



# MarketWatch | Refined Products

Monday, December 2, 2024

## Market Commentary

**Recap:** The crude market on Wednesday posted an inside trading day, with light volume trading, ahead of the Thanksgiving Day holiday on Thursday. The market traded sideways as a ceasefire between Israel and Lebanese armed group Hezbollah held on Wednesday after the two sides came to an agreement. The oil market retraced some more of Tuesday's sharp losses in overnight trading after the API reported a larger than expected draw in crude stocks of 5.94 million barrels. It traded to a high of \$69.37 ahead of the release of the EIA's weekly petroleum stocks report. The market, however, gave up its early gains as the EIA report showed an unexpected build in gasoline stocks of over 3.3 million barrels on the week, while crude stocks fell by 1.8 million barrels on the week. The crude market posted a low of \$68.18 ahead of the close. The January WTI contract settled down 5 cents at \$68.72, while the January Brent contract settled up 2 cents at \$72.83. The product markets ended the session in negative territory, with the heating oil market settling down 3.68 cents at \$2.2036 and the RB market settling down 1.84 cents at \$1.9734.

**Technical Analysis:** Similar to Wednesday's trading session, the oil market will continue to trade sideways with light volume trading during Friday's shortened trading session due to the Thanksgiving Day holiday. The market is seen remaining range bound between \$68 and \$72, barring any major news during the holiday. The market is seen finding support at its low of \$68.20 and \$68.05. More distant support is seen at \$66.91, \$66.53, \$66.32 and \$65.74. Meanwhile, resistance is seen at \$69.37, \$70.30, \$71.48-\$71.51 followed by \$71.68 and \$71.87.

**Fundamental News:** A ceasefire between Israel and Lebanese armed group Hezbollah came into effect on Wednesday after both sides accepted an agreement brokered by the U.S. and France. Lebanon's army, which is tasked with helping to ensure the ceasefire holds, said it was preparing to deploy to the south of the country. The military asked that residents of border villages delay returning home until the Israeli military withdraws. While the ceasefire largely held on Wednesday morning, Israel said it identified Hezbollah operatives returning to areas near the border and had opened fire to prevent them from coming closer. The deal is likely to enable Israel to focus more closely on the conflict in Gaza, where it has vowed to destroy the Palestinian Islamist group Hamas, which led the October 7, 2023, attacks on Israeli communities.

National security adviser Jake Sullivan said the United States will start its renewed push for a Gaza ceasefire on Wednesday, a day after U.S. President Joe Biden announced a separate ceasefire between Israel and Lebanese armed group Hezbollah.

Saudi Energy Minister Prince Abdulaziz bin Salman held a meeting by phone with Kazakh Energy Minister Almasadam Satkaliyev and Russian Deputy Prime Minister Alexander Novak, who is on an official visit to Kazakhstan. The three countries stressed the importance of a full commitment to the voluntary oil production cuts agreed by OPEC+.

IIR Energy said U.S. oil refiners are expected to shut in about 145,000 bpd of capacity in the week ending November 29<sup>th</sup>, raising available refining capacity by 312,000 bpd.

The U.S. economy grew at a solid pace in the third quarter, amid strong consumer spending. The Commerce Department's Bureau of Economic Analysis said in its second estimate of third-quarter GDP that the U.S. GDP increased at an unrevised 2.8% annualized rate.

U.S. consumer spending increased in October, suggesting that the economy maintained its strong pace of growth early in the fourth quarter. The Commerce Department's Bureau of Economic Analysis reported that consumer spending increased 0.4% in October after an upwardly revised 0.6% advance in September. The Personal Consumption Expenditures price index increased 0.2% in October, matching September's unrevised gain. In the 12 months through October, the PCE price index increased 2.3% after advancing 2.1% in September.

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

WTI - Jan \$68.94, up 94 cents  
 RBOB - Jan \$1.9277, up 2.89 cents  
 HO - Jan \$2.2188, up 2.64 cents

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-24	2.2036	-0.0368	-0.0227
Jan-25	2.2114	-0.0363	-0.0251
Feb-25	2.2092	-0.0346	-0.0305
Mar-25	2.1968	-0.0334	-0.0354
Apr-25	2.1801	-0.0318	-0.0407
May-25	2.1687	-0.0300	-0.0439
Jun-25	2.1610	-0.0274	-0.0454
Jul-25	2.1653	-0.0265	-0.0443
Aug-25	2.1818	-0.0157	-0.0328
Sep-25	2.1807	-0.0255	-0.0415
Oct-25	2.1897	-0.0251	-0.0407
Nov-25	2.1953	-0.0248	-0.0414
Dec-25	2.1987	-0.0248	-0.0431
Jan-26	2.2041	-0.0247	-0.0439
Feb-26	2.2034	-0.0243	-0.0440
Mar-26	2.1949	-0.0235	-0.0440
Apr-26	2.1803	-0.0227	-0.0441

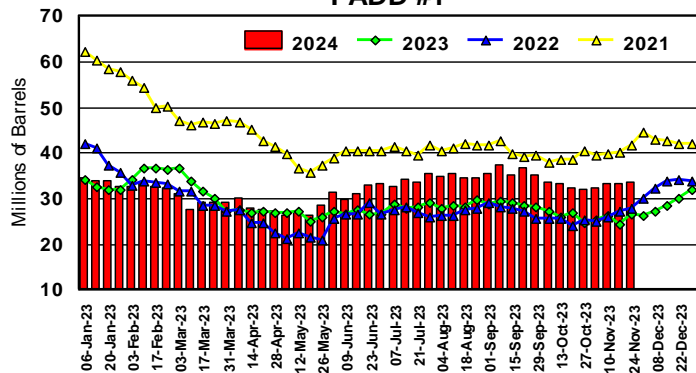
Sprague HeatCurve October 2025-April 2026		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.11	\$68.7200	-\$0.0500
Crude - Brent		\$72.8300	\$0.0200
Natural Gas		\$3.2040	-\$0.2630
Gasoline		\$1.9734	-\$0.0184

## EIA Working Gas Storage Report

	22-Nov-24	15-Nov-24	Change	22-Nov-23
East	929	931	-2	916
Midwest	1134	1140	-6	1,113
Mountain	292	293	-1	253
Pacific	310	313	-3	297
South Central	1301	1291	10	1,254
Salt	353	347	6	340
Nonsalt	948	944	4	915
Total	3967	3969	-2	3,833

## Weekly EIA Petroleum Status Report for the Week Ending November 22, 2024

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Down 1.844 million barrels  
 Cushing, OK Crude Stocks Down 909,000 barrels  
**Gasoline Stocks** Up 3.314 million barrels  
**Distillate Stocks** Up 416,000 barrels  
**Refinery % Operated** 90.5%, up 0.3%

### PADD #1

	Week Ending Nov. 22, 2024	Week Ending Nov. 15, 2024	Week Ending Nov. 24, 2023
Distillate Stocks (in million bbl)			
New England	5.8	5.3	3.5
Central Atlantic	16.6	17.4	11.9
Total PADD #1	33.5	33.3	26.6
Distillate Imports (thousands b/d)	113	89	83

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.