



MarketWatch | Refined Products

Thursday, January 30, 2025

Market Commentary

Recap: The crude market moved lower on Wednesday on an increase in U.S. crude stocks and easing concern over Libyan supply. The market posted a high of \$74.08 in overnight trading as the market held resistance at its previous high in light of the build in crude stocks of over 2.8 million barrels reported by the API late Tuesday afternoon and news that Libya's crude oil export activity was operating normally after Libya's National Oil Corp held talks with protesters demanding a halt in loadings at its oil ports. The crude market settled in sideways trading range ahead of the release of the EIA's weekly petroleum stocks reports. However, it breached its previous lows as it sold off to a low of \$72.33 in afternoon trading in light of the larger than expected build in crude stocks of over 3.4 million barrels. The market later traded sideways following the expected Fed decision to leave interest rates unchanged. The March WTI contract settled down \$1.15 at \$72.62 and the March Brent contract settled down 91 cents at \$76.58. The product markets ended lower, with the heating oil market settling down 39 points at \$2.4540 despite the large distillate stocks draw of 4.99 million barrels, and the RB market settled down 1.69 cents at \$2.0357.

Technical Analysis: The oil market will likely retrace some of losses and trade mostly sideways as the market awaits further news on the looming tariffs that the Trump administration has threatened to impose on Canada and Mexico starting February 1st. The market will also focus on the OPEC+ meeting scheduled for Saturday after the Trump administration called on OPEC to lower oil prices. The market is seen finding support at \$72.33, \$72.20-\$72.10, \$71.31 and \$70.43. Meanwhile, resistance is seen at \$74.08, \$74.31, \$75.15, \$75.21 and \$76.00.

Fundamental News: The EIA reported that U.S. distillates stocks fell by 4.994 million barrels in the week ending January 24th to 123 million barrels. It was the largest decline in a week since March 2022. It reported that U.S. distillate fuel supplied increased to 4.5 million bpd, the highest level since March 2022. Meanwhile, gasoline stocks increased by 2.957 million barrels. Gasoline stocks in the U.S. Gulf Coast region increased to 91.6 million barrels, the highest level since August 2020.

President Donald Trump's nominee to run the Commerce Department, Howard Lutnick, said that Canada and Mexico can avoid looming U.S. tariffs if they act swiftly to close their borders to fantasy.

Platts is reporting that crude oil exports from the two eastern Libyan ports of Es Sider and Ras Lanuf resumed late Tuesday afternoon after protests led by the group Oil Crescent Region Movement earlier in the day had disrupted oil operations at the ports. Reportedly preliminary talks on Tuesday between protesters and the Libyan National Oil Corporation have led to an agreement to suspend the protests temporarily for two weeks as protesters await NOC to meet their demands.

IIR Energy said U.S. oil refiners are expected to shut in about 1.25 million bpd of capacity in the week ending January 31st, cutting available refining capacity by 50,000 bpd. Offline capacity is expected to increase to 1.33 million bpd in the week ending February 7th.

Motiva Enterprises completed a shutdown of its 81,000 bpd gasoline-producing fluidic catalytic cracker-3 and its 18,000 bpd alkylation units at its 626,000 bpd Port Arthur, Texas, refinery on Tuesday for planned work. The units are scheduled to be shut until the middle of March for overhauls. A 50,000 bpd cat feed hydrotreater will be shut on a later date for work while the fluidic catalytic cracker unit is shut.

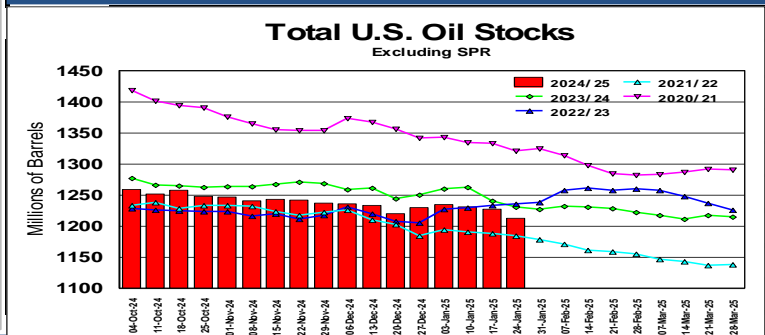
Early Market Call - as of 8:30 AM EDT

WTI - Mar \$72.49, down 13 cents
 RBOB - Feb \$2.0280, down 77 points
 HO - Feb \$2.4396, down 1.44 cents

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Feb-25	2.4540	0.0039	-0.0302
Mar-25	2.3909	0.0044	-0.0363
Apr-25	2.3437	-0.0006	-0.0431
May-25	2.3119	-0.0034	-0.0490
Jun-25	2.2907	-0.0063	-0.0557
Jul-25	2.2824	-0.0094	-0.0593
Aug-25	2.2772	-0.0110	-0.0604
Sep-25	2.2773	-0.0103	-0.0583
Oct-25	2.2774	-0.0099	-0.0561
Nov-25	2.2740	-0.0098	-0.0554
Dec-25	2.2683	-0.0096	-0.0557
Jan-26	2.2681	-0.0094	-0.0549
Feb-26	2.2619	-0.0093	-0.0544
Mar-26	2.2484	-0.0095	-0.0537
Apr-26	2.2295	-0.0098	-0.0522
May-26	2.2172	-0.0096	-0.0500
Jun-26	2.2077	-0.0093	-0.0475

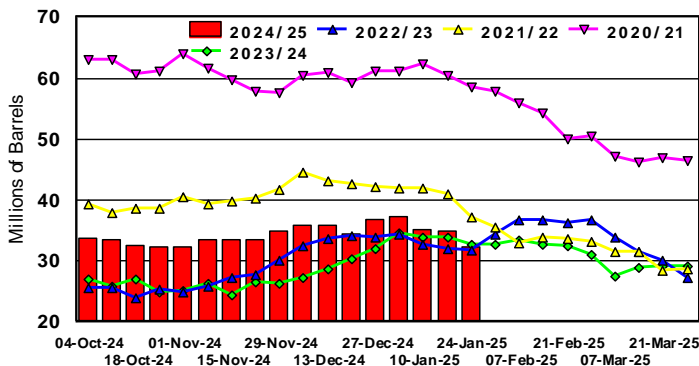
Sprague HeatCurve October 2025-April 2026		\$2.2619
	Close	Change
Crude - WTI	\$72.6200	-\$1.1500
Crude - Brent	\$76.5800	-\$0.9100
Natural Gas	\$3.5350	\$0.0640
Gasoline	\$2.0357	-\$0.0169



Weekly EIA Petroleum Status Report for the Week Ending January 24, 2025

Distillate Stocks

PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 3.463 million barrels
 Cushing, OK Crude Stocks Up 326,000 barrels
Gasoline Stocks Up 2.957 million barrels
Distillate Stocks Down 4.994 million barrels
Refinery % Operated 83.5%, down 2.4%

PADD #1

Distillate Stocks (in million bbl)	Week Ending Jan. 24, 2025	Week Ending Jan. 17, 2024	Week Ending Jan. 26, 2024
New England	5.4	5.5	4.8
Central Atlantic	15.5	16.4	15.8
Total PADD #1	32.3	34.8	32.6
Distillate Imports (thousands b/d)	132	259	121

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