

## Market Commentary

**Recap:** The oil market posted an outside trading day on Wednesday, when it gave up its early gains and extended its losses into a third consecutive session. The market traded lower in overnight trading as the Israel-Hamas conflict remained contained and news of the first group of injured evacuees from Gaza crossing into Egypt under a Qatari-mediated deal allowing a number of foreigners and critically wounded people to leave Gaza. The crude market later bounced off its overnight low ahead of the release of the weekly petroleum stocks report and on news that Iran's Ayatollah Ali Khamenei called on Muslim states to stop oil and food exports to Israel. The oil market rallied \$2.40 to a high of \$83.42. However, the market erased its gains once again as it awaited the Federal Reserve's decision on its interest rate policy. The market extended its losses and posted a low of \$80.30 following the Fed announcement that it would keep interest rates unchanged, as expected, but left the door open for a further increase due to the strong U.S. economy. The December WTI contract settled down 58 cents at \$80.44 and the January Brent contract settled down 39 cents at \$84.63. The product markets ended the session in mixed territory, with the December heating oil contract settling up 5.15 cents at \$2.9615 and the December RB market settling down 3.18 cents at \$2.1855.

**Technical Analysis:** The crude market is seen retracing some of its losses and trading sideways before it continues to trade lower. The market will remain pressured as long as the conflict between Israel and Hamas remains contained and the expectations that tighter financial conditions will likely weigh on economic activity as the Fed said it may raise rates further. The oil market is seen finding support at its low of \$80.30, \$80.20 followed by \$79.94 and \$78.51. However, resistance is seen at \$82.95, \$83.42, \$84.45, followed by \$85.30, \$85.48, \$85.90, \$86.30 and \$86.51.

**Fundamental News:** The EIA reported that U.S. East Coast distillate stocks fell by 2.1 million barrels in the week ending October 27<sup>th</sup> to 24.8 million barrels, the lowest level since October 2022.

A first group of injured evacuees from Gaza crossed into Egypt on Wednesday under a Qatari-mediated deal, as Israeli forces pressed their battle against Hamas militants in the Palestinian enclave. The evacuees were driven in ambulances through the Rafah border crossing. Under the deal reached between Egypt, Israel and Hamas, a number of foreigners and critically wounded people will be allowed to leave the besieged territory. An Egyptian security source had said earlier that up to 500 foreign passport holders will pass the Rafah border crossing on Wednesday. About 200 people were waiting at the Palestinian side of the border on Wednesday morning. A second source said not all were expected to make it out on Wednesday. There was no timeline for how long the crossing will remain open for evacuation. A Western official said a list of people with foreign passports who can leave Gaza had been agreed between Israel and Egypt and relevant embassies have been informed. An Israeli official confirmed that Israel was coordinating the exits with Egypt. One of the sources said this deal, however, was not linked to other issues, such as the release of about 240 hostages held by Hamas or a "humanitarian pause" in the fighting which many countries have called for but which Israeli Prime Minister Benjamin Netanyahu has rejected.

Iran's Supreme Leader Ali Khamenei urged Islamic states to stop exporting oil to Israel as Iran continues to appeal to its fellow OPEC producers to retaliate over escalating hostilities in Gaza.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.4 million bpd of capacity in week ending November 3<sup>rd</sup>, increasing available refining capacity by 806,000 bpd. Offline capacity is expected to fall to 743,000 bpd in the week ending November 10<sup>th</sup>.

### Early Market Call - as of 8:20 AM EDT

WTI - December \$80.91, up 47 cents

RBOB - December \$2.2016, up 1.61 cents

HO - December \$3.0076, up 4.61 cents

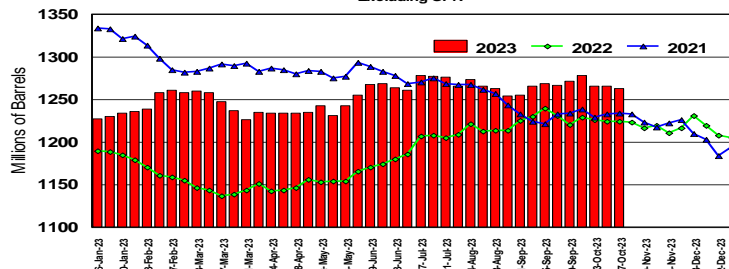
## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-23	2.9615	0.0515	0.0024
Jan-24	2.8910	0.0349	-0.0280
Feb-24	2.8418	0.0264	-0.0463
Mar-24	2.7891	0.0221	-0.0551
Apr-24	2.7268	0.0175	-0.0632
May-24	2.6830	0.0126	-0.0684
Jun-24	2.6572	0.0101	-0.0688
Jul-24	2.6487	0.0083	-0.0689
Aug-24	2.6440	0.0068	-0.0691
Sep-24	2.6443	0.0057	-0.0694
Oct-24	2.6443	0.0052	-0.0689
Nov-24	2.6399	0.0050	-0.0681
Dec-24	2.6301	0.0043	-0.0666
Jan-25	2.6193	0.0039	-0.0644
Feb-25	2.6044	0.0035	-0.0618
Mar-25	2.5853	0.0036	-0.0590
Apr-25	2.5586	0.0036	-0.0564

### Sprague HeatCurve October 2024-April 2025

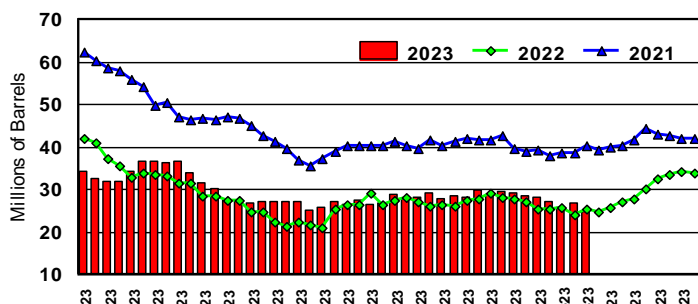
	Close	Change
Crude - WTI	\$80.1000	-\$0.4000
Crude - Brent	\$84.6300	-\$0.3900
Natural Gas	\$3.4940	-\$0.0810
Gasoline	\$2.1855	-\$0.0318

### Total U.S. Oil Stocks Excluding SPR



## Weekly EIA Petroleum Status Report for the Week Ending October 27, 2023

### Distillate Stocks PADD #1



### Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Up 773,000 barrels

Cushing, OK Crude Stocks Up 272,000 barrels

Gasoline Stocks Up 65,000 barrels

Distillate Stocks Down 792,000 barrels

Refinery % Operated 85.4%, down 0.2%

### PADD #1

	Week Ending Oct 27, 2023	Week Ending Oct 20, 2023	Week Ending Oct 28, 2022
Distillate Stocks (in million bbl)			
New England	3.2	3.4	3.6
Central Atlantic	12.0	13.1	10.8
Total PADD #1	24.8	26.9	25.4
Distillate Imports (thousands b/d)	49	84	106