



MarketWatch | Refined Products

Monday, December 30, 2024

Market Commentary

Recap: After posting an outside trading day on Thursday, the oil market on Friday posted an inside trading but ended the session 1.41% higher. The market posted a low of \$69.44 in overnight trading before it began to retrace Thursday's losses. The crude market was supported by expectations of a stimulus driven economic recovery in China and by expectations that the EIA's weekly petroleum stocks report later in the afternoon would show draws in oil stocks. The oil market rallied back to Thursday's high of \$70.75 in light of the EIA's inventory report showing a larger than expected draw of over 4 million barrels in crude stocks. The February WTI contract, which failed to breach its previous high, settled up 98 cents at \$70.60. The product markets ended the session higher, with the heating oil market settling up 3.95 cents at \$2.2448 and the RB market settling up 1.24 cents at \$1.9582.

Technical Analysis: The oil market next week will remain in its recent trading range as light volume trading is expected to continue ahead of the New Year holiday. Technically, its daily stochastics are still trending higher. The market is seen finding resistance at its highs of \$70.75, \$70.80 and \$71.00. Further resistance is seen at \$71.51 and \$71.97. Meanwhile, support is seen at \$69.44, \$69.33, \$68.85, \$68.59, \$68.42, \$68.35 and \$68.12.

Fundamental News: The EIA reported that U.S. crude stocks drew down more than expected on strong refinery runs, while distillate inventories fell more than expected due to higher truck traffic during the holiday season and cold weather. Crude inventories fell by 4.2 million barrels to 416.8 million barrels in the week ending December 20th. Crude stocks at the Cushing, Oklahoma, delivery hub fell by 320,000 barrels in the week, the lowest level since October 2023. Refinery crude runs increased by 205,000 bpd, while utilization rates increased by 0.7% to 92.5% on the week. The EIA data showed that U.S. Gulf Coast refiners' net input of crude oil increased by 108,000 bpd to about 9.4 million bpd, the highest since January 2019. High refiner intake resulted in a drawdown from Gulf Coast crude oil stockpiles, which declined by about 1.9 million barrels to about 231.5 million barrels last week, the lowest since September 2023. Distillate stockpiles fell by 1.7 million barrels to 116.5 million barrels, compared with expectations for a 313,000 barrel decline.

Baker Hughes reported that U.S. energy firms this week operated the same number of oil and natural gas rigs for third consecutive week. It reported that the oil and gas rig count was unchanged at 589 in the week ending December 27th. Baker Hughes reported that the number of oil rigs and gas rigs remained steady this week, holding at 483 and 102, respectively.

IIR Energy reported that U.S. oil refiners are expected to shut in about 25,000 bpd of capacity in the week ending December 27th, increasing available refining capacity by 103,000 bpd. Offline capacity is expected to increase to 83,000 bpd in the week ending January 3rd and then increase further to 845,000 bpd in the week ending January 10th.

PJK/Insights Global reported that gasoline stocks held in independent storage in the Amsterdam-Rotterdam-Antwerp terminal in the week ending December 27th fell by 1.09% on the week but increased by 47.55% on the year to 1.356 million tons, while gasoil stocks increased by 1.51% on the week and by 21.26% on the year to 2.213 million tons and fuel oil stocks increased by 15.27% on the week and by 14.46% on the year to 1.472 million tons. Naphtha stocks fell by 0.36% on the week but increased by 107.46% on the year to 556,000 tons and jet fuel stocks fell by 2.99% on the week but increased by 25.54% on the year to 875,000 tons.

Early Market Call - as of 8:25 AM EDT

WTI - Feb \$70.88, up 28 cents
 RBOB - Jan \$1.9685, up 1.03 cents
 HO - Jan \$2.2812, up 3.64 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Jan-25	2.2448	0.0395	0.0131
Feb-25	2.2499	0.0397	0.0135
Mar-25	2.2358	0.0367	0.0137
Apr-25	2.2094	0.0331	0.0113
May-25	2.1925	0.0307	0.0116
Jun-25	2.1850	0.0294	0.0126
Jul-25	2.1871	0.0285	0.0145
Aug-25	2.1898	0.0279	0.0145
Sep-25	2.1937	0.0274	0.0136
Oct-25	2.1970	0.0264	0.0124
Nov-25	2.1980	0.0247	0.0110
Dec-25	2.1977	0.0230	0.0093
Jan-26	2.2023	0.0220	0.0088
Feb-26	2.2009	0.0216	0.0086
Mar-26	2.1912	0.0208	0.0075
Apr-26	2.1753	0.0198	0.0065
May-26	2.1645	0.0188	0.0052

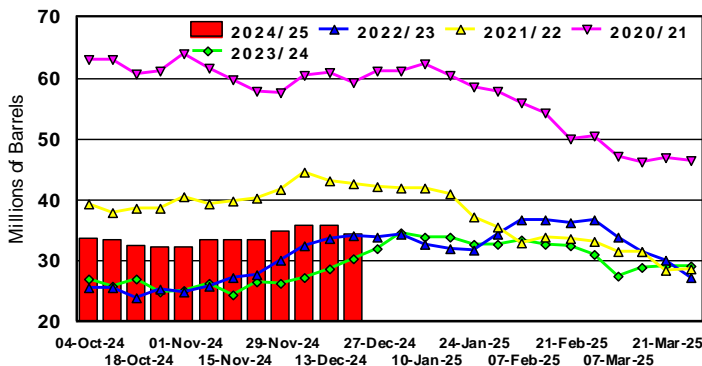
Sprague HeatCurve October 2025-April 2026		\$2.1963
	Close	Change
Crude - WTI	\$70.6000	\$0.9800
Crude - Brent	\$74.1700	\$0.9100
Natural Gas	\$3.5140	-\$0.2010
Gasoline	\$1.9582	\$0.0124

EIA Working Gas Storage Report

	20-Dec-24	13-Dec-24	Change	20-Dec-23
East	792	822	-30	813
Midwest	960	1007	-47	995
Mountain	267	274	-7	233
Pacific	293	296	-3	281
South Central	1217	1222	-5	1,192
Salt	349	338	11	330
Nonsalt	868	884	-16	862
Total	3529	3622	-93	3,515

Weekly EIA Petroleum Status Report for the Week Ending December 20, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 4.237 million barrels
 Cushing, OK Crude Stocks Down 320,000 barrels
Gasoline Stocks Up 1.63 million barrels
Distillate Stocks Down 1.694 million barrels
Refinery % Operated 92.5%, up 0.7%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Dec. 20, 2024	Week Ending Dec. 13, 2024	Week Ending Dec. 21, 2023
New England	4.8	4.9	4.3
Central Atlantic	18.6	18.1	14.8
Total PADD #1	34.3	35.8	30.2
Distillate Imports (thousands b/d)	141	138	223

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.