



# MarketWatch | Refined Products

Thursday, November 21, 2024

## Market Commentary

**Recap:** On its last day as the spot contract, the December WTI contract ended the session lower as the market weighed the escalating conflict between Russia and Ukraine against the builds reported in crude oil and gasoline stocks. In overnight trading, the crude market dismissed the API report, which showed a build in crude stocks of over 4 million barrels on the week, and continued to trend higher in overnight trading on concerns that the hostilities between Russia and Ukraine could potentially disrupt oil supply from Russia. The crude market traded to a high of \$70.15 and traded mostly sideways ahead of the release of the EIA's weekly petroleum stocks report. The market, however, erased its gains and sold off to a low of \$68.75 ahead of the close. The December WTI contract went off the board down 52 cents at \$68.87. The January Brent contract settled down 50 cents at \$72.81. The product markets ended the session in mixed territory, with the heating oil market settling down 1.39 cents at \$2.2263 and the RB market settled up 81 points at \$2.0458.

**Technical Analysis:** The crude market on Thursday is seen trending sideways as it remains driven by any news regarding the conflict between Russia and Ukraine and the continuing geopolitical issue in the Middle East. The oil market, basis the January contract, is seen finding resistance at \$69.96, \$70.16, \$70.30 followed by \$71.87 and \$72.41. Meanwhile, support is seen at \$68.64, \$68.48 followed by \$66.53, \$66.32 and \$65.74.

**Fundamental News:** The EIA reported that U.S. crude oil imports increased by 1.175 million bpd in the week ending November 15<sup>th</sup> to 7.684 million bpd. U.S. Gulf Coast crude oil imports increased by 602,000 bpd to 2.002 million bpd last week, the highest since July 2020. U.S. distillate stocks fell by 114,000 barrels on the week to 114.3 million barrels, with stocks in the Midwest falling by 400,000 barrels on the week to 25.3 million barrels, the lowest level since November 2023. Meanwhile, gasoline stocks increased by 2.054 million barrels on the week, with a build of 1 million barrels in the Midwest.

Equinor restored full output capacity at its Johan Sverdrup oilfield in the North Sea following an outage and is now producing steadily at normal levels. Output was halted on Monday due to an onshore outage that disrupted electricity supply to the platforms. Early on Tuesday, Equinor said two-thirds of oil output capacity was restored and added that production returned to full capacity later in the day on Tuesday.

Sources and analysts said OPEC+ will have little room to manoeuvre on oil policy when it meets in December, as it would be risky to increase output due to weak demand and difficult to deepen supply cuts because some members want to produce more. According to three OPEC+ sources, the group may continue to push back output increases when it meets on December 1<sup>st</sup> due to weak global oil demand.

IIR Energy said U.S. oil refiners are expected to shut in 484,000 bpd of capacity in the week ending November 22<sup>nd</sup>, raising available refining capacity by 123,000 bpd. Offline capacity is expected to fall to 145,000 bpd in the week ending November 29<sup>th</sup>.

The United States vetoed a U.N. Security Council resolution for a ceasefire in Gaza. The 15-member council voted on a resolution put forward by 10 non-permanent members that called for an "immediate, unconditional and permanent ceasefire" in the 13-month conflict and separately demanded the release of hostages. Robert Wood, deputy U.S. ambassador to the U.N., said Washington had made clear it would only support a resolution that explicitly calls for the immediate release of hostages as part of a ceasefire.

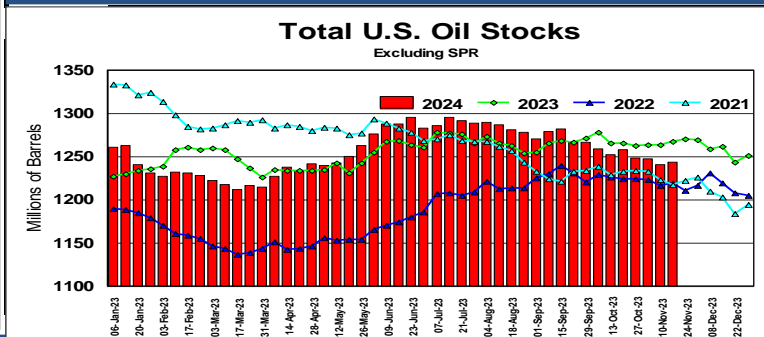
**Early Market Call - as of 8:40 AM EDT**

