

## Market Commentary

**Recap:** The oil market moved higher, while still remaining within last Wednesday's trading range from \$77.97 to \$73.79, ahead of the weekly petroleum stock reports later on Tuesday and Wednesday morning and the OPEC+ meeting on Thursday. The market traded mostly sideways in overnight trading and posted a low of \$74.64 in the morning. It however, bounced off its low, breached its previous high and rallied over \$2.00 as it posted a high of \$77.02 early in the afternoon. The oil market was also well supported by a weaker dollar and a fall in Kazakhstan's oil output due to severe storms disrupting Black Sea crude shipping. Kazakhstan's largest oilfields cut their combined daily output by 56%. The crude market later erased some of its gains and traded towards \$76.00 level ahead of the close. The January WTI contract settled up \$1.55 at \$76.41 and the January Brent contract settled up \$1.70 at \$81.68. The product markets also ended the session higher, with the heating oil market settling up 6.91 cents at \$2.9070 and the RB market settling up 5.01 cents at \$2.23.

**Technical Analysis:** The crude market will likely remain supported amid the expected crude stock draws in the weekly petroleum stocks reports. We continue to expect that the market will hold its recent trading range from \$73.75 to \$77.97 ahead of the OPEC+ meeting on Thursday, with most of the market looking for the producer group to rollover its output cuts. The market is seen finding resistance at its high of \$77.02, \$77.09, \$77.97 followed by \$78.46 - \$78.48, \$78.69 and \$79.65. Support is seen at its lows of \$74.64, \$74.06 and \$73.79. More distant support is seen at \$72.91 and \$72.37.

**Fundamental News:** The Kremlin said that there were no plans for contacts between President Vladimir Putin and Saudi Crown Prince Mohammed Bin Salman prior to this week's meeting of the OPEC+ group of leading oil producers.

An OPEC source said OPEC will hold an online meeting at 1000 GMT on Thursday, ahead of OPEC+ gatherings later in the day to decide oil production policy. The source said that the meeting was for OPEC internal matters rather than production policy. At 1300 GMT, OPEC+ ministers on an advisory panel called the Joint Ministerial Monitoring Committee will hold talks followed by a meeting of the full policy-making group of OPEC+ ministers at 1400 GMT. The meeting was postponed from November 26<sup>th</sup>. OPEC+ sources said this was because of a disagreement over output levels for African producers, although sources have since said the group has moved closer to a compromise on this point. Later four OPEC+ sources stated that OPEC+ talks on oil policy are difficult, making a further delay to a meeting planned for Thursday possible and also making a rollover a possibility.

Caspian Pipeline Consortium said that it has exported almost 57.5 million metric tons of oil so far this year as of November 24<sup>th</sup> via its Black Sea terminal, up from 51 million tons in the same period in 2022.

Kazakhstan's Energy Ministry reported that country's largest oilfields, Tengiz, Kashagan and Karachaganak, have cut their combined daily oil output by 56% as a storm disrupts Black Sea crude shipping. The ministry said it was unclear when the situation would normalize. The Caspian Pipeline Consortium, through which Kazakhstan exports most of its crude, suspended oil loadings on Monday due to storms which continued on Tuesday. Later, Kazakhstan's Energy Ministry said its largest oilfields plan to maintain reduced output at least until December 3<sup>rd</sup>, which will improve the country's compliance with its OPEC+ quota. The ministry now sees November oil output, not including gas condensate, at 1.588 million bpd and December production at 1.673 million bpd, down from the previously planned 1.605 million bpd and 1.599 million bpd respectively, but still above the 1.550 million bpd quota.

### Early Market Call - as of 8:40 AM EDT

WTI - January \$77.57, up \$1.17

RBOb - December \$2.2547, up 2.5 cents

HO - December \$2.8958, down 1.12 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.9070	0.0691	-0.0179
Jan-24	2.8165	0.0633	-0.0357
Feb-24	2.7743	0.0621	-0.0394
Mar-24	2.7292	0.0571	-0.0394
Apr-24	2.6759	0.0520	-0.0396
May-24	2.6366	0.0467	-0.0401
Jun-24	2.6110	0.0441	-0.0386
Jul-24	2.6021	0.0435	-0.0347
Aug-24	2.5989	0.0424	-0.0338
Sep-24	2.6014	0.0405	-0.0349
Oct-24	2.6010	0.0383	-0.0357
Nov-24	2.5939	0.0371	-0.0345
Dec-24	2.5817	0.0368	-0.0324
Jan-25	2.5695	0.0368	-0.0308
Feb-25	2.5557	0.0374	-0.0283
Mar-25	2.5386	0.0374	-0.0264
Apr-25	2.5159	0.0369	-0.0263

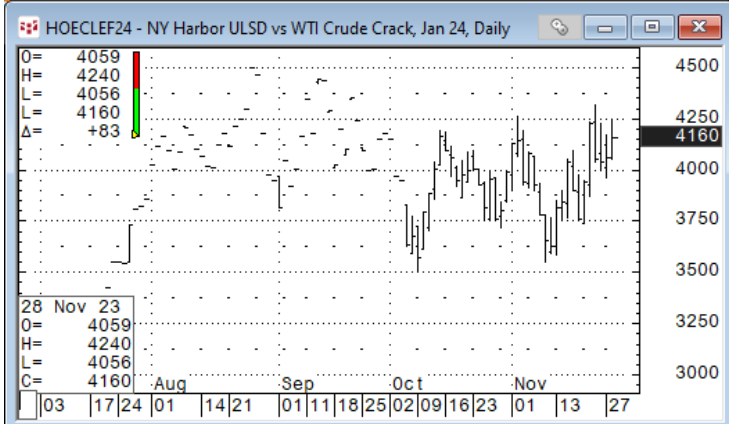
### Sprague HeatCurve October 2024-April 2025

		Close	Change
Crude - WTI	Jan Brent-	\$76.4100	\$1.5500
Crude - Brent	WTI Spread	\$81.6800	\$1.7000
Natural Gas	\$5.27	\$2.7060	-\$0.0880
Gasoline		\$2.2300	\$0.0501

### API Report for the Week Ending November 24, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Down 817,000 barrels	Down 700,000 barrels
Gasoline Stocks	Down 900,000 barrels	Up 200,000 barrels
Distillate Stocks	Up 2.8 million barrels	Down 100,000 barrels
Refinery Runs		Up 1%, at 88%

## January Heating Oil Crack Spread



## January RBOB Crack Spread

