

Market Commentary

Recap: On Friday, the oil market rallied over 5%, breaking a three day losing streak, on fears that the conflict in Israel and Gaza could spill over into the wider Middle East region. The market was well supported by Israel's call for citizens in Gaza City to relocate south within 24 hours, as Israel amassed tanks ahead of an expected ground invasion following the attack by Hamas terrorists last weekend. The crude market opened 60 cents higher and posted a low of \$83.35 before it began its rally. The market was initially supported by the news earlier on Wednesday that the U.S. sanctioned two oil tankers and their owners for carrying Russian crude oil over the imposed price cap of \$60/barrel. The market extended its gains to almost \$4.50 and retraced more than 38% of its move from a low of \$82.31 to a high of \$95.03 as it posted a high of \$87.40 ahead of the close. The November WTI contract settled up \$4.78 or 5.77% at \$87.69 and the December Brent contract settled up \$6.31 or 7.46% at \$90.89. The WTI contract settled up 5.92% on the week, the largest one week rally since the week ending September 1st. The product markets ended the session sharply higher, with the heating oil market settling up 16.68 cents or 5.48% at \$3.2117 and the RB market settling up 10.03 cents or 4.63% at \$2.2653.

Technical Analysis: The crude market will remain headline driven as traders see Iran as the wildcard. There is the possibility that the war could draw in Iran, which could block the Strait of Hormuz, a passageway that handles about 17 million bpd of oil exports. The market is seen finding upside at its high of \$87.40, \$88.67, \$89.59, \$90.17 and \$90.27. More distant resistance is seen at \$91.88, \$93.10 and \$95.03. Meanwhile, support is seen at \$85.35, \$84.00, its low of \$83.35 followed by \$82.31 and \$81.50.

Fundamental News: Israel's military on Friday called for all civilians of Gaza City to relocate south within 24 hours, as it amassed tanks ahead of an expected ground invasion after a devastating attack by the militant group Hamas. The Israeli military said it would operate "significantly" in Gaza City in coming days and civilians should only return when advised. A Hamas official urged citizens not to fall for what it called "fake propaganda". Mosques called on residents of the Gaza Strip not to leave their homes on Friday. The Palestinian envoy to Japan accused the Israelis of seeking to completely destroy Gaza while the United Nations said it considered it impossible for such a movement of people to take place "without devastating humanitarian consequences". Israel's ambassador to the U.N., Gilad Erdan, described the U.N. response to Israel's early warning to the residents of Gaza as "shameful". Pro-Palestinian protests were expected around the world and the United States and regional leaders planned meetings amid fears that conflict could spread.

U.S. Secretary of State, Antony Blinken, said he discussed with Qatar's Prime Minister preventing any state or non-state actor from widening the conflict between Israel and Hamas. He said every country needs to condemn Hamas' action and hold them accountable. He also stated that the U.S. was working intensively to secure the release of hostages taken to Gaza by Hamas fighters during their rampage on Saturday.

Meanwhile, Saudi Arabia is delaying U.S. backed plans to normalize ties with Israel, signaling a reconsideration of its foreign policy priorities as war escalates between Israel and the Palestinian group Hamas. The conflict has also pushed Saudi Arabia to engage with Iran. Saudi Crown Prince Mohammed bin Salman took his first phone call from Iran's President Ebrahim Raisi, as Riyadh tries to prevent the spread of violence across the region.

Iran's Oil Minister, Javad Owji, said oil prices are expected to reach \$100/barrel due to the current situation in the Middle East.

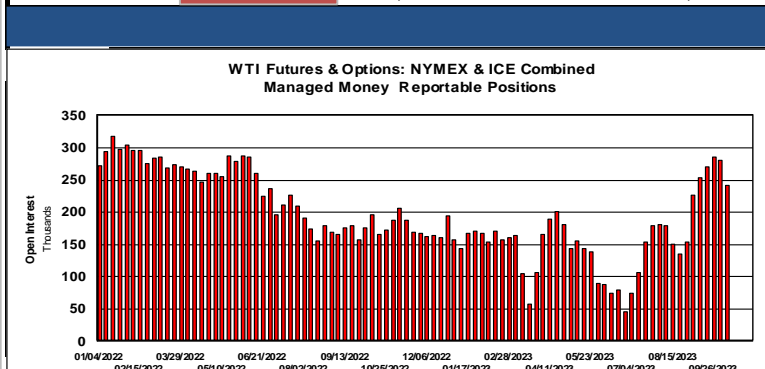
Early Market Call - as of 8:30 AM EDT

WTI - November \$88.12, up 43 cents
 RBOB - November \$2.2860, up 2.07 cents
 HO - November \$3.2459, up 3.39 cents

All NYMEX | Prior Settlements

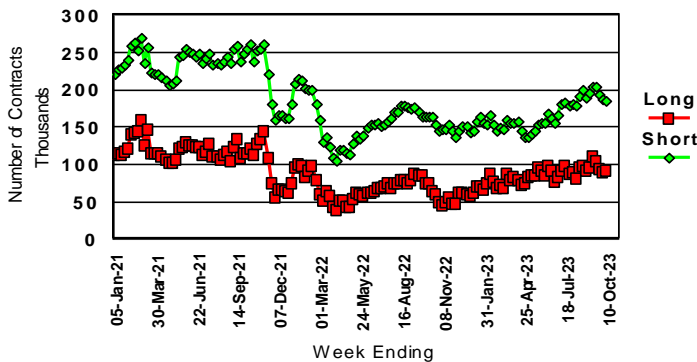
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	3.2117	0.1668	0.3109
Dec-23	3.0803	0.1369	0.2560
Jan-24	3.0092	0.1272	0.2389
Feb-24	2.9577	0.1229	0.2263
Mar-24	2.9012	0.1187	0.2177
Apr-24	2.8340	0.1141	0.2108
May-24	2.7854	0.1090	0.2039
Jun-24	2.7540	0.1045	0.1992
Jul-24	2.7437	0.1011	0.1967
Aug-24	2.7386	0.0977	0.1953
Sep-24	2.7394	0.0953	0.1954
Oct-24	2.7383	0.0937	0.1945
Nov-24	2.7332	0.0938	0.1928
Dec-24	2.7231	0.0937	0.1905
Jan-25	2.7097	0.0928	0.1869
Feb-25	2.6887	0.0898	0.1796
Mar-25	2.6631	0.0869	0.1720

Sprague HeatCurve October 2024-April 2025		\$2.6987
	Close	Change
Crude - WTI	\$86.3500	\$4.5500
Crude - Brent	\$90.8900	\$6.3100
Natural Gas	\$3.2360	-\$0.1080
Gasoline	\$2.2653	\$0.1003



Commitment of Traders Report for the Week Ending October 10, 2023

Producer/Merchant Heat Positons
 CFTC Commitment of Traders Report



Managed Money Heat Positons
 CFTC Commitment of Traders Report

