



MarketWatch | Refined Products

Friday, November 1, 2024

Market Commentary

All NYMEX | Prior Settlements

Recap: The oil market saw a late day rally on reports that Iran is preparing a retaliatory attack on Israel. Early in the session, the market continued to trade higher in follow through strength seen on Wednesday and backfilled more of Monday's opening gap. The market remained well supported by reports of OPEC+ possibly delaying a planned output increase from December by a month or more due to concerns over demand and increasing supply. It was also supported by stronger than expected U.S. fuel demand following the EIA report, which showed an unexpected draw in gasoline stocks. The crude market posted a low of \$68.30 in overnight trading. However, the market bounced off that level and continued to backfill Monday's opening gap as it rallied to \$69.76 by mid-day. The market later erased some of its gains and traded in a sideways trading range ahead of the close. The December WTI contract settled up 65 cents at \$69.26. However, the market later extended its gains to over \$2 and completely backfilled its gap as it posted a high of \$70.66 in the post settlement period on the Iranian news. The December Brent contract settled up 61 cents at \$73.16. Meanwhile, the product markets ended the session higher, with the heating oil market settling up 3.19 cents at \$2.2195 and the RB market settling up 78 points at \$2.0035.

Technical Analysis: The crude market on Friday is seen trading within its recent trading range amid the latest news regarding Iran and Israel. The market will remain focused on any further news regarding the situation in the Middle East. The market will also continue to trend sideways as it retraces its previous losses in the next few days leading up to the U.S. presidential election next Tuesday. The market is seen finding resistance at its high of \$70.66, \$70.91, \$71.92, \$72.21, \$72.34 and \$73.51. Support is seen at its low of \$68.30, \$67.28, \$66.72 and \$65.99.

Fundamental News: Axios reported that Israeli intelligence suggests Iran is preparing to attack Israel from Iraqi territory in the coming days, possibly before the U.S. presidential election on Tuesday, November 5th. It reported that the attack is expected to be carried out from Iraq using a large number of drones and ballistic missiles. Axios reported that carrying out the attack through pro-Iran militias in Iraq could be an attempt by Iran to avoid another Israeli attack against strategic targets in Iran.

Senior U.S. officials are in Israel discussing a draft agreement to end the war in Lebanon. The deal includes an agreement between the U.S. and Israel that would allow Israeli forces to strike Lebanon during a 60-day interim period in response to imminent threats. Israeli Prime Minister Benjamin Netanyahu told U.S. envoys that Israel's ability to counter threats to its security from Lebanon and return displaced people to the north were key elements of any ceasefire deal with Lebanon.

The EIA reported that U.S. oil production in August increased by 1.5% to a monthly record high of 13.4 million bpd, up from 13.2 million bpd in July. That surpassed the previous record high of 13.3 million bpd in December 2023. It reported that oil production in Texas in August increased by 1.7% on the month to record monthly high of 5.8 million bpd, while output in New Mexico increased by 2.8% on the month to record high of 2.1 million bpd. Oil output in North Dakota increased by 11,000 bpd on the month. The EIA reported that U.S. crude oil exports fell to 3.907 million bpd in August from 4.193 million bpd in July. Meanwhile, total refined oil product exports in August increased to 3.546 million bpd from 3.063 million bpd in July. U.S. total oil demand in August fell by 0.3% or 57,000 bpd to 20.711 million bpd, with gasoline demand increasing by 0.25 or 14,000 bpd to 9.258 million bpd and distillate demand falling by 4.4% or 177,000 bpd to 3.875 million bpd.

Early Market Call - as of 8:35 AM EDT

WTI - Dec \$71.00 up \$1.74
 RBOB - Dec \$2.0127 up 3.83 cents
 HO - Dec \$2.2611 up 2.64 cents

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-24	2.2195	0.0319	0.0172
Dec-24	2.2347	0.0362	0.0218
Jan-25	2.2417	0.0349	0.0192
Feb-25	2.2420	0.0337	0.0159
Mar-25	2.2322	0.0321	0.0118
Apr-25	2.2204	0.0304	0.0092
May-25	2.2137	0.0290	0.0073
Jun-25	2.2110	0.0279	0.0060
Jul-25	2.2176	0.0269	0.0047
Aug-25	2.2253	0.0261	0.0042
Sep-25	2.2348	0.0252	0.0047
Oct-25	2.2442	0.0242	0.0053
Nov-25	2.2504	0.0234	0.0061
Dec-25	2.2543	0.0225	0.0065
Jan-26	2.2601	0.0222	0.0071
Feb-26	2.2603	0.0220	0.0082
Mar-26	2.2527	0.0217	0.0088

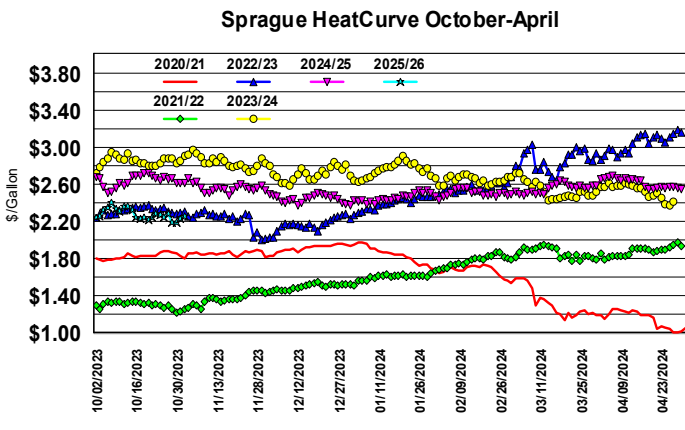
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$3.90	\$69.2600	\$0.6500
Crude - Brent		\$73.1600	\$0.6100
Natural Gas		\$2.7070	-\$0.1380
Gasoline		\$2.0035	\$0.0078

EIA Working Gas Storage Report

	25-Oct-24	18-Oct-24	Change	25-Oct-23
East	919	901	18	920
Midwest	1109	1088	21	1,093
Mountain	291	291	0	254
Pacific	305	300	5	284
South Central	1240	1205	35	1,205
Salt	331	314	17	309
Nonsalt	909	891	18	896
Total	3863	3785	78	3,756

Sprague HeatCurve October-April

December WTI



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