

## Market Commentary

**Recap:** The crude market rallied higher on Wednesday in light of a larger than expected draw in crude stocks. The oil market traded to a low of \$72.58 in overnight trading after the API reported unexpected builds in crude stocks and gasoline stocks of 176,000 barrels and 3.3 million barrels, respectively. However, the market bounced off its low and retraced some of its previous losses as it recovered from a sharp sell off prompted by losses in the equities market earlier in the week. The market also remained concerned over supply as the Middle East is bracing for possible attacks against Israel by Iran and its allies following last week's killing of senior members of Hamas and Hezbollah. The market, which breached Tuesday's high early in the session, extended its gains to over \$2.60 as it rallied to a high of \$75.84 in afternoon trading after the EIA reported a 3.7 million barrel draw in crude stocks. The September WTI contract settled up \$2.03 at \$75.23 and the October Brent contract settled up \$1.85 at \$78.33. The product markets ended the session in positive territory, with the heating oil market settling up 5.98 cents at \$2.3556 and the RB market settling up 3.11 cents at \$2.3573.

**Technical Analysis:** The oil market is seen remaining in a sideways trading range after it bounced off the lows posted earlier in the week. Technically, the crude market is seen holding support as stochastics have crossed to the upside and are seen trending sideways. The crude market is seen finding resistance at its high of \$75.84, \$76.22, \$77.29, \$77.63, \$78.88 and \$79.03. Meanwhile, support is seen at \$74.97, \$74.27, \$73.97, \$73.00, \$72.58, \$72.20 and \$71.67.

**Fundamental News:** According to the EIA, U.S. crude oil increased by about 100,000 bpd to a record high of 13.4 million bpd in the week ending August 2<sup>nd</sup>. Output increased for the first time after increasing to a previous record of 13.3 million bpd in the first week of July.

U.S. Secretary of State, Antony Blinken, said the United States has communicated to Iran and Israel that there is a consensus in the Middle East that conflict must not escalate. Speaking after a meeting with Defense Secretary Lloyd Austin and their Australian counterparts, he also said talks to achieve a ceasefire and hostage deal on the war in Gaza had reached their final stage.

Republican presidential candidate Donald Trump says he will fill up the U.S. Strategic Petroleum Reserve if elected to another White House term in November.

Libya's National Oil Corp declared a force majeure in its Sharara oil field starting August 7<sup>th</sup>. The NOC said that the current situation at the Sharara oilfield prevented the company "from carrying out the crude oil loading operations." The NOC said that circumstances will affect the ceasing of oil operations, adding that they will also affect oil exporting operations at Zawia terminal.

IIR Energy said U.S. oil refiners are expected to shut in 648,000 bpd of capacity in the week ending August 9<sup>th</sup>, increasing available refining capacity by 19,000 bpd. Offline capacity is expected to fall to 286,000 bpd in the week ending August 16<sup>th</sup>.

Exxon Mobil reported a system upset at its 251,800 bpd Joliet, Illinois refinery.

Motiva Enterprises plans to keep its fluidic catalytic cracker shut at its 626,000 bpd Port Arthur, Texas, refinery until August 13<sup>th</sup> for repairs. During the week of repairs, Motiva plans to replace piping on the 81,000 bpd fluidic catalytic cracking unit to end leaks that forced the unit's shutdown on July 24<sup>th</sup> and prevented it from restarting.

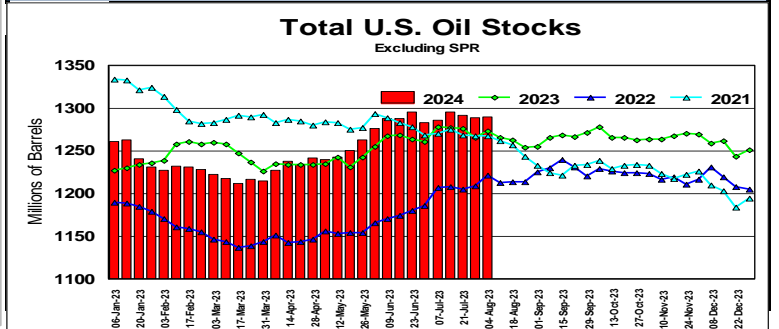
**Early Market Call - as of 8:25 AM EDT**

WTI - Sep \$75.11, down 13 cents  
 RBOB - Sep \$2.3643, up 70 points  
 HO - Sep \$2.3488, down 68 points

## All NYMEX | Prior Settlements

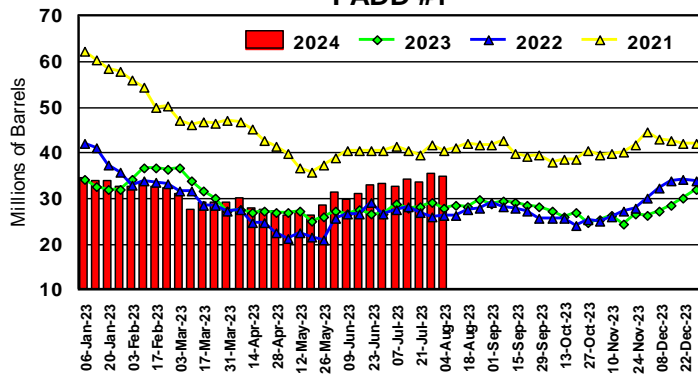
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Sep-24	2.3556	0.0598	-0.0827
Oct-24	2.3717	0.0593	-0.0824
Nov-24	2.3786	0.0581	-0.0795
Dec-24	2.3783	0.0563	-0.0764
Jan-25	2.3825	0.0549	-0.0752
Feb-25	2.3779	0.0535	-0.0756
Mar-25	2.3639	0.0522	-0.0756
Apr-25	2.3447	0.0512	-0.0751
May-25	2.3320	0.0499	-0.0743
Jun-25	2.3235	0.0483	-0.0731
Jul-25	2.3268	0.0470	-0.0713
Aug-25	2.3317	0.0457	-0.0694
Sep-25	2.3374	0.0447	-0.0673
Oct-25	2.3419	0.0435	-0.0661
Nov-25	2.3402	0.0424	-0.0658
Dec-25	2.3335	0.0414	-0.0659
Jan-26	2.3308	0.0407	-0.0654

Sprague HeatCurve October 2024-April 2025		\$2.3735
	Close	Change
Crude - WTI	\$74.1700	\$1.8300
Crude - Brent	\$78.3300	\$1.8500
Natural Gas	\$2.1120	\$0.1020
Gasoline	\$2.3573	\$0.0311



## Weekly EIA Petroleum Status Report for the Week Ending August 2, 2024

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Down 3.728million barrels  
 Cushing, OK Crude Stocks Up 579,000 barrels  
**Gasoline Stocks** Up 1.34 million barrels  
**Distillate Stocks** Up 949,000 barrels  
**Refinery % Operated** 90.5%, up 0.4%

### PADD #1

	Week Ending August 2, 2024	Week Ending July 26, 2024	Week Ending August 4, 2023
Distillate Stocks (in million bbl)			
New England	3.9	4.2	3.1
Central Atlantic	18.9	17.7	14.0
Total PADD #1	34.8	35.3	27.8
Distillate Imports (thousands b/d)	96	96	40

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