



# MarketWatch | Refined Products

Friday, May 10, 2024

## Market Commentary

**Recap:** The oil market continued to trade higher on Thursday in follow through strength seen on Wednesday in light of the unexpected draw in crude stocks of over 1.3 million barrels reported by the EIA. The market was also supported by the news that China's crude oil imports increased on the previous year in April and exports and imports returned to growth in April, signaling an improvement in demand. The crude market continued its upward trend in overnight trading and rallied to a high of \$79.80 early in the morning. The market later erased some of its gains, posting a low of \$78.91 by mid-day and settled in a sideways trading range during the remainder of the session. The June WTI contract settled up 27 cents at \$79.26 and the July Brent contract settled up 30 cents at \$83.88. The product markets also ended higher, with the heating oil market settling up 15 points at \$2.4776 and the RB market settling up 1 cent at \$2.5418.

**Technical Analysis:** The crude market on Friday is seen remaining supported ahead of the weekend in light of some supportive fundamentals and as stochastics have crossed back to the upside. The market will also continue to seek further updates regarding the continuing tension in the Middle East after Israel's negotiators left talks in Egypt without signing a ceasefire agreement with Hamas. The market is seen finding resistance at its high of \$79.80, \$79.90, \$80.74, \$81.57, \$81.95, \$82.39, \$82.95 and \$83.12. Meanwhile, support is seen at its low of \$78.91, \$76.89, \$76.67, \$76.07 and \$75.10.

**Fundamental News:** U.S. President Joe Biden vowed publicly for the first time to withhold weapons from Israel if its forces make a major invasion of Rafah in southern Gaza. President Biden's comments increase the pressure on Israel to refrain from a full-scale assault on Rafah, where hundreds of thousands of Palestinians have sought refuge after fleeing combat farther north in Gaza. There was no immediate comment from Israel on Biden's remarks, but Israeli Prime Minister Benjamin Netanyahu has said the Rafah operation would proceed. Separately, Israel's former head of defense production and procurement rejected the claim the country could manage without American arms, saying Israel would be forced to source arms elsewhere. Later, White House national security spokesman, John Kirby, said Israel undertaking a major Rafah operation will not advance the objective of both Washington and Tel Aviv of defeating the Hamas Palestinian militant group in Gaza.

A senior Israeli official said Israel told Gaza truce mediators its reservations of a Hamas proposal for a hostage-release deal, and deemed this round of negotiations in Cairo to have ended. The official said the Israeli delegation is returning from the Egyptian capital and Israel will proceed with its operations in Rafah and other parts of the Gaza Strip as planned.

Late Wednesday, Palestinian militant group Hamas said it would not make more concessions to Israel in the truce talks. In Cairo, delegations from Hamas, Israel, the U.S., Egypt and Qatar have been meeting since Tuesday. Egypt's state-affiliated Al Qahera TV said early on Thursday that areas of disagreement were being resolved and there were signs an agreement will be reached, without giving details.

The EIA reported that U.S. crude oil imports from Mexico last week rose for the thirds week in a row and reached a new high for 2024 at 805,000 b/d. This was a 75% increase over the prior week's imports.

**Early Market Call - as of 8:20 AM EDT**

WTI - June \$79.68, up 42 cents  
 RBOB - June \$2.5570, up 1.52 cents  
 HO - June \$2.4793, up 17 points

## All NYMEX | Prior Settlements

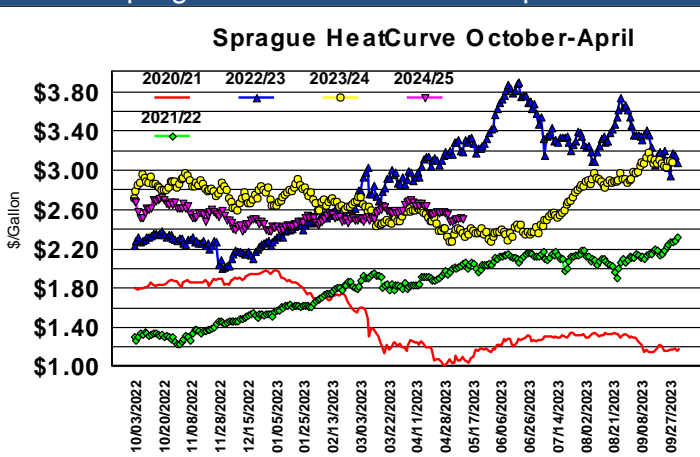
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jun-24	2.4776	0.0015	0.0345
Jul-24	2.4907	0.0028	0.0331
Aug-24	2.5033	0.0031	0.0327
Sep-24	2.5153	0.0028	0.0324
Oct-24	2.5224	0.0021	0.0311
Nov-24	2.5209	0.0011	0.0288
Dec-24	2.5147	0.0003	0.0263
Jan-25	2.5142	-0.0008	0.0256
Feb-25	2.5056	-0.0013	0.0246
Mar-25	2.4889	-0.0017	0.0224
Apr-25	2.4671	-0.0022	0.0199
May-25	2.4539	-0.0028	0.0186
Jun-25	2.4441	-0.0035	0.0176
Jul-25	2.4382	-0.0040	0.0169
Aug-25	2.4333	-0.0044	0.0162
Sep-25	2.4298	-0.0047	0.0149
Oct-25	2.4258	-0.0049	0.0130

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	July Brent- WTI Spread \$5.08	\$78.8000	\$0.2400
Crude - Brent		\$83.8800	\$0.3000
Natural Gas		\$2.3010	\$0.1140
Gasoline		\$2.5418	\$0.0100

## EIA Working Gas Storage Report

	03-May-24	26-Apr-24	Change	03-May-23
East	454	425	29	419
Midwest	584	564	20	492
Mountain	191	182	9	101
Pacific	246	240	6	110
South Central	1087	1073	14	995
Salt	314	314	0	284
Nonsalt	773	759	14	710
Total	2563	2484	79	2,119

## Sprague HeatCurve October-April



## June WTI



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