



MarketWatch | Refined Products

Friday, November 15, 2024

Market Commentary

Recap: The crude market traded higher on Thursday, retracing some of the sharp selloff seen earlier this week due to a stronger U.S. dollar and concerns over slow demand growth. The market posted a low of \$67.92 in overnight trading as the dollar rallied to a one-year high. However, the oil market retraced slightly more than 38% of its move from a high of \$72.88 to a low of \$66.94 as it posted to a high of \$69.39 early in the session. The market later gave up some of its gains in light of the EIA reporting a larger than expected build in crude stocks of over 2.1 million barrels on the week. Meanwhile, the IEA forecast that global oil supply will exceed demand in 2025 even if the OPEC+ output cuts remain in place. The December WTI contract later settled in a sideways trading range during the remainder of the session and ended the session up 27 cents at \$68.70. The January Brent contract settled up 28 cents at \$72.56. The product markets ended the session mixed, with the heating oil market settling down 70 points at \$2.2123 and the RB market settling up 1.66 cents at \$1.9817, in light of large draw of over 4 million barrels in gasoline stocks.

Technical Analysis: The oil market is seen trading in a sideways trading range after it bounced off its previous low and continued to hold support above its trendline. While the market may see some selling pressure following the larger than expected build in crude stocks, its losses are seen limited ahead of the weekend, with its stochastics trending sideways. Support is seen at \$67.67, \$66.94, \$66.72, \$65.99 followed by \$64.49 and \$64.16. Meanwhile, resistance is seen at its high of \$69.39, \$69.91, \$70.56-\$70.61 followed by \$72.25 and \$72.88.

Fundamental News: The EIA reported that U.S. gasoline stocks fell by 4.4 million barrels in the week ending November 8th to 206.9 million barrels, the lowest since November 2022. U.S. East Coast gasoline stocks fell by 2.8 million barrels to 51.3 million barrels, the lowest level since April 2023 and U.S. Midwest gasoline stocks fell by 800,000 barrels to 43.5 million barrels, the lowest level since November 2023.

The International Energy Agency said in its monthly oil market report that the world's demand for oil will fall short of supply by more than 1 million bpd in 2025 even if OPEC+ cuts remain in place. The IEA left its 2025 oil demand growth forecast little-changed on the month, expecting oil demand to increase by 990,000 bpd next year. Weak Chinese demand continues to weigh on global oil demand growth. The IEA saw China's third-quarter consumption 270,000 bpd below the same period for 2023 after six consecutive months of contractions up to September. The IEA also made a slight upward adjustment to its 2024 oil demand growth forecast, up by 60,000 bpd on the month to 920,000 bpd, on higher than expected gasoline demand in OECD countries in the third quarter.

BP said that it has redeployed personnel to facilities in the Gulf of Mexico and is in the process of returning to normal operations after operations were halted due to Hurricane Rafael. The hurricane dissipated last weekend after entering the Gulf on November 6th.

Chevron redeployed all personnel to its Gulf of Mexico facilities and is continuing to restore production that was shut-in for Hurricane Rafael.

ExxonMobil reported to state regulators Wednesday that its 564,440 b/d Baytown refinery on Tuesday had experienced emissions exceeding permitted levels due to a pinhole leak on its FCCU3 line.

Platts reported the 435,000 b/d BP Whiting refinery is expected to return to service at the end of the week from its maintenance outage that began during the third week of September.

Operators at HF Sinclair's 162,000 b/d El Dorado refinery said earlier this week the refinery which has been down for maintenance since September would be back in operation by November 14th. But some market participants expect this outage to be extended until November 22nd.

Early Market Call - as of 8:40 AM EDT

WTI - Dec \$68.28, down 42 cents

RBOB - Dec \$1.9800, down 17 points

HO - Dec \$2.2013, down 1.1 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-24	2.2123	-0.0070	-0.0741
Jan-25	2.2220	-0.0068	-0.0744
Feb-25	2.2261	-0.0069	-0.0758
Mar-25	2.2178	-0.0068	-0.0766
Apr-25	2.2052	-0.0064	-0.0772
May-25	2.1976	-0.0055	-0.0773
Jun-25	2.1936	-0.0049	-0.0775
Jul-25	2.1968	-0.0053	-0.0801
Aug-25	2.2023	-0.0055	-0.0814
Sep-25	2.2110	-0.0056	-0.0812
Oct-25	2.2202	-0.0056	-0.0802
Nov-25	2.2271	-0.0052	-0.0794
Dec-25	2.2324	-0.0050	-0.0785
Jan-26	2.2386	-0.0048	-0.0775
Feb-26	2.2386	-0.0045	-0.0766
Mar-26	2.2304	-0.0046	-0.0758
Apr-26	2.2161	-0.0049	-0.0748

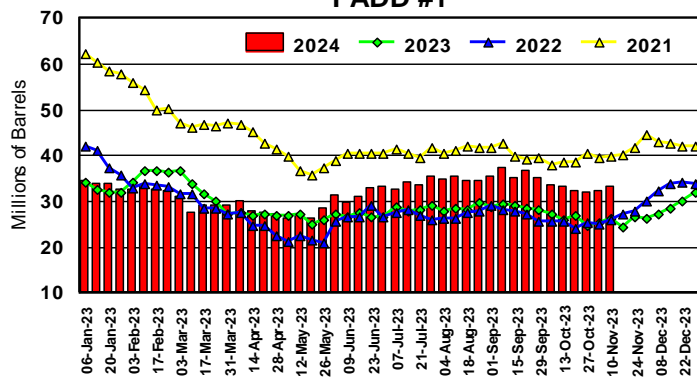
Sprague HeatCurve October 2025-April 2026			\$2.2316
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$3.03	\$68.5300	\$0.2700
Crude - Brent		\$71.5600	\$0.2800
Natural Gas		\$2.7850	-\$0.1980
Gasoline		\$1.9817	\$0.0166

EIA Working Gas Storage Report

	08-Nov-24	01-Nov-24	Change	08-Nov-23
East	942	934	8	929
Midwest	1143	1130	13	1,113
Mountain	290	290	0	255
Pacific	312	310	2	290
South Central	1286	1267	19	1,229
Salt	349	341	8	327
Nonsalt	937	926	11	902
Total	3974	3932	42	3,816

Weekly EIA Petroleum Status Report for the Week Ending November 8, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 2.089 million barrels
 Cushing, OK Crude Stocks Down 688,000 barrels
Gasoline Stocks Down 4.407 million barrels
Distillate Stocks Down 1.394 million barrels
Refinery % Operated 91.4%, up 0.9%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Nov. 8, 2024	Week Ending Nov. 1, 2024	Week Ending Nov. 8, 2023
New England	5.7	5.7	3.7
Central Atlantic	16.6	17.0	12.1
Total PADD #1	33.3	32.2	26.3
Distillate Imports (thousands b/d)	70	126	140?

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.