

Market Commentary

Recap: The oil market posted an outside trading day on Thursday as it rallied over 2.2% early in the session before it pared its gains and sold off more than 3.6% by mid-day. Early in the session, the crude market posted a high of \$79.60 as the market awaited the outcome of the OPEC+ meeting amid reports that additional output cuts of 1 million bpd were being considered by the producer group. The market tested its earlier high of \$79.60 as OPEC+ announced their agreement to cut output by about 2.2 million bpd for the first quarter next year. However, the market failed to breach its high and sold off sharply as the cut fell short of expectations, with at least 1.3 million bpd of those cuts being an extension of voluntary cuts that Saudi Arabia and Russia already had in place. Also, analysts believe that the output cuts would not amount to a 2 million bpd cut as some countries are already below their current targets and the output cuts are mostly voluntary. The crude market extended its losses to over 3.6% as it sold off to a low of \$75.05 by mid-day. The oil market later traded in a sideways trading range ahead of the close. The January WTI contract settled down \$1.90 at \$75.96 and the January Brent contract settled down 27 cents at \$82.83. The product markets ended the session in negative territory, with the heating oil market settling down 5.8 cents at \$2.8305 and the RB market settling down 8.38 cents at \$2.1998.

Technical Analysis: The oil market is seen trading sideways on Friday following Thursday's volatile trading session. The market is seen remaining in its recent trading range from \$72.35 to \$79.65. It is testing support at its low of \$75.05, \$74.64, \$74.54, \$74.06 and \$73.79. Further downside is seen at \$72.91 and \$72.37. Meanwhile, resistance is seen at \$76.50, \$77.07, \$78.48, its high of \$79.60 and \$79.65. More distant resistance is seen at \$80.37 and \$80.79.

Fundamental News: OPEC+ oil producers agreed to output cuts approaching 2 million bpd for early next year led by Saudi Arabia rolling over its current voluntary cut of 1 million bpd it has had in place since July. Russia will cut 500,000 bpd and others will also contribute cuts. Russia's Deputy Prime Minister, Alexander Novak, said Russia will deepen its additional voluntary supply cut of 300,000 bpd by an additional 200,000 bpd to reach a total cut of 500,000 bpd until the end of the first quarter of 2024. The cut will be made from the average export levels of the months of May and June and will consist of 300,000 bpd of crude and 200,000 bpd of refined products. Kuwait will voluntary cut output by 135,000 bpd from January to March and Oman will voluntary cut its output by 42,000 bpd from January to March. Algeria's Minister of Energy and Mines, Mohamed Arkab, said OPEC+ oil-producing countries may convene again before the end of this year. He said Algeria has agreed to an addition cut of 50,000 bpd January bringing its oil production target to 908,000 bpd. Nigeria has been given a quota of 1.5 million bpd, Angola 1.11 million bpd and Congo 0.277 million bpd. Meanwhile, an OPEC+ delegate said Brazil is set to join the OPEC+ group of oil-producing countries which includes Saudi Arabia and Russia starting in January.

The U. S Department of Energy has awarded contracts for the purchase of 1.2 million barrels of oil in January to help replenish the SPR at a price of \$77.57 per barrel, as a result of crude prices falling below DOE's price threshold. Macquarie Commodity Trading received an award of 300,000 barrels and Sunoco Partners Marketing and Terminals received an award for 900,000 barrels. The contracts were finalized back on November 13th. Back in October the DOE announced it would post monthly solicitations for oil delivery for December until May and it set a revised maximum price it would pay at \$79.00 per barrel. Prior to the October announcement, the DOE had said it would look to refill the SPR when WTI crude was at or below \$67-\$72 per barrel. Since 2022 the U.S. has released some 248 million barrels from the SPR in efforts to lower oil prices after the start of the Russia-Ukraine war. To date the DOE has only repurchased 7.5 million barrels.

