

MarketWatch | Refined Products

Friday, August 24, 2018

Market Commentary

Recap: Oil prices fell from a 2-week high, as escalating trade tensions between China and the U.S. pressured commodities across the board. The commencement of the tariffs is expected to hamper demand for oil, which overturned the bullish reaction to this week's U.S. inventory report. At the onset of Thursday's trading, prices mildly extended Wednesday's gains, but the aforementioned kept a lid on prices. October WTI rose as much as 0.38%, reaching a high of \$68.12 before paring gains to settle at \$67.83 a barrel, down 3 cents, or 0.05%. Brent for October delivery slipped 5 cents, or 0.1%, to settle at \$74.73 a barrel.

September RBOB lost less than a cent, or 0.4%, to \$2.059 a gallon, while September heating oil added less than a penny, or 0.3%, to \$2.175 a gallon.

<u>Fundamental News</u>: Saudi Arabia's Energy Minister, Khalid al-Falih, denied a report that Saudi Aramco's initial public offering will be called off. He said the government remains committed to the initial public offering of Saudi Aramco.

The Kremlin said it noted a lack of desire in Washington to find area where relations could be improved. It was speaking ahead of a meeting later on Thursday in Geneva between US National Security Adviser, John Bolton, and his Russian counterpart, Nikolai Patrushev, the first high-level meeting of its kind since the Russian and US Presidents held talks in Helsinki in July.

Oil exports from Iran have declined steeply in the first half of August. S&P Global Platts trade flow software cFlow reported that Iranian crude and condensate exports have declined to 1.68 million bpd in the first 16 days of August, down more than 600,000 bpd from loadings in July. Exports averaged 2.32 million bpd in July as a whole and 2.1 million bpd in the first 16 days of the month.

Venezuela's PDVSA is preparing to increase fuel prices in the domestic market in September after two decades of frozen prices and millions of dollars lost in subsidies and smuggling. Venezuela's President Nicolas Maduro announced last weekend he was given PDVSA approval to increase the price of gasoline to international levels. Daily consumption is estimated at 190,000 bpd, of which 83,000 bpd are imported. There is no guarantee, however, that the increase in gasoline prices will reduce PDVSA's millions in losses in view of the subsidized sale of refined products.

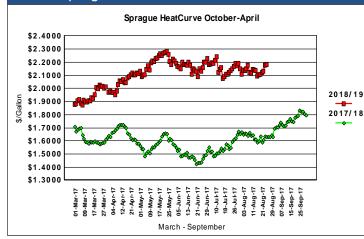
Britain's union Unite said talks between Total and workers on three of its North Sea oil and gas platforms broke down on Thursday, meaning that a series of planned strikes over working rotas will proceed. Further strike dates to stop operations on Total's Alwyn, Elgin and Dunbar platforms are set for September 3rd, September 17th, October 1st, October 15th and October 29th. The three fields' oil production contributes about 45,000 to 50,000 bpd to the North Sea's Forties and Brent crude streams.

Gasoline stocks independently held in the Amsterdam-Rotterdam-Antwerp refining and storage hub in the week ending August 23^{rd} fell by 14.32% on the week and by 12.07% on the year to 772,000 tons. Gasoil stocks increased by 3.28% on the week but fell by 5.79% on the year to 2.585 million tons while its fuel oil stocks increased by 4.54% on the week and by 2.6% on the year to 1.106 million tons.

Early Market Call - as of 9:00 AM EDT WTI - Oct \$68.73, up 90 cents RBOB - Sep \$2.0774, up 1.76 cents HO - Sep \$2.2025, up 2.70 cents

