



# MarketWatch | Refined Products

Wednesday, November 20, 2024

## Market Commentary

**Recap:** The oil market on Tuesday weighed the news of Norway's Johan Sverdrup oilfield restarting operations and reports of Iran offering to cap its uranium stocks against concerns over the escalation of the conflict between Russia and Ukraine. The oil market erased some of Monday's gains and posted a low of \$68.45 following the news that Equinor resumed partial production from the Johan Sverdrup field, the day after a power outage caused it to shut down. The market also came under pressure after reports by the U.N.'s IAEA said that Iran offered to stop expanding its stock of uranium enriched to 60% purity. However, the market, which tested its support at its low, bounced higher and traded to a high of \$69.67 by mid-morning on news that Ukraine for the first time used U.S. ATACMS missiles to strike Russian territory on Tuesday, with Russia describing the attack as a Western escalation. Also, Russia's President approved an updated nuclear doctrine, lowering a threshold for a possible nuclear strike. The crude market later settled in a sideways trading range during the remainder of the session. The December WTI contract ended the session up 23 cents at \$69.39 and the January Brent contract settled up 1 cent at \$73.31. The product markets ended mixed, with the heating oil market settling down 1.12 cents at \$2.2402 and the RB market settling up 1.94 cents at \$2.0377.

**Technical Analysis:** The crude market on Wednesday will be driven by the crude oil inventory reports due out later on Tuesday and Wednesday morning as it continues to monitor the situation in Russia and Ukraine. The market will remain concerned over the escalation of the conflict between Ukraine and Russia after Ukraine used U.S. missiles to strike Russia and Russia's President approved an updated nuclear doctrine that lowers a threshold for a possible nuclear strike. The market is seen finding resistance at its high of \$69.69, \$69.75, \$70.48, \$70.56 followed by \$72.25 and \$72.88. Meanwhile, support is seen at its low of \$68.45, \$66.61, \$65.99, \$64.49 and \$64.16.

**Fundamental News:** HSBC said it expects OPEC+ to announce another three-month extension of the cuts until April 2025. It said OPEC's three month extension would reduce the scale of the potential oversupply of oil in 2025. It said a longer extension cannot be ruled out but does not solve the spare capacity overhang.

Russian President Vladimir Putin approved an updated nuclear doctrine, saying that Russia will treat an attack by a non-nuclear state that is supported by a country with nuclear capabilities as a joint attack by both. The decision to change Russia's official nuclear doctrine is the Kremlin's response to a reported decision by the administration of U.S. President Joe Biden to allow Ukraine to fire American long-range missiles into Russia. The updated doctrine, which outlines the threats which would make Russia's leadership consider a nuclear strike, said an attack with conventional missiles, drones or other aircraft could be considered to meet these criteria. Kremlin spokesman, Dmitry Peskov, said any aggression against Russia by a state which was a member of a coalition would be considered by Moscow to be aggression against it by the whole coalition. Separately, Russian Foreign Minister, Sergei Lavrov, said attacks on Russia's Bryansk region by Ukraine with U.S. missiles was a clear signal that the West wanted to escalate the conflict. He said he hoped Russia's new nuclear doctrine, in which President Vladimir Putin lowered the threshold for a nuclear strike, would be attentively read.

A White House National Security Council spokesperson said the United States was not surprised by Russia's announced change in its nuclear doctrine and does not plan to adjust its own nuclear posture in response. Meanwhile, a U.S. official said Ukraine has used U.S.-made ATACMS rockets inside Russia for the first time.

Equinor has resumed partial production from its Johan Sverdrup oilfield in the North Sea following a power outage, reaching two-thirds of capacity by mid-morning on Tuesday. On Monday, Equinor halted output from the oilfield due to an onshore power outage that disrupted electricity supply to the platforms. Equinor was working to resume its full output.

**Early Market Call - as of 9:20 AM EDT**

WTI - Dec \$70.10, up 71 cents

RBOB - Dec \$2.0676, up 2.99 cents

HO - Dec \$2.2424, up 22 points

## All NYMEX | Prior Settlements

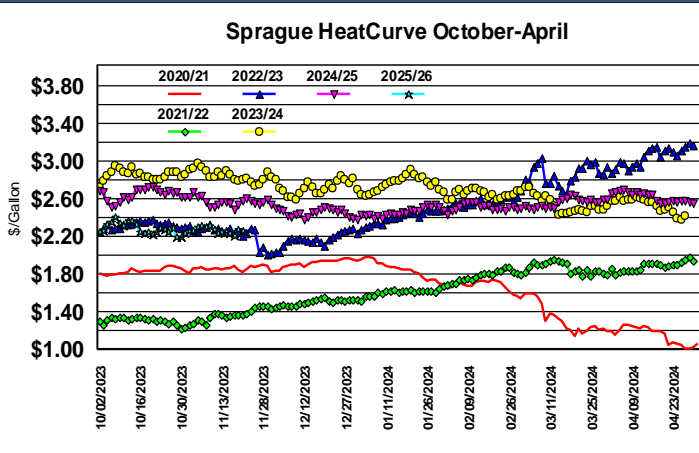
	USLD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-24	\$2.2402	-\$0.0112	\$0.0294
Jan-25	\$2.2517	-\$0.0104	\$0.0323
Feb-25	\$2.2559	-\$0.0096	\$0.0334
Mar-25	\$2.2481	-\$0.0088	\$0.0330
Apr-25	\$2.2366	-\$0.0083	\$0.0333
May-25	\$2.2283	-\$0.0078	\$0.0325
Jun-25	\$2.2222	-\$0.0074	\$0.0300
Jul-25	\$2.2250	-\$0.0066	\$0.0274
Aug-25	\$2.2298	-\$0.0060	\$0.0251
Sep-25	\$2.2375	-\$0.0059	\$0.0231
Oct-25	\$2.2458	-\$0.0059	\$0.0215
Nov-25	\$2.2521	-\$0.0058	\$0.0208
Dec-25	\$2.2574	-\$0.0056	\$0.0212
Jan-26	\$2.2632	-\$0.0055	\$0.0207
Feb-26	\$2.2620	-\$0.0054	\$0.0193
Mar-26	\$2.2530	-\$0.0053	\$0.0181
Apr-26	\$2.2383	-\$0.0045	\$0.0172

Sprague HeatCurve October 2025-April 2026			\$2.2557
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.07	\$69.2400	\$0.0700
Crude - Brent		\$73.3100	\$0.0100
Natural Gas		\$2.9980	\$0.0250
Gasoline		\$2.0377	\$0.0194

## API Report for the Week Ending November 15, 2024

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 4.75 million barrels	Down 800,000 barrels
Gasoline Stocks	Down 2.48 million barrels	Down 2.5 million barrels
Distillate Stocks	Down 688,000 barrels	Down 1.8 million barrels
Refinery Runs		Unchanged at 91.4%

## Sprague HeatCurve October-April



## NYMEX December WTI



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