Early Market Call - as of 9:00 AM EDT

WTI - January \$76.13, up 14 cents
 RBOB - January \$2.1855, up 99 cents
 HO - January \$2.7214, down 3.28 cents

All NYMEX | Prior Settlements

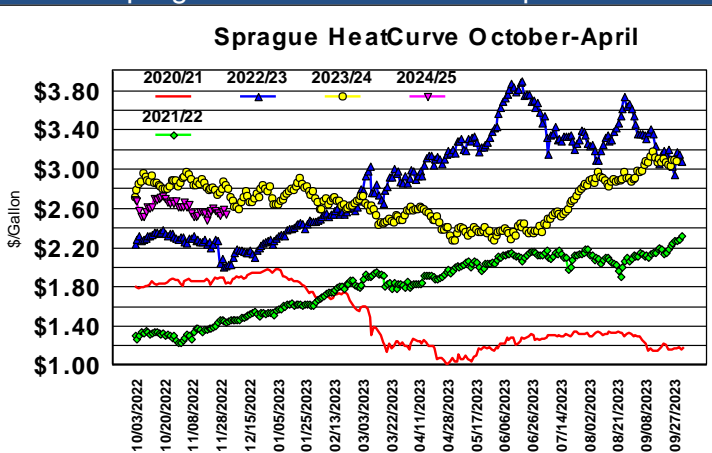
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.8305	-0.0580	-0.0586
Jan-24	2.7542	-0.0545	-0.0502
Feb-24	2.7162	-0.0522	-0.0513
Mar-24	2.6758	-0.0514	-0.0518
Apr-24	2.6308	-0.0493	-0.0473
May-24	2.5965	-0.0494	-0.0472
Jun-24	2.5747	-0.0498	-0.0457
Jul-24	2.5693	-0.0502	-0.0413
Aug-24	2.5675	-0.0503	-0.0402
Sep-24	2.5699	-0.0504	-0.0416
Oct-24	2.5692	-0.0507	-0.0432
Nov-24	2.5631	-0.0503	-0.0419
Dec-24	2.5525	-0.0495	-0.0390
Jan-25	2.5417	-0.0492	-0.0363
Feb-25	2.5283	-0.0494	-0.0334
Mar-25	2.5118	-0.0494	-0.0307
Apr-25	2.4898	-0.0492	-0.0295

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$6.87	\$75.9600	-\$1.9000
Crude - Brent		\$82.8300	-\$0.2700
Natural Gas		\$2.8020	-\$0.0020
Gasoline		\$2.1998	-\$0.0838

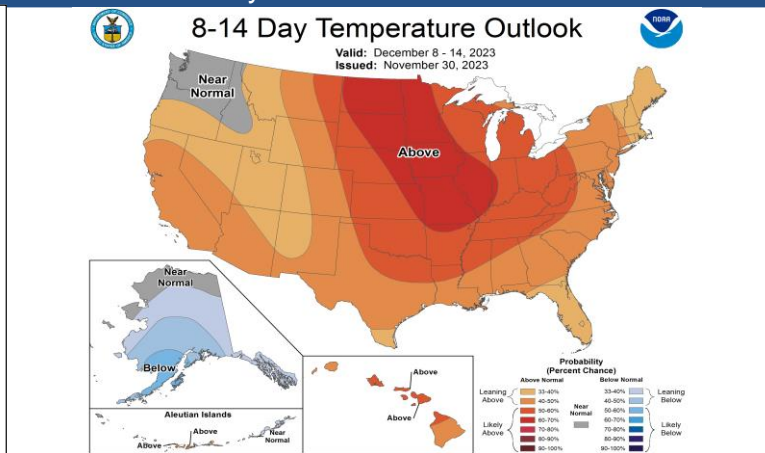
EIA Working Gas Storage Report

	24-Nov-23	17-Nov-23	Change	24-Nov-22
East	915	918	-3	844
Midwest	1111	1118	-7	1,043
Mountain	252	255	-3	198
Pacific	298	296	2	227
South Central	1260	1240	20	1,184
Salt	343	331	12	315
Nonsalt	917	909	8	869
Total	3836	3826	10	3,495

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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