



MarketWatch | Refined Products

Friday, September 8, 2023

Market Commentary

Recap: The oil market posted an inside trading day and ended the session in negative territory, ending a nine-day streak of gains. The market traded lower on profit-taking. The crude market posted a high of \$87.74 in overnight trading before it traded lower, as it retraced some more of Tuesday's sharp gains. It traded mostly sideways ahead of the release of the EIA weekly petroleum stocks report. The market briefly traded back towards its high following the release of the inventory reports showing a larger than expected draw in crude stocks of over 6 million barrels on the week. However, the oil market retraced its gains and sold off to a low of \$86.39 on profit-taking as concerns over China's economy seemed to overshadow the draws in stocks. The October WTI contract settled down 67 cents at \$86.87 and the November Brent contract settled down 68 cents at \$89.92. The product markets ended the session higher, with the heating oil market settling up 1.96 cents at \$3.2123 and the RB market settling up 2.16 cents at \$2.623.

Technical Analysis: Despite, the crude market's profit taking on Thursday, the market on Friday is seen continuing on its upward trend ahead of the weekend as stochastics are still trending higher. The market is seen finding support at its low of \$86.39, \$85.93, \$85.02 followed by more distant support at \$83.64 and \$83.46. Meanwhile, resistance is seen at its high of \$87.74, \$88.08, \$89.72 and the \$90.00 level.

Fundamental News: The EIA reported that U.S. crude oil stocks fell for the fourth consecutive week, with inventories down over 6% in the last month. Crude stocks fell by 6.3 million barrels, triple the 2.1 million barrel decline that analysts expected. The EIA also reported that U.S. Midwest distillate stocks increased by 613,000 barrels in the week ending September 1st to 33.2 million barrels, the highest level since July 2021.

JP Morgan said it holds a constructive view on oil prices in the short term. It still does not see oil prices breaching \$100/barrel in 2023. It said Saudi determination and increasing Russian cooperation would tighten oil balances and lift Brent prices to \$90/barrel or even above by September.

Insights Global reported that gasoline stocks held in independent storage in the Amsterdam - Rotterdam-Antwerp terminal in the week ending September 7th increased by 7.05% on the week and by 5.78% on the year to 1.428 million tons, while gasoil stocks increased by 3.45% on the week and by 17.21% on the year to 1.921 million tons and fuel oil stocks fell by 2.24% on the week and by 7.42% on the year to 1.048 million tons.

Operations at Marathon Petroleum's 593,000 bpd Galveston Bay refinery in Texas were normal on Thursday following an upset in a steam boiler at the power plant supplying the refinery. A leak in a steam pressure header in the Green Power 2 plant triggered warnings about excessive noise from the Texas City Emergency Management Department to area residents on Thursday.

Phillips 66 experienced an equipment failure at its 139,000 bpd Carson, California refinery on Monday. It said all refinery safety systems functioned as designed and were able to shut down equipment safely.

Chevron Corp reported unplanned operational issues at its 112,229 bpd Pasadena, Texas refinery.

Early Market Call - as of 8:45 AM EDT

WTI - October \$87.53, up 66 cents

RBOB - September \$2.6935, up 7.05 cents

HO - September \$3.2974, up 8.51 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-23	3.2123	0.0196	0.0992
Oct-23	3.1451	0.0163	0.1090
Nov-23	3.0296	0.0104	0.0940
Dec-23	2.9643	0.0060	0.0824
Jan-24	2.9178	0.0030	0.0750
Feb-24	2.8660	-0.0005	0.0677
Mar-24	2.8082	-0.0041	0.0613
Apr-24	2.7724	-0.0057	0.0577
May-24	2.7482	-0.0051	0.0570
Jun-24	2.7359	-0.0047	0.0548
Jul-24	2.7250	-0.0043	0.0525
Aug-24	2.7149	-0.0040	0.0504
Sep-24	2.7038	-0.0039	0.0498
Oct-24	2.6906	-0.0039	0.0493
Nov-24	2.6744	-0.0035	0.0480
Dec-24	2.6581	-0.0033	0.0469
Jan-25	2.6384	-0.0033	0.0453

Sprague HeatCurve October 2023-April 2024

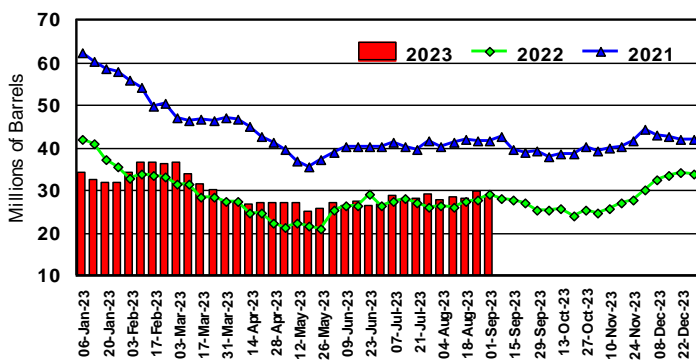
	Close	Change
Crude - WTI	\$86.1500	-\$0.6400
Crude - Brent	\$89.9200	-\$0.6800
Natural Gas	\$2.5790	\$0.0690
Gasoline	\$2.6230	\$0.0216

EIA Working Gas Storage Report

	01-Sep-23	25-Aug-23	Change	01-Sep-22
East	766	751	15	632
Midwest	877	853	24	772
Mountain	218	213	5	159
Pacific	252	248	4	238
South Central	1035	1050	-15	886
Salt	241	249	-8	182
Nonsalt	795	801	-6	704
Total	3148	3115	33	2,686

Weekly EIA Petroleum Status Report for the Week Ending September 1, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 6.307 million barrels

Cushing, OK Crude Stocks Down 1.75 million barrels

Gasoline Stocks Down 2.666 million barrels

Distillate Stocks Up 679,000 barrels

Refinery % Operated 93.1%, down 0.2%

PADD #1

	Week Ending Sep 1, 2023	Week Ending Aug 25, 2023	Week Ending Sep 1, 2022
Distillate Stocks (in million bbl)			
New England	3.2	3.3	3.2
Central Atlantic	15.6	16.0	12.9
Total PADD #1	28.9	29.7	29.0
Distillate Imports (thousands b/d)	67	145	94

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