		ULSD (HO)	Prior Settle	Change In
Month		Close	Change	One Week
Sep-18		\$2.1754	\$0.0071	\$0.0790
Oct-18		\$2.1807	\$0.0071	\$0.0799
Nov-18		\$2.1844	\$0.0070	\$0.0800
Dec-18		\$2.1863	\$0.0059	\$0.0793
Jan-19		\$2.1890	\$0.0050	\$0.0784
Feb-19		\$2.1864	\$0.0047	\$0.0787
Mar-19		\$2.1788	\$0.0049	\$0.0796
Apr-19		\$2.1597	\$0.0049	\$0.0795
May-19		\$2.1572	\$0.0048	\$0.0776
Jun-19		\$2.1514	\$0.0046	\$0.0754
Jul-19		\$2.1542	\$0.0046	\$0.0747
Aug-19		\$2.1597	\$0.0047	\$0.0746
Sep-19		\$2.1679	\$0.0045	\$0.0744
Oct-19		\$2.1745	\$0.0046	\$0.0743
Nov-19		\$2.1797	\$0.0053	\$0.0735
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Dec-19		\$2.1852	\$0.0063	\$0.0711
Jan-20		\$2.1956	-	\$0.0686
	urve Oct 2018-A	\$2.1956		
Jan-20		\$2.1956	\$0.0063	\$0.0686
Jan-20 Sprague HeatCo		\$2.1956 April 2019	\$0.0063	\$0.0686 \$2.1832
Jan-20 Sprague HeatCo Other Front Mo	nth NYMEX Oct Brent- WTI Spread	\$2.1956 April 2019 Close	\$0.0063	\$0.0686 \$2.1832 Change
Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas	nth NYMEX Oct Brent-	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640	\$0.0063	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0500 \$0.0080
Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent	nth NYMEX Oct Brent- WTI Spread	\$2.1956 April 2019 Close \$67.8300 \$74.7300	\$0.0063	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0500
Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas	nth NYMEX Oct Brent- WTI Spread \$6.90	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640	\$0.0063	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0500 \$0.0080
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Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas	nth NYMEX Oct Brent- WTI Spread \$6.90 EIA Natura	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640 \$2.0592 I Gas Storage	\$0.0063	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0500 \$0.0080 -\$0.0088
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Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas Gasoline East Midwest Mountain Pacific South Central	th NYMEX Oct Brent- WTI Spread \$6.90 EIA Natura 17-Aug-11 613 632 153 239 798	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640 \$2.0592 I Gas Storage 8 10-Aug- 592 603 151 240 801	 \$0.0063 \$0.0063 Report Change 21 29 2 -1 -3 	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0500 \$0.0080 -\$0.0088 Year Ago 724 818 206 295 1,076
Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas Gasoline East Midwest Mountain Pacific South Central Salt	nth NYMEX Oct Brent- WTI Spread \$6.90 EIA Natura 17-Aug-11 613 632 153 239 798 185	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640 \$2.0592 I Gas Storage 8 10-Aug- 592 603 151 240 801 190	8 \$0.0063 8 Report 18 Change 21 29 2 -1 -3 -5	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0080 -\$0.0088 Year Ago 724 818 206 295 1,076 275
Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas Gasoline East Midwest Mountain Pacific South Central Salt Nonsalt	nth NYMEX Oct Brent- WTI Spread \$6.90 EIA Natura 17-Aug-11 613 632 153 239 798 185 613	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640 \$2.0592 I Gas Storage 8 10-Aug- 592 603 151 240 801 190 610	8 \$0.0063 8 Report 18 Change 21 29 2 -1 -3 -5 3	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0080 -\$0.0088 Year Ago 724 818 206 295 1,076 275 801
Jan-20 Sprague HeatCo Other Front Mo Crude - WTI Crude - Brent Natural Gas Gasoline East Midwest Mountain Pacific South Central Salt Nonsalt Total	nth NYMEX Oct Brent- WTI Spread \$6.90 EIA Natura 17-Aug-11 613 632 153 239 798 185	\$2.1956 April 2019 Close \$67.8300 \$74.7300 \$2.9640 \$2.0592 I Gas Storage 8 10-Aug- 592 603 151 240 801 190 610 2,387	 \$0.0063 \$0.0063	\$0.0686 \$2.1832 Change -\$0.0300 -\$0.0500 \$0.0080 -\$0.0088 Year Ago 724 818 206 295 1,076 275

Sprague HeatCurve Winter 2018/19



ICE October WTI-Brent Spread

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