WTI - Jan \$70.05, up \$1.30  
 RBOB - Dec \$2.0773, up 3.15 cents  
 HO - Dec \$2.2628, up 3.65 cents

## All NYMEX | Prior Settlements

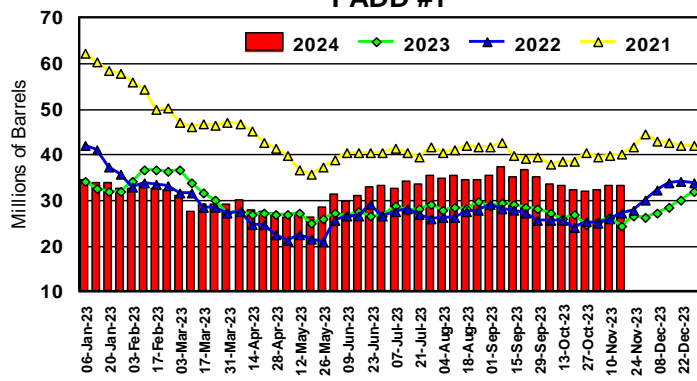
|        | ULSD (HO)<br>Close | Prior Settle<br>Change | Change In<br>One Week |
|--------|--------------------|------------------------|-----------------------|
| Dec-24 | 2.2263             | -0.0139                | 0.0070                |
| Jan-25 | 2.2365             | -0.0152                | 0.0077                |
| Feb-25 | 2.2397             | -0.0162                | 0.0067                |
| Mar-25 | 2.2322             | -0.0159                | 0.0076                |
| Apr-25 | 2.2208             | -0.0158                | 0.0092                |
| May-25 | 2.2126             | -0.0157                | 0.0095                |
| Jun-25 | 2.2064             | -0.0158                | 0.0079                |
| Jul-25 | 2.2096             | -0.0154                | 0.0075                |
| Aug-25 | 2.2146             | -0.0152                | 0.0068                |
| Sep-25 | 2.2222             | -0.0153                | 0.0056                |
| Oct-25 | 2.2304             | -0.0154                | 0.0046                |
| Nov-25 | 2.2367             | -0.0154                | 0.0044                |
| Dec-25 | 2.2418             | -0.0156                | 0.0044                |
| Jan-26 | 2.2480             | -0.0152                | 0.0046                |
| Feb-26 | 2.2474             | -0.0146                | 0.0043                |
| Mar-26 | 2.2389             | -0.0141                | 0.0039                |
| Apr-26 | 2.2244             | -0.0139                | 0.0034                |

| Sprague HeatCurve October 2025-April 2026 |           | \$2.2408  |
|---|-----------|-----------|
|   | Close     | Change    |
| Crude - WTI                               | \$68.7500 | -\$0.4900 |
| Crude - Brent                             | \$72.8100 | -\$0.5000 |
| Natural Gas                               | \$3.1930  | \$0.1950  |
| Gasoline                                  | \$2.0458  | \$0.0081  |



## Weekly EIA Petroleum Status Report for the Week Ending November 15, 2024

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Up 545,000 barrels  
 Cushing, OK Crude Stocks Down 140,000 barrels  
**Gasoline Stocks** Up 2.054 million barrels  
**Distillate Stocks** Down 114,000 barrels  
**Refinery % Operated** 90.2%, down 1.2%

### PADD #1

|                                    | Week Ending<br>Nov. 15, 2024 | Week Ending<br>Nov. 8, 2024 | Week Ending<br>Nov. 17, 2023 |
|------------------------------------|------------------------------|-----------------------------|------------------------------|
| Distillate Stocks (in million bbl) |                              |                             |                              |
| New England                        | 5.3                          | 5.7                         | 3.4                          |
| Central Atlantic                   | 17.4                         | 16.6                        | 11.6                         |
| Total PADD #1                      | 33.3                         | 33.3                        | 24.3                         |
| Distillate Imports (thousands b/d) | 89                           | 70                          | 68                           |

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