

Midwest Cash Oil Product Prices Lower on Futures Downturn

2/10 3:58 PM

Midwest Cash Oil Product Prices Lower on Futures Downturn

BURLINGTON, Vt. (DTN) -- A fourth consecutive rally in New York Mercantile Exchange oil futures failed to materialize Tuesday afternoon, as a return to the reality of oversupplied physical oil markets sent New York Mercantile Exchange oil futures into a tailspin at the close of regular session trading.

Cash trading was moderate in heartland markets early in the day but slowed to a trickle late afternoon, as marketers braced for weekly oil supply data that last week triggered a broadbased plunge in oil futures and spot prices.

The International Energy Agency in its latest monthly report left its 2015 global energy demand forecast unchanged, boosted the call for supply from the Organization of Petroleum Exporting Countries by 200,000 bpd to 29.4 million bpd and reduced by 150,000 bpd its estimate for supply from non-OPEC sources. IEA estimated production among OPEC cartel members fell by 240,000 bpd in January to 30.21 million bpd.

March NYMEX ULSD futures tumbled 4.02cts to \$1.8327 gal at settlement and the March RBOB contract settled 2.59cts lower at \$1.5523 gal.

Crude oil for March NYMEX delivery plummeted \$2.84 to settle just barely above the \$50 threshold at \$50.02 bbl, and March Brent crude oil futures ended the trading day on the ICE platform down \$1.91 at \$56.43 bbl.

Suboctane 13.5-lb. V-grade in Group 3 sold for prompt Magellan Pipeline delivery at MERC level that trimmed flat price by 1.09cts to \$1.5523 gal, and high octane A-grade conventional no lead was assessed at a 10.5cts regrade that moved spot price 0.41cts above its Monday Schneider Electric closing market range to \$1.6573 gal.

Chicago CBOB soared 250pts in cash differential that limited flat price to a 0.34cts futures related loss at \$1.5773 gal, trading for delivery into the BCX and for Wolverine Pipeline specific delivery at 2.5cts March RBOB futures premiums. RBOB was marked 8.5cts over CBOB for prompt trade and PBOB at a 42.5cts CBOB premium.

X-grade ultra-low sulfur diesel fuel in Group 3 backtracked 3.02cts to an implied \$1.8077 gal, notionally rated at a 2.5cts futures discount for prompt cycle offline Magellan Pipeline delivery.

Chicago ULSD sold for prompt Wolverine Pipeline specific delivery at futures discounts of 8.0cts and 8.25cts gal that send spot price spiraling 4.52cts lower to \$1.7502 gal.

G. Bud deGorgue, 1.802.524.1784, bud.degorgue@telventdtn.com, www.schneider-electric.com. (c) 2015 Schneider Electric. All rights reserved.