

## Market Commentary

**Recap:** The oil market posted an outside trading day on Tuesday as the market's concern over the possibility of another U.S. interest rate increase was offset by supply concerns due to Hurricane Idalia moving into the U.S. Gulf Coast towards Florida. The oil market attempted to test its previous high early in the morning as it traded to \$80.83, where it held some resistance, before it sold off to a low of \$79.34 by mid-morning. The market later retraced its losses amid reports that Chevron evacuated staff from three U.S. Gulf of Mexico oil production platforms ahead of Hurricane Idalia. The market was also supported amid a recovery in the equities markets after a fall in the latest monthly job openings report added to hopes of a pause in interest rate hikes. The oil market posted a high of \$81.26 ahead of the close. The October WTI contract settled up \$1.06 at \$81.16 and the October Brent contract settled up \$1.07 at \$85.49. Meanwhile, the product markets settled in mixed territory, with the heating oil market settling up 58 points at \$3.2095 and the RB market settling down 52 points at \$2.7905.

**Market Analysis:** The oil market will seek further direction from the weekly petroleum stock reports, which are expected to show draws in crude stocks of over to 3 million barrels on the week. The market will also be driven by any impact to supply due to Hurricane Idalia, which is expected to make landfall in Florida on Wednesday morning. The market is seen finding resistance at its high of \$81.26, \$81.75, \$82.33, \$82.51, \$83.16 and \$84.16. Support is seen at \$79.34, \$78.14 and \$77.59.

**Fundamental News:** According to Refinitiv tracking, global diesel shipments arriving in Europe were pegged at 5.11 million metric tons so far in August. Meanwhile, gasoline exports from Europe to North America and West Africa are set to reach 1.48 million metric tons in August, down from 1.8 million in July. Exports to the U.S. fell in August to an estimated 709,000 tons from 973,000 tons in July as peak driving season subsides. Exports to West Africa fell to 775,000 tons from 823,000 tons in July.

Chevron said it evacuated staff from three U.S. Gulf of Mexico oil production platforms ahead of Hurricane Idalia. According to the National Hurricane Center, Idalia is expected to become a major hurricane on Wednesday, with sustained winds topping at least 111 mph before it slams into the west coast of Florida later in the day. Chevron said non-essential personnel were withdrawn from its Blind Faith and Petronius platforms, and all staff removed from its Genesis platform. Production from the Blind Faith and Petronius platforms account for 105,000 bpd of oil production and 90 mmcf of natural gas output. Production was continuing at Chevron operated Gulf of Mexico oil and gas facilities.

Canada's Trans Mountain Pipeline System said total system nominations for the pipeline system are apportioned by 22% for September 2023. It said the pipeline will operate at its maximum capacity.

Colonial Pipeline Co is allocating space for Cycle 51 on Line 1, its main gasoline line from Houston, Texas to Greensboro, North Carolina. The current allocation is for the pipeline segment north of Collins, Mississippi.

U.S. job openings fell for a third consecutive month in July to the lowest level in nearly 2 1/2 years as the labor market gradually slows. The Labor Department said in its monthly Job Openings and Labor Turnover Survey, or JOLTS report that job openings fell by 338,000 to 8.827 million on the last day of July, the lowest level since March 2021. Data for June was revised lower to show 9.165 million job openings instead of the previously reported 9.582 million.

### Early Market Call - as of 8:30 AM EDT

WTI - October \$81.56, up 39 cents

RBOB - September \$2.7929, up 24 points

HO - September \$3.1887, down 2.08 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-23	3.2095	0.0058	0.0707
Oct-23	3.1725	0.0014	0.06
Nov-23	3.0808	0.0067	0.0496
Dec-23	2.9627	0.0065	0.0302
Jan-24	2.8922	0.0064	0.0153
Feb-24	2.8448	0.0068	0.0124
Mar-24	2.7932	0.0075	0.0115
Apr-24	2.7368	0.0092	0.0111
May-24	2.7016	0.0112	0.0103
Jun-24	2.6764	0.0124	0.0079
Jul-24	2.6654	0.0131	0.0059
Aug-24	2.6563	0.0129	0.0037
Sep-24	2.6479	0.0128	0.0018
Oct-24	2.6361	0.0122	-0.0002
Nov-24	2.6209	0.0117	-0.002
Dec-24	2.6024	0.0113	-0.0038
Jan-25	2.5851	0.0113	-0.0044

### Sprague HeatCurve October 2023-April 2024

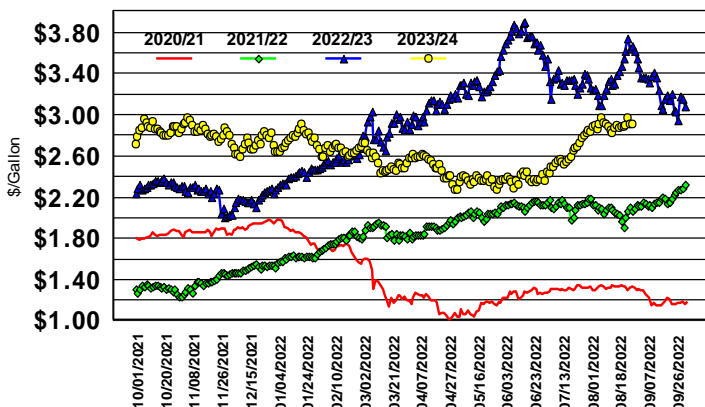
	Close	Change
Crude - WTI	\$81.1600	\$1.0600
Crude - Brent	\$85.4900	\$1.0700
Natural Gas	\$2.5560	-\$0.0230
Gasoline	\$2.7905	-\$0.0052

### API Report for the Week Ending August 25, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 11.5 million barrels	Down 3.3 million barrels
Gasoline Stocks	Up 1.4 million barrels	Down 900,000 barrels
Distillate Stocks	Up 2.5 million barrels	Up 200,000 barrels
Refinery Runs		Unchanged at 94.5%

## Sprague HeatCurve October-April

### Sprague HeatCurve October-April



## WTI Forward Curve

### NYMEX WTI Forward Curve

