

## Market Commentary

**Recap:** The oil market fell on Thursday as concerns over shipping disruptions along the Red Sea route eased. According to a shipping schedule, Denmark's Maersk will route almost all container vessels sailing between Asia and Europe through the Suez Canal from now on while diverting only a handful around Africa. The crude market posted a high of \$74.40 overnight before it continued to retrace its previous gains. It traded to \$72.69 in the morning ahead of the release of the EIA's weekly petroleum stocks report. Following the release of the EIA's petroleum status report, which showed a larger than expected draw of over 7 million barrels on the week, the crude market initially moved higher towards the \$74.00 level. However, the market later erased those gains and sold off, retracing more than 50% of its move from a low of \$67.98 to a high of \$76.18 as it posted a low of \$71.72 ahead of the close. The February WTI contract settled down \$2.34 at \$71.77 and the February Brent contract settled down \$1.26 at \$78.39. The product markets also ended the session lower, with the heating oil market settling down 6.76 cents at \$2.5563 and the RB market settling down 6.98 cents at \$2.0852.

**Technical Analysis:** The crude market will likely remain range bound on Friday, ahead of the long New Year's holiday weekend. While concerns over shipping disruptions have eased, the market will continue to monitor the situation in the Middle East. The crude market is seen finding support at its low of \$71.72 followed by \$71.11, \$70.99, \$70.64, \$69.82 and \$67.98. Meanwhile resistance is seen at \$73.15, \$73.85, its highs of \$74.40, \$75.66 and \$76.18.

**Fundamental News:** The EIA reported that U.S. crude stocks fell more than expected by 7.1 million barrels in the week ending December 22<sup>nd</sup>. It reported that U.S. exports of total petroleum products in the latest week increased to 7.2 million bpd, the highest level on record. The EIA also reported that U.S. Midwest refinery utilization increased to 101.7%, the highest on record. U.S. Midwest gasoline stocks increased to 52.4 million barrels, the highest level since April 2022.

On Wednesday, Saudi Arabia's state news agency said, citing the full royal speech addressed to the kingdom's advisory Shura Council, that Saudi Arabia has worked to support the stability and balance of global oil markets by playing a pivotal role in establishing and maintaining the agreement of the OPEC+ alliance.

Denmark's Maersk will sail almost all container vessels travelling between Asia and Europe through the Suez Canal from now on while diverting only a handful around Africa. A shipping schedule showed that while Maersk had diverted 26 of its own ships around the Cape of Good Hope in the last 10 days or so, only five more were scheduled to start the same journey. By contrast, more than 50 Maersk vessels are set to go via Suez in coming weeks. However, Maersk said alliance partner Mediterranean Shipping Company continued to divert all MSC vessels via the Cape of Good Hope for the time being, regardless of date or point of departure and the direction they were sailing in. On Wednesday, Hapag Lloyd said it still considered the situation too dangerous to pass through the Suez Canal, adding that it planned to review the situation on Friday.

North Dakota's Department of Mineral Resources reported that the state's oil production averaged 1.24 million bpd in October, down 3.7% on the month.

**Early Market Call - as of 8:15 AM EDT**

WTI - February \$72.26, up 49 cents  
 RBOB - January \$2.0998, up 1.46 cents  
 HO - January \$2.5581, up 18 points

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.5563	-0.0676	-0.1405
Jan-24	2.5403	-0.0622	-0.1299
Feb-24	2.5065	-0.0596	-0.1213
Mar-24	2.4646	-0.0578	-0.1126
Apr-24	2.4353	-0.0561	-0.1025
May-24	2.4140	-0.0558	-0.0952
Jun-24	2.4071	-0.0563	-0.0936
Jul-24	2.4043	-0.0564	-0.0936
Aug-24	2.4074	-0.0558	-0.0936
Sep-24	2.4123	-0.0544	-0.0914
Oct-24	2.4116	-0.0533	-0.0890
Nov-24	2.4058	-0.0521	-0.0867
Dec-24	2.3998	-0.0510	-0.0850
Jan-25	2.3912	-0.0497	-0.0842
Feb-25	2.3792	-0.0479	-0.0832
Mar-25	2.3622	-0.0462	-0.0816
Apr-25	2.3508	-0.0446	-0.0796

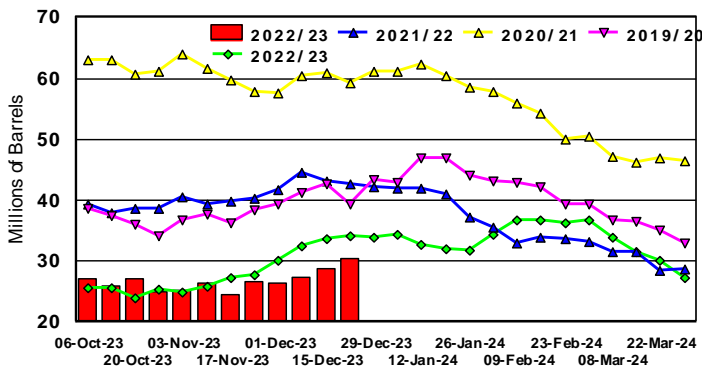
Sprague HeatCurve October 2024-April 2025			\$2.3950
		Close	Change
Crude - WTI	Feb Brent- WTI Spread \$6.62	\$71.7700	-\$2.3400
Crude - Brent		\$78.3900	-\$1.2600
Natural Gas		\$2.5570	\$0.1200
Gasoline		\$2.0852	-\$0.0698

### EIA Working Gas Storage Report

	22-Dec-23	15-Dec-23	Change	22-Dec-22
East	805	834	-29	753
Midwest	985	1021	-36	910
Mountain	232	236	-4	168
Pacific	280	283	-3	168
South Central	1187	1203	-16	1,145
Salt	329	331	-2	325
Nonsalt	858	872	-14	819
Total	3490	3577	-87	3,142

## Weekly EIA Petroleum Status Report for the Week Ending December 22, 2023

### Distillate Stocks PADD #1



### Overall U.S. Stats

**Crude Oil Stocks(excluding SPR)** Down 7.114 million barrels  
 Cushing, OK Crude Stocks Up 1.508 million barrels  
**Gasoline Stocks** Down 669,000 barrels  
**Distillate Stocks** Up 741,000 barrels  
**Refinery % Operated** 93.3%, up 0.9%

### PADD #1

Distillate Stocks (in million bbl)	Week Ending Dec 22, 2023	Week Ending Dec 15, 2023	Week Ending Dec 23, 2022
New England	4.3	3.8	4.0
Central Atlantic	14.8	13.4	16.9
Total PADD #1	30.2	28.6	34.1
Distillate Imports (thousands b/d)	223	201	128

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