



# MarketWatch | Refined Products

Tuesday, September 17, 2024

## Market Commentary

**Recap:** The oil market on Monday traded higher as it retraced some of its losses seen on Friday, as the market awaits a likely cut to U.S. interest rates by the Federal Reserve. The market traded mostly sideways in overnight trading and posted a low of \$68.65 before it retraced its previous losses. The market breached its previous high as it rallied to a high of \$70.70 by mid-morning. The oil market remained supported by some supply worries as some capacity in the U.S. Gulf of Mexico still remains offline in the aftermath of Hurricane Francine. The market later gave up some of its gains and traded mostly sideways ahead of the close. The October WTI contract settled up \$1.44 at \$70.09 and the November Brent contract settled up \$1.14 at \$72.75. The product markets ended the session in positive territory, with the heating oil market settling up 1.25 cents at \$2.0968 and the RB market settling up 3.8 cents at \$1.9682.

**Technical Analysis:** The crude market on Tuesday is seen trending sideways as it positions itself ahead of the weekly petroleum stocks report and as the shut in output in the Gulf of Mexico continues to return. The market is seen remaining supported by the expected interest rate cuts at the end of Federal Reserve's meeting on Wednesday afternoon. The market is seen finding resistance at its high of \$70.70, \$70.82, \$71.43 and \$72.89. Support is seen at its lows of \$68.65, \$68.47, \$67.24, \$65.63 and \$65.27.

**Fundamental News:** The U.S. Bureau of Safety and Environmental Enforcement said more than 12% of crude production and 16% of natural gas output in the U.S. Gulf of Mexico were offline on Monday in the aftermath of Hurricane Francine. There were 213,204 barrels per day of oil and 298 million cubic feet of natural gas still offline after Francine hit the coast last week.

Exxon Mobil said it is working to safely restart operations at its Hoover offshore platform in the Gulf of Mexico. Last week, Exxon shut operations at its Hoover offshore platform due to tropical storm Francine.

IIR Energy said U.S. oil refiners are expected to shut in about 805,000 bpd of capacity in the week ending September 20<sup>th</sup>, cutting available refining capacity by 71,000 bpd. Offline capacity is expected to increase to 878,000 bpd in the week ending September 27<sup>th</sup>.

Exxon Mobil Corp reported operations requiring flaring at its 609,024 bpd Beaumont, Texas refinery.

Marathon Petroleum Corp reported flaring at its 363,000 bpd Wilmington, California refinery. Separately, Marathon's Galveston Bay, Texas refinery reported emissions.

UBS cut its fourth quarter Brent crude price forecast to \$75/barrel from a previous forecast of \$83/barrel. It cut its 2024 Brent price forecast by \$4/barrel to \$80/barrel and its 2025/26 price by \$5/barrel to \$75/barrel.

S&P Global Commodity Insights is reporting that Europe is expected to receive at least four more diesel-laden VLCCs during September and October originating in the UAE and Saudi Arabia. Shipping data is estimating that over 1 million mt of diesel will be delivered from these four cargoes.

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

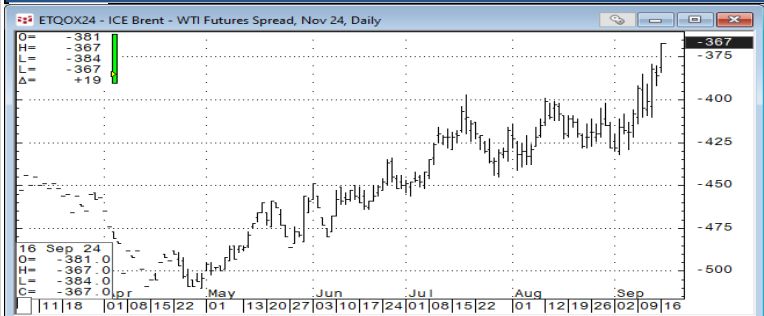
- WTI - Oct \$70.24, up 15 cents
- RBOB - Oct \$1.9674, down 8 points
- HO - Oct \$2.0890, down 78 points

## All NYMEX | Prior Settlements

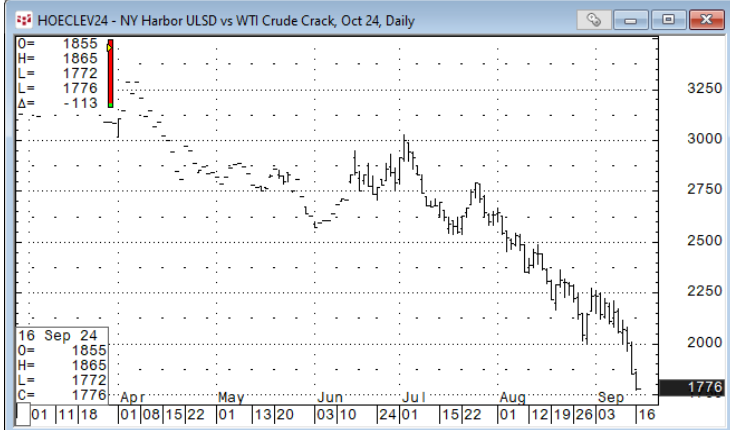
	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Sep-24	2.0968	0.0125	-0.0426
Oct-24	2.1115	0.0106	-0.0419
Nov-24	2.1255	0.0101	-0.0398
Dec-24	2.1375	0.0112	-0.0377
Jan-25	2.1427	0.0116	-0.0341
Feb-25	2.1403	0.0121	-0.0297
Mar-25	2.1350	0.0125	-0.0250
Apr-25	2.1342	0.0135	-0.0214
May-25	2.1360	0.0147	-0.0185
Jun-25	2.1460	0.0149	-0.0173
Jul-25	2.1565	0.0152	-0.0159
Aug-25	2.1674	0.0153	-0.0141
Sep-25	2.1781	0.0154	-0.0123
Oct-25	2.1833	0.0155	-0.0120
Nov-25	2.1853	0.0154	-0.0115
Dec-25	2.1895	0.0150	-0.0102
Jan-26	2.1427	-0.0300	-0.0545

Sprague HeatCurve October 2024-April 2025			\$2.1307
Close			
Crude - WTI	Nov Brent-	\$69.0200	\$1.2700
Crude - Brent	WTI Spread	\$72.7500	\$1.1400
Natural Gas	\$3.73	\$2.3730	\$0.0680
Gasoline		\$1.9682	\$0.0380

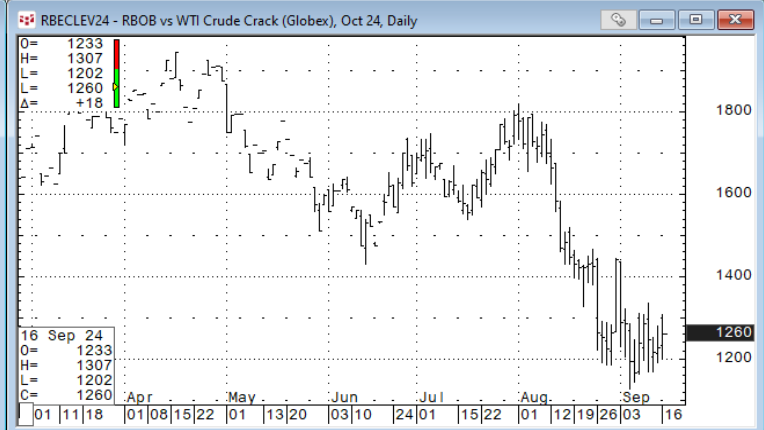
## ICE November Brent-WTI Spread



## October Heating Oil Crack Spread



## October RBOB Crack Spread



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