



MarketWatch | Refined Products

Friday, May 3, 2024

Market Commentary

Recap: The oil market ended the session higher on Thursday following three days of losses that had pushed the market to the lowest levels since mid-March. The market retraced some of Wednesday's losses and traded to a high of \$79.90 as the U.S. dollar fell. However, the market erased its gains, breached its previous low of \$78.83 as it sold off to a low of \$78.41 by mid-day after U.S. data pointed to persistent labor market strength and further cut hopes of an early decline in U.S. interest rates. Data showed U.S. jobless claims held steady at lower levels last week as the labor market remains fairly tight, ahead of April's employment report due to be published on Friday. The crude market later bounced off its low and traded back towards the \$79.50 level ahead of the close. The June WTI contract settled down 5 cents at \$78.95, while the July Brent contract settled up 23 cents at \$83.67. The product markets also ended mixed, with the heating oil market settling down 88 points at \$2.4431 and the RB market settling up 1.91 cents at \$2.5965.

Technical Analysis: On Friday, the crude market will remain focused on economic news as it awaits the release of the monthly jobs report. The market will also look for any news on a possible ceasefire deal between Israel and Hamas, which would continue to take out some of the geopolitical risk premium that has supported the market in recent months. The market is seen finding support at its low of \$78.41 followed by \$77.39, \$76.69, \$76.67, \$76.07 and \$75.10. Meanwhile, resistance is seen at its high of \$79.90, \$80.10, \$81.57 followed by \$82.22, \$83.20, \$83.30 and \$83.46.

Fundamental News: Shell's Chief Financial Officer, Sinead Gorman, said Shell expect crude oil markets to tighten in the second half of the year if the OPEC+ alliance keeps supply cuts in place. She also said Shell sees an increase in demand for liquefied natural gas in southeast Asia as prices remain relatively weak after a mild winter.

Three OPEC+ sources stated that OPEC and its allies have yet to begin formal talks on extending voluntary oil output cuts of 2.2 million bpd beyond June. However, the sources stated they could keep their cuts if demand fails to increase. The OPEC+ group is currently cutting output by 5.86 million bpd, equal to about 5.7% of global demand. The cuts include 3.66 million bpd by OPEC+ members valid through to the end of 2024, and 2.2 million bpd of voluntary cuts by some members expiring at the end of June.

Trans Mountain said total system nominations for the Trans Mountain Pipeline system are apportioned by 0% for May 2024.

The number of Americans filing new claims for unemployment benefits held steady at lower levels last week as the labor market remains fairly tight. The U.S. Labor Department said initial claims for state unemployment benefits were unchanged at a seasonally adjusted 208,000 in the week ending April 27th. The number of people receiving benefits after an initial week of aid was also unchanged at a seasonally adjusted 1.774 million during the week ending April 20th.

U.S. worker productivity growth slowed sharply in the first quarter, resulting in an increase in labor costs, but the trend in productivity remained solid. The Labor Department's Bureau of Labor Statistics said nonfarm productivity increased at a 0.3% annualized rate last quarter after increasing at a 3.5% pace in the October-December period. Productivity advanced at a 2.9% pace from a year ago.

Early Market Call - as of 8:10 AM EDT

WTI - June \$79.48, up 53 cents
 RBOB - June \$2.6151, up 1.86 cents
 HO - June \$2.4572, up 1.41 cents

All NYMEX | Prior Settlements

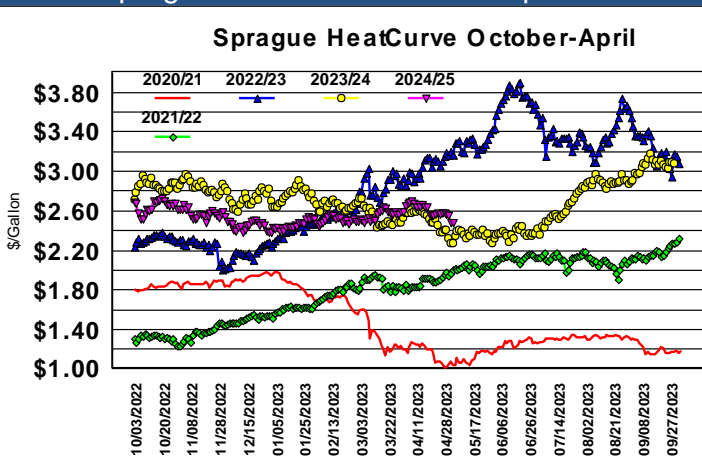
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-24	2.4431	-0.0088	-0.1173
Jul-24	2.4576	-0.0075	-0.1117
Aug-24	2.4706	-0.0067	-0.1071
Sep-24	2.4829	-0.0047	-0.1022
Oct-24	2.4913	-0.0036	-0.0995
Nov-24	2.4921	-0.0027	-0.0975
Dec-24	2.4884	-0.0009	-0.0947
Jan-25	2.4886	0.0015	-0.0910
Feb-25	2.4810	0.0030	-0.0869
Mar-25	2.4665	0.0034	-0.0823
Apr-25	2.4472	0.0043	-0.0765
May-25	2.4353	0.0055	-0.0714
Jun-25	2.4265	0.0072	-0.0656
Jul-25	2.4213	0.0083	-0.0623
Aug-25	2.4171	0.0089	-0.0601
Sep-25	2.4149	0.0090	-0.0583
Oct-25	2.4128	0.0095	-0.0562

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	July Brent-WTI Spread \$5.19	\$78.4800	\$0.0400
Crude - Brent		\$83.6700	\$0.2300
Natural Gas		\$2.0350	\$0.1030
Gasoline		\$2.5965	\$0.0191

EIA Working Gas Storage Report

	26-Apr-24	19-Apr-24	Change	26-Apr-23
East	425	408	17	404
Midwest	564	551	13	477
Mountain	182	173	9	94
Pacific	240	235	5	97
South Central	1073	1057	16	975
Salt	314	309	5	277
Nonsalt	759	749	10	698
Total	2484	2425	59	2,048

Sprague Heat Curve October-April



June WTI



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