

Market Commentary

Recap: The oil market continued to trend lower on Tuesday amid easing concerns over supply disruption in the wake of Hurricane Beryl, which caused minimal damage to energy infrastructure. While oil refining activity slowed and some production sites were evacuated as a precautionary measure, major refineries along the U.S. Gulf Coast appeared to see minimal impact from the hurricane, which weakened into a tropical storm after hitting the Texas coast. The crude market traded sideways in overnight trading before it breached the \$82.00 level. It traded sideways posting a high of \$82.48 before some further selling pressure pushed the market lower to a low of \$81.25 ahead of the close. The August WTI contract settled down 92 cents at \$81.41 and the September Brent contract settled down \$1.09 at \$84.66. The product markets also ended the session lower once again, with the heating oil market settling down 5.55 cents at \$2.5236 and RB market settling down 1.05 cents at \$2.5274.

Technical Analysis: The crude market will likely be driven by the weekly petroleum stocks reports, which are expected to show draws in crude stocks of over 1 million barrels for the week ending July 5th. While stochastics are trending lower and the market retraces some of its gains seen since early June until last week, its losses may be capped by the expected draws in stocks. The market is seen finding support at its low of \$81.25, \$80.97, \$80.51, \$80.18 and \$79.91. However, resistance is seen at \$81.46, \$82.48, \$83.32, \$84.52 and \$85.27.

Fundamental News: In its Short Term Energy Outlook, the U.S. EIA left its 2024 world oil demand growth forecast unchanged at 1.10 million bpd and increased its oil demand growth estimate for 2025 by 300,000 bpd to 1.80 million bpd. Total world petroleum demand is forecast at 102.91 million bpd in 2024 and 104.68 million bpd in 2025. Total world oil output is expected to increase by 640,000 bpd to 102.43 million bpd in 2024 and by 2.3 million bpd to 104.6 million bpd in 2025. OPEC's oil output is estimated to fall by 210,000 bpd to 26.68 million bpd in 2024 but increase by 470,000 bpd to 27.15 million bpd in 2025. Meanwhile, U.S. oil output is forecast to increase by 320,000 bpd to 13.25 million bpd in 2024 and by 520,000 bpd to 13.77 million bpd in 2025. The EIA also forecast that U.S. oil demand in 2024 is forecast to increase by 110,000 bpd to 20.36 million bpd and by 290,000 bpd to 20.65 million bpd in 2025. U.S. gasoline demand in 2024 is forecast to fall by 40,000 bpd to 8.9 million bpd and by 10,000 bpd to 8.89 million bpd in 2025. U.S. distillate demand fell by 70,000 bpd to 3.86 million bpd in 2024 but increase by 110,000 bpd to 3.97 million bpd in 2025. The EIA raised its 2024 Brent price forecast to \$86.37/barrel from a previous forecast of \$84.15/barrel. It also raised its 2025 forecast to \$88.38/barrel from a previous estimate of \$85.38/barrel.

Goldman Sachs said expectations for a more severe Atlantic hurricane season than usual this year will pose an upside risk to refining margins rather than to crude prices. Goldman Sachs said it still expects Brent prices to average \$86/barrel this quarter as OECD commercial stocks continue to be drawn down and "spreading wildfires in Alberta are already disrupting Canadian oil production."

Oil and gas companies in Texas were restarting operations on Tuesday after Hurricane Beryl made landfall in the state with 80-mph winds. On Tuesday, ports were set to reopen, and some producers and facilities were ramping up output after preventively cutting down processing. Some were limited by slow restoration of power to homes, businesses and industrial customers. On Monday, Shell said it would start redeploying personnel to its Perdido and Whale oil platforms in the Gulf of Mexico on July 9th. As a precautionary measure against Hurricane Beryl, the company had shut-in production at its Perdido production platform. The Port of Corpus Christi reopened ship navigation on Monday afternoon, but the Port of Houston said its terminals would remain closed on Tuesday after conducting a preliminary assessment of facilities and systems.

Early Market Call - as of 8:35 AM EDT

WTI - August \$81.43, up 2 cents
 RBOB - August \$2.5144, down 1.3 cents
 HO - August \$2.5138, down 98 points

All NYMEX | Prior Settlements

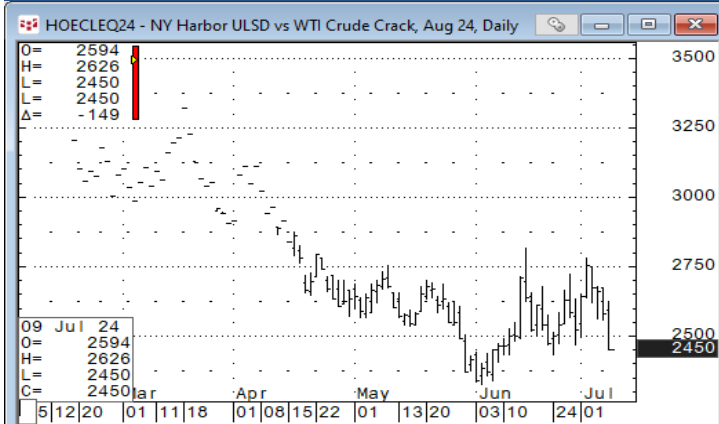
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Aug-24	2.5236	-0.0555	-0.1061
Sep-24	2.5418	-0.0510	-0.0997
Oct-24	2.5525	-0.0478	-0.0938
Nov-24	2.5544	-0.0452	-0.0879
Dec-24	2.5480	-0.0433	-0.0836
Jan-25	2.5511	-0.0418	-0.0793
Feb-25	2.5472	-0.0406	-0.0750
Mar-25	2.5342	-0.0396	-0.0713
Apr-25	2.5134	-0.0386	-0.0677
May-25	2.4980	-0.0379	-0.0652
Jun-25	2.4861	-0.0371	-0.0628
Jul-25	2.4838	-0.0367	-0.0608
Aug-25	2.4831	-0.0362	-0.0592
Sep-25	2.4835	-0.0358	-0.0580
Oct-25	2.4836	-0.0358	-0.0573
Nov-25	2.4790	-0.0357	-0.0567
Dec-25	2.4707	-0.0353	-0.0559

Sprague HeatCurve October 2024-April 2025			\$2.5444
		Close	Change
Crude - WTI	Sep Brent-WTI Spread \$4.10	\$80.5600	-\$0.9600
Crude - Brent		\$84.6600	-\$1.0900
Natural Gas		\$2.3440	-\$0.0220
Gasoline		\$2.5274	-\$0.0105

API Report for the Week Ending July 2, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 1.923 million barrels	Down 1.3 million barrels
Gasoline Stocks	Down 2.954 million barrels	Down 600,000 barrels
Distillate Stocks	Up 2.342 million barrels	Up 800,000 barrels
Refinery Runs		Down 0.1% at 93.6%

August Heating Oil Crack Spread



August RBOB Crack Spread

