



MarketWatch | Refined Products

Friday, April 19, 2024

Market Commentary

Recap: The oil market ended the session slightly higher on Thursday after it saw some further unwinding of the geopolitical risk premium early in the session. The market was also pressured early in the session as it focused on fundamentals following the EIA weekly petroleum stock report on Wednesday showing a build of over 2.7 million barrels in crude stocks. In overnight trading, the market traded sideways before further selling pushed the market to a low of \$81.56, a level not seen since the end of March. However, the crude market bounced off that level and retraced some of its previous losses as it rallied to a high of \$83.47 in afternoon trading. The May WTI contract settled up 4 cents at \$82.73, while the June Brent contract settled down 18 cents at \$87.11. The product markets remained in negative territory for the fourth consecutive session, with the heating oil market settling down 4.08 cents at \$2.5339 and the RB market settling down 1.5 cents at \$2.7137.

Technical Analysis: The crude oil market on Friday will likely remain supported ahead of the weekend as traders continue to wait for news of Israel's response to Iran's attack. Despite the market's fall following Iran's attacks on Israel last week, the threat of a flare-up in the Middle East remains. The market is seen finding support at its low of \$81.56 followed by \$80.55, \$80.42 and \$80.30. Meanwhile, resistance is seen at its high of \$83.47, \$83.89, \$84.62, \$85.34, \$85.51, \$86.18 and \$87.67. More distant upside is seen at \$88.29-\$88.33, \$90.00 and \$90.78.

Fundamental News: White House economic adviser, Lael Brainard, said the Biden administration wants to keep gas prices within current ranges as the United States heads into its summer driving season.

A U.S. official said senior U.S. and Israeli officials will hold a virtual meeting on Thursday about Israel's plans for the southern Gaza city of Rafah as Washington seeks alternatives to an Israeli offensive. President Joe Biden has urged Israel not to conduct a large-scale offensive in Rafah to avoid more Palestinian civilian casualties in Gaza. The meeting comes as Israel considers launching an attack on Iranian targets in response to Iran's launching of drones and ballistic missiles last weekend against Israel.

A senior Iranian official warned that Iran could world on building nuclear weapons if Israel attacks its nuclear facilities. Brigadier General Ahmad Haghtalab, the commander for security of Iran's nuclear facilities, said Iran could change its nuclear policies, a reference to Supreme Leader Ayatollah Ali Khamenei's pledge not to build nuclear weapons. He warned Iran would retaliate against Israeli nuclear sites if Israel hits Iran's nuclear facilities.

Later, Iran's Foreign Minister, Hossein Amirabdollahian, told the U.N. Security Council that Israel "must be compelled to stop any further military adventurism against our interests" as the U.N. Secretary General, Antonio Guterres, warned that the Middle East was in a "moment of maximum peril." The Secretary General urged maximum restraint.

Data from the Environmental Protection Agency showed the United States generated fewer renewable fuel blending credits in March versus the previous month. According to the data, about 1.19 billion ethanol (D6) blending credits were generated in March, down from 1.21 billion in February. Biodiesel (D4) blending credits generated in March fell to about 648 million from about 743 million in February.

Early Market Call - as of 8:20 AM EDT
 WTI - May \$82.17, down 56 cents
 RBOB - May \$2.6969, down 1.68 cents
 HO - May \$2.5256, down 90 points

All NYMEX | Prior Settlements

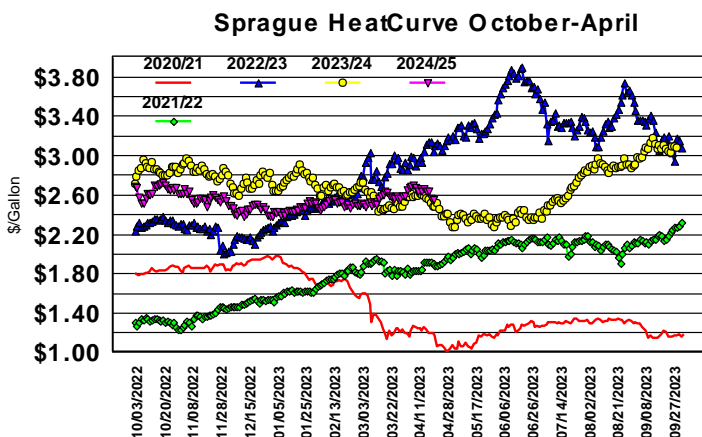
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-24	2.5339	-0.0408	-0.1259
Jun-24	2.5422	-0.0387	-0.1202
Jul-24	2.5508	-0.0359	-0.1125
Aug-24	2.5594	-0.0323	-0.1052
Sep-24	2.5666	-0.0290	-0.1015
Oct-24	2.5695	-0.0263	-0.0984
Nov-24	2.5661	-0.0248	-0.0964
Dec-24	2.5569	-0.0240	-0.0950
Jan-25	2.5520	-0.0225	-0.0920
Feb-25	2.5404	-0.0218	-0.0887
Mar-25	2.5231	-0.0211	-0.0843
Apr-25	2.5008	-0.0201	-0.0799
May-25	2.4872	-0.0199	-0.0762
Jun-25	2.4755	-0.0193	-0.0727
Jul-25	2.4675	-0.0184	-0.0689
Aug-25	2.4603	-0.0176	-0.0662
Sep-25	2.4550	-0.0170	-0.0638

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	June Brent- WTI Spread \$5.01	\$82.1000	-\$0.0500
Crude - Brent		\$87.1100	-\$0.1800
Natural Gas		\$1.7570	\$0.0450
Gasoline		\$2.7137	-\$0.0150

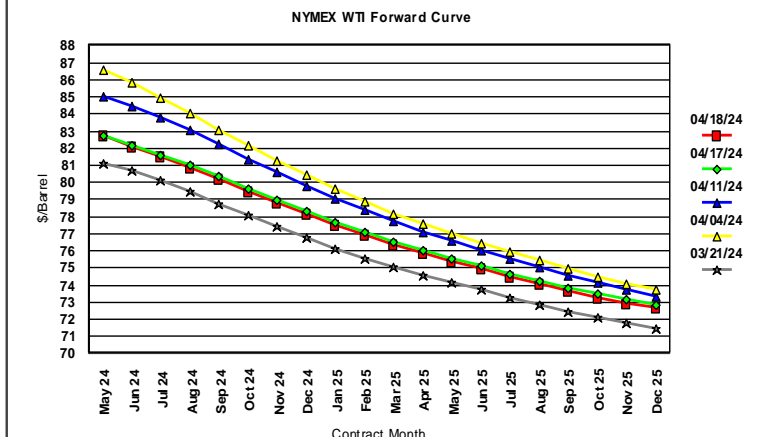
EIA Working Gas Storage Report

	12-Apr-24	05-Apr-24	Change	12-Apr-23
East	379	362	17	358
Midwest	528	512	16	443
Mountain	167	165	2	83
Pacific	230	229	1	80
South Central	1029	1014	15	943
Salt	300	299	1	265
Nonsalt	729	714	15	679
Total	2333	2283	50	1,909

Sprague HeatCurve October-April



WTI Forward Curve



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