20	890
Midwest	1067	1041	26	1,042
Mountain	287	286	1	247
Pacific	293	293	0	279
South Central	1166	1137	29	1,141
Salt	293	275	18	280
Nonsalt	872	861	11	861
Total	3705	3629	76	3,598

## Weekly EIA Petroleum Status Report for the Week Ending October 11, 2024

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Down 2.191 million barrels  
 Cushing, OK Crude Stocks Up 108,000 barrels  
**Gasoline Stocks** Down 2.201 million barrels  
**Distillate Stocks** Down 3.534 million barrels  
**Refinery % Operated** 87.7%, up 1%

### PADD #1

Distillate Stocks (in million bbl)	Week Ending Oct. 11, 2024	Week Ending Oct. 4, 2024	Week Ending Oct. 12, 2023
New England	5.3	5.1	2.8
Central Atlantic	18.0	17.5	13.7
Total PADD #1	33.3	33.6	25.9
Distillate Imports (thousands b/d)	99	84	66

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.