



# MarketWatch | Refined Products

Friday, April 5, 2024

## Market Commentary

**Recap:** The oil market posted an outside trading day on Thursday after the market retraced some of its previous gains early in the session and later rallied sharply higher in afternoon trading amid the intensifying geopolitical tensions in the Middle East. The market traded mostly sideways for much of the day as it traded back below the \$85.00 level and posted a low of \$84.64 early in the afternoon. However, the oil market bounced off that level on news that Israeli embassies across the U.S. had been placed on high alert due to increasing threats of an Iranian attack on Israeli diplomats. On Thursday, the U.S. issued its strongest public rebuke towards Israel, with President Joe Biden calling for an immediate ceasefire in Gaza and warning that U.S. policy on Gaza will be determined by whether Israel takes steps to address the safety of Palestinian civilians and aid workers. The crude market extended its gains to over \$1.70 as it rallied to a high of \$87.22 ahead of the close. The May WTI contract settled up \$1.16 at \$86.59. The June Brent contract settled up \$1.30 at \$90.65 after breaching the \$90.00 level for the first time since October. Meanwhile, the product markets ended higher, with the heating oil market settling up 89 points at \$2.7413 and the RB market settling up 3.33 cents at \$2.7942.

**Technical Analysis:** on Friday, the crude market will remain well supported by continuing concerns over the possibility of widening tensions in the Middle East. Iran vowed to retaliate against Israel for an attack that killed high-ranking Iranian military personnel on Monday, while Israeli Prime Minister, Benjamin Netanyahu, said Israel will take an aggressive stance against Iran and its proxies. The market is seen finding resistance at its high of \$87.22 followed by \$88.29, the \$90.00 level and \$90.78. Meanwhile, support is seen at \$85.80, \$85.10, \$84.64, \$83.85 and \$82.60.

**Fundamental News:** The Wall Street Journal reported that Israel's military scrambled GPS signals on Thursday as the country braced for possible retaliation by Iran or one of its allied militias for a suspected Israeli airstrike Monday on an Iranian diplomatic building in Syria. The attack killed a senior Iranian general and six other military officials. Israel has sporadically disrupted GPS signals since the start of its war with Hamas in early October. However, the GPS disruptions have intensified since the Monday strike in Damascus. The IDF announced that it had decided to temporarily halt leave for combat units. The head of the IDF's Military Intelligence Directorate, Aharon Haliva, warned Israel is facing "complex days" ahead amid the increasing threats of strikes by Iran. Analysts with expertise in Iran and its elite Islamic Revolutionary Guard Corps say the chances of a direct Iranian strike on Israel are slim, particularly because Iran does not have the capabilities to defeat Israel militarily and is struggling to contain public unrest at home. Meanwhile, an adviser to Iran's Revolutionary Guard said to expect a form of retaliation on Thursday or Friday, saying Iran would choose an action proportional to the Israeli attack in Damascus.

The White House said U.S. President Joe Biden called on Thursday for an immediate ceasefire in Gaza during a phone conversation with Israeli Prime Minister Benjamin Netanyahu. According to a White House statement, President Biden called on Israel to take immediate steps "to address civilian harm, humanitarian suffering, and the safety of aid workers" and "made clear that U.S. policy with respect to Gaza will be determined by our assessment of Israel's immediate action on these steps."

Trans Mountain said it expects its expanded oil pipeline system will start commercial operations on May 1<sup>st</sup>. The company said that with the appropriate approvals from the Canada Energy Regulator and completion of remaining construction activity, Trans Mountain will commence transporting crude oil on the expanded pipeline system.

**Early Market Call - as of 8:20 AM EDT**

WTI - May \$86.41, down 18 cents  
 RBOB - May \$2.7838, down 1.04 cents  
 HO - May \$2.7522, up 1.09 cents

## All NYMEX | Prior Settlements

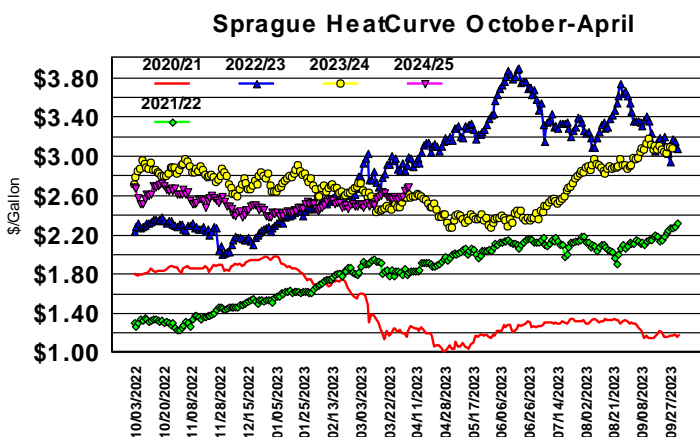
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.7413	0.0089	0.1186
Jun-24	2.7343	0.0110	0.1146
Jul-24	2.7303	0.0122	0.1118
Aug-24	2.7265	0.0126	0.1086
Sep-24	2.7260	0.0121	0.1071
Oct-24	2.7238	0.0109	0.1049
Nov-24	2.7163	0.0105	0.1026
Dec-24	2.7027	0.0103	0.1018
Jan-25	2.6915	0.0105	0.1015
Feb-25	2.6728	0.0104	0.0992
Mar-25	2.6469	0.0098	0.0949
Apr-25	2.6162	0.0091	0.0905
May-25	2.5942	0.0081	0.0845
Jun-25	2.5746	0.0074	0.0777
Jul-25	2.5602	0.0072	0.0723
Aug-25	2.5481	0.0072	0.0676
Sep-25	2.5390	0.0072	0.0631

Sprague HeatCurve October 2024-April 2025			\$2.6816
		Close	Change
Crude - WTI	May Brent-WTI Spread \$4.84	\$85.8100	\$1.2000
Crude - Brent		\$90.6500	\$1.3000
Natural Gas		\$1.7740	-\$0.0670
Gasoline		\$2.7942	\$0.0333

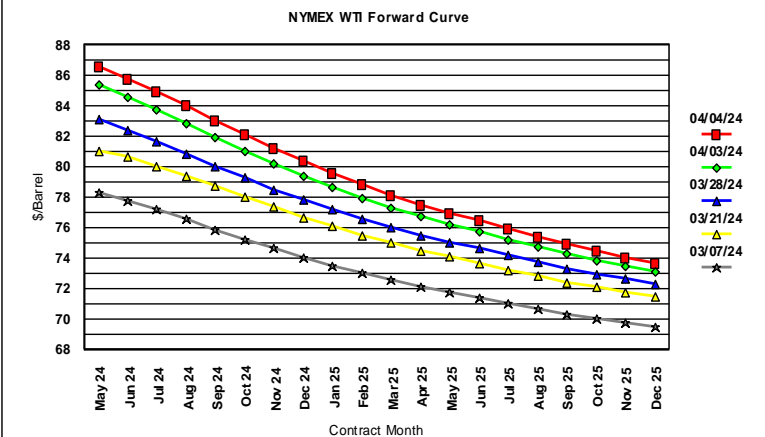
### EIA Working Gas Storage Report

	29-Mar-24	22-Mar-24	Change	29-Mar-23
East	363	387	-24	337
Midwest	510	528	-18	426
Mountain	162	166	-4	81
Pacific	227	223	4	73
South Central	996	991	5	920
Salt	294	294	0	263
Nonsalt	701	698	3	657
Total	2259	2296	-37	1,837

## Sprague HeatCurve October-April



## WTI Forward Curve



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