

Market Commentary

Recap: The oil market posted an inside trading day and traded lower on Wednesday following two consecutive days of gains. In overnight trading, the market continued to retrace the gains seen early on Tuesday in light of a 1.96 million barrel build reported in crude stocks by the API. The market posted a low of \$69.73 as it held support at its previous low of \$69.61. The crude market bounced off its low and retraced its losses as the market positioned itself ahead of a potentially bullish impact of a U.S. interest rate cut at the end of the Federal Reserve's policy meeting ahead of the close. The market rallied to a high of \$71.48 following a mixed report from the EIA, which showed a draw in crude stocks of over 1.6 million barrels and small builds in product stocks. The market later gave up some of its gains ahead of the Federal Reserve's decision on interest rates and traded back over the \$71.00 level towards its high on the news that the Fed cut rates by 50 basis points. The October WTI contract gave up some of its gains ahead of the close and settled down 28 cents at \$70.91, while the November Brent contract settled down 5 cents at \$73.65. The product markets ended the session in positive territory, with the heating oil market settling up 1.08 cents at \$2.1475 and the RB market settling up 88 points at \$2.0107.

Technical Analysis: The crude market is seen remaining range bound as the market failed to maintain its gains following the draws in crude stocks and the Federal Reserve's decision to cut rates by 50 basis points. The market is seen finding resistance at its high of \$71.48, \$71.92 followed by \$72.89 and \$74.41. Meanwhile, support is seen at \$69.73, \$69.61, \$68.65, \$68.47, \$67.79 and \$67.24.

Fundamental News: The Department of Energy said it is seeking bids for 6 million barrels of crude for delivery next year to the SPR. The solicitation is for 1.5 million barrels to be delivered to the Bayou Choctaw site in Louisiana each month from February through May.

The EIA reported that total U.S. crude stocks, excluding the SPR, fell by 1.6 million barrels in the week ending September 13th to 417.5 million barrels, the lowest level since last September. It reported that U.S. Midwest crude stocks fell by 2.2 million barrels on the week to 99.5 million barrels, the lowest level since December 2014.

Commerzbank cut its Brent crude price outlook for the end of the year to \$75/barrel from a previous forecast of \$80/barrel.

IIR Energy said U.S. oil refiners are expected to shut in 859,000 bpd of capacity in the week ending September 20th, increasing available refining capacity by 74,000 bpd. Offline capacity is expected to increase to 878,000 bpd in the week ending September 27th.

Hand-held radios used by Hezbollah detonated on Wednesday across Lebanon's south and in Beirut suburbs, further stoking tensions with Israel a day after similar explosions launched via the group's pagers. At least one of the blasts took place near a funeral organized by Iran-backed Hezbollah for those killed the previous day when thousands of pagers used by the group exploded across the country and wounded many of its fighters. Hezbollah has vowed to retaliate against Israel, whose military declined to comment on the blasts.

The Federal Reserve cut interest rates by half of a percentage point, beginning what is expected to be a steady easing of monetary policy.

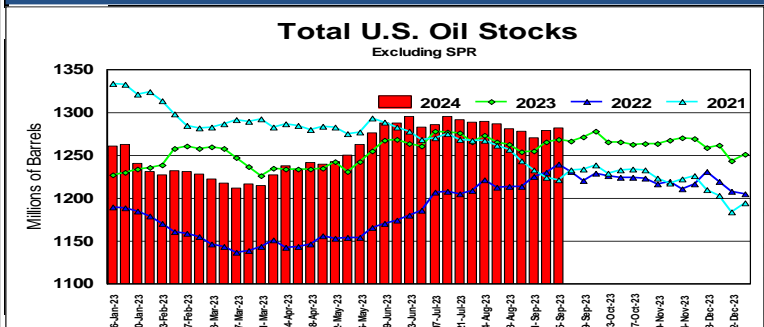
Early Market Call - as of 8:30 AM EDT

WTI - Oct \$71.55, up 64 cents
 RBOB - Oct \$2.0341, up 2.34 cents
 HO - Oct \$2.1549, up 74 points

All NYMEX | Prior Settlements

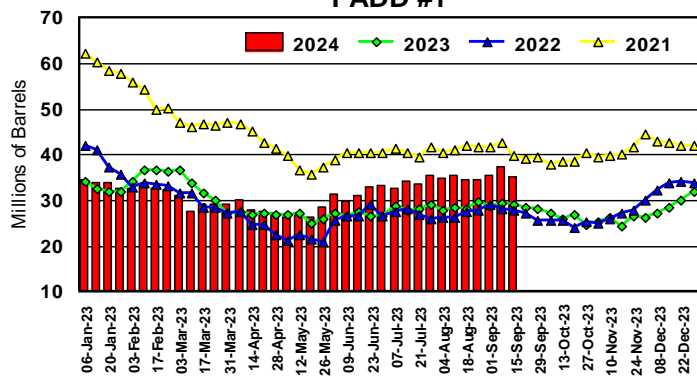
	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-24	2.1475	0.0108	0.0558
Nov-24	2.1588	0.0091	0.0535
Dec-24	2.1685	0.0065	0.0504
Jan-25	2.1781	0.0051	0.0488
Feb-25	2.1803	0.0036	0.0470
Mar-25	2.1749	0.0024	0.0469
Apr-25	2.1672	0.0016	0.0471
May-25	2.1645	0.0006	0.0467
Jun-25	2.1654	0.0004	0.0462
Jul-25	2.1745	-0.0002	0.0456
Aug-25	2.1839	-0.0008	0.0452
Sep-25	2.1936	-0.0012	0.0446
Oct-25	2.2034	-0.0015	0.0441
Nov-25	2.2082	-0.0012	0.0434
Dec-25	2.2098	-0.0009	0.0431
Jan-26	2.2137	-0.0008	0.0430
Feb-26	2.1803	-0.0321	0.0110

Sprague HeatCurve October 2024-April 2025		\$2.1710
Close		
Crude - WTI	Nov Brent-WTI Spread \$3.77	\$69.8800
Crude - Brent		\$73.6500
Natural Gas		\$2.2840
Gasoline		\$2.0107



Weekly EIA Petroleum Status Report for the Week Ending September 13, 2024

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 1.63 million barrels
 Cushing, OK Crude Stocks Down 1.979 million barrels
Gasoline Stocks Up 69,000 barrels
Distillate Stocks Up 125,000 barrels
Refinery % Operated 92.1%, down 0.7%

PADD #1

	Week Ending Sept. 13, 2024	Week Ending Sep. 6, 2024	Week Ending Sept. 15, 2023
Distillate Stocks (in million bbl)			
New England	5.2	5.3	3.6
Central Atlantic	18.2	19.5	15.7
Total PADD #1	35.2	37.2	29.2
Distillate Imports (thousands b/d)	97	112	50