



# MarketWatch | Refined Products

Thursday, October 24, 2024

## Market Commentary

**Recap:** The December WTI futures contract on Wednesday posted an inside trading day on its first day as the spot contract. The market posted the session's trading range early in the morning, posting a high of \$71.72 before it fell to a low of \$70.13. The market remained pressured after the API late Tuesday reported a larger than expected build in crude stocks of over 1.6 million barrels. The market later retraced some of its losses ahead of the release of the EIA report. However, it remained under pressure in light of the larger than expected build in crude stocks reported by the EIA of over 5.4 million barrels on the week. The market settled in a sideways trading range during the remainder of the session, with uncertainties over Middle East developments limiting any further losses. The December WTI contract settled down 97 cents at \$70.77 and the December Brent contract settled down \$1.08 at \$74.96. The heating oil market ended the session in negative territory, down 1.54 cents at \$2.2216, despite the draw in distillates stocks, while the RB market ended the session down 3.01 cents at \$2.0414.

**Technical Analysis:** The crude market is seen continuing on its sideways trading pattern as the market weighs the builds in stocks against concerns over the continuing geopolitical tension in the Middle East, with Israel's Defense Minister telling the country's Air Force crews that the world will understand Israel's might and its enemies will learn a lesson when Israel retaliates against Iran. The crude market is seen finding resistance at its high of \$71.72, \$72.09, \$72.94, \$74.06 and \$74.35. Further upside is seen at \$75.28, \$75.45 and \$77.70. Meanwhile, support is seen at \$70.13, \$69.35, \$68.46, \$68.17, \$68.06 and \$65.99.

**Fundamental News:** The EIA reported that U.S. crude oil inventories increased sharply last week as imports increased higher, while gasoline stocks unexpectedly increased as refineries ramped up output following seasonal maintenance. Crude inventories increased by 5.5 million barrels to 426 million barrels in the week ending October 18<sup>th</sup>. Net U.S. crude imports increased by 913,000 bpd to 2.3 million bpd, as exports fell 11,000 bpd to 4.11 million bpd. Meanwhile, gasoline stocks increased by 900,000 barrels on the week to 213.6 million barrels, compared with expectations for a 1.2 million barrel draw.

According to a video and an X post, Israeli Defense Minister Yoav Gallant told Air Force crews on Wednesday that after striking in Iran, "the world will understand Israel's might and its enemies will learn a lesson."

U.S. Secretary of State Antony Blinken pushed on Wednesday for a halt to fighting between Israel and militant groups Hamas and Hezbollah, but heavy Israeli air strikes on a large historic Lebanese port city demonstrated that there was no respite. Israel began to bomb the UNESCO-listed port of Tyre in south Lebanon about three hours after issuing an order online for residents to flee central areas. U.S. Secretary of State, Antony Blinken, said that Israel's response to Iran's October 1<sup>st</sup> missile attack should not lead to greater escalation, as he pushed for a Gaza ceasefire and an end to fighting in Lebanon. In Lebanon, Israel's military said it had killed three Hezbollah commanders and some 70 fighters in the south in the past 48 hours, a day after confirming it had killed Hashem Safieddine, the militant group's heir apparent leader. The U.S. Secretary of State, who held talks with Prime Minister Benjamin Netanyahu on the first stop of a regional tour, said it was time for Israel to capitalize on its military victories.

Goldman Sachs expects oil prices to average \$76/barrel in 2025 based on a moderate crude surplus and spare capacity among major producers, with concerns easing over a potential disruption in Iranian supply.

IIR Energy said U.S. oil refiners are expected to shut in about 849,000 bpd of capacity in the week ending October 25<sup>th</sup>, raising available refining capacity by 162,000 bpd. Offline capacity is expected to fall to 599,000 bpd in the week ending November 1<sup>st</sup>.

**Early Market Call - as of 8:50 AM EDT**

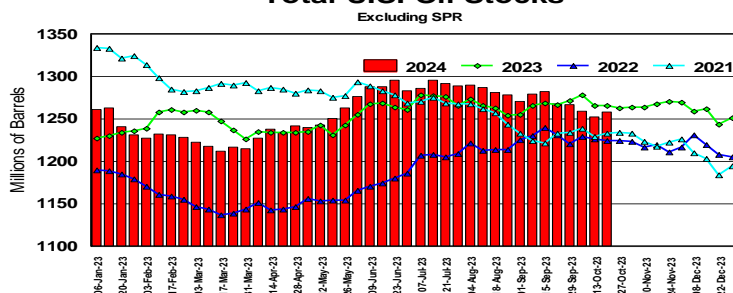
WTI - Dec \$71.35, up 58 cents  
 RB0B - Nov \$2.0533, up 1.19 cents  
 HO - Nov \$2.2344, up 1.28 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.2216	-0.0154	0.0469
Dec-24	2.2311	-0.0160	0.0437
Jan-25	2.2394	-0.0165	0.0414
Feb-25	2.2422	-0.0169	0.0381
Mar-25	2.2362	-0.0171	0.0366
Apr-25	2.2264	-0.0172	0.0354
May-25	2.2216	-0.0171	0.0348
Jun-25	2.2203	-0.0171	0.0343
Jul-25	2.2288	-0.0172	0.0336
Aug-25	2.2377	-0.0175	0.0326
Sep-25	2.2470	-0.0179	0.0314
Oct-25	2.2555	-0.0182	0.0298
Nov-25	2.2603	-0.0186	0.0286
Dec-25	2.2628	-0.0191	0.0277
Jan-26	2.2676	-0.0193	0.0272
Feb-26	2.2663	-0.0195	0.0272
Mar-26	2.2578	-0.0199	0.0272

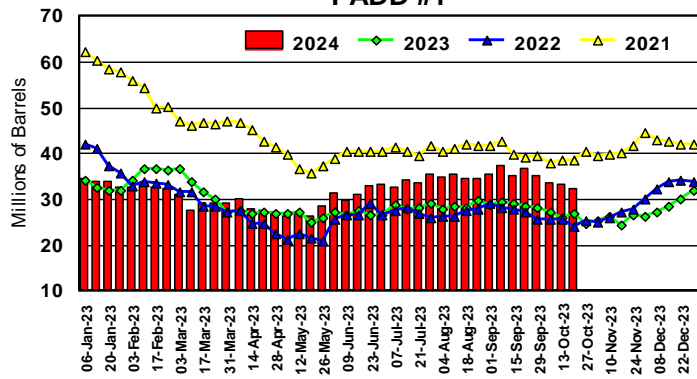
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$4.19	\$70.7700	-\$0.9700
Crude - Brent		\$74.9600	-\$1.0800
Natural Gas		\$2.3420	\$0.0310
Gasoline		\$2.0414	-\$0.0301

## Total U.S. Oil Stocks



## Weekly EIA Petroleum Status Report for the Week Ending October 18, 2024

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Up 5.474 million barrels  
 Cushing, OK Crude Stocks Down 346,000 barrels  
**Gasoline Stocks** Up 878,000 barrels  
**Distillate Stocks** Down 1.14 million barrels  
**Refinery % Operated** 89.5%, up 1.8%

### PADD #1

	Week Ending Oct. 18, 2024	Week Ending Oct. 11, 2024	Week Ending Oct. 20, 2023
Distillate Stocks (in million bbl)			
New England	5.3	5.3	3.4
Central Atlantic	17.0	18.0	13.1
Total PADD #1	32.4	33.3	26.9
Distillate Imports (thousands b/d)	70	99	84

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