

## Market Commentary

**Recap:** The oil market on Thursday sold off sharply to its lowest level in four months amid concerns over demand in light of some weak economic data. The oil market, which traded lower on Wednesday on the build in crude stocks, traded sideways in overnight trading and posted a high of \$76.63. However, the market sold off sharply throughout the session, extending its losses to \$4.50 or over 5.8% as it posted a low of \$72.16 in afternoon trading. The market was pressured by the number of initial unemployment benefit claims increasing to a three-month high in the week ending November 10<sup>th</sup>, suggesting that labor market conditions were continuing to ease. Also, production at U.S. factories fell by more than expected in October. The oil market later retraced some of its losses ahead of the close, with the December contract settling down \$3.76 or 4.9% at \$72.90 and the January Brent contract settling down \$3.76 or 4.63% at \$77.42. The product markets were also pressured and ended lower, with the heating oil market settling down 11.85 cents at \$2.7502 and the RB market settling down 10.07 cents at \$2.1011.

**Technical Analysis:** The crude market, which breached its recent lows, is seen retracing some of its sharp losses before it continues on its downward trend. Although its slow stochastics are in oversold territory, they have crossed to the downside. Technically, support is seen at its low of \$72.16, \$72.10, \$71.74 and \$70.55-\$70.50. Meanwhile, resistance is seen at \$74.15, \$74.65, \$76.20, \$76.63 followed by \$76.86 and \$77.35.

**Fundamental News:** White House spokesman, John Kirby, said the U.S. would like China to use its communications lines with Iran to convey the message that a wider war in the Middle East should be avoided. When asked whether U.S. President Joe Biden had received assurances from China's President Xi Jinping that he would urge Iran to stop attacking U.S. forces in Syria and Iraq, he said "We certainly would encourage them to use those lines to reiterate to the Iranians that we do not want to see a deepening or an escalation of the conflict in the region."

The U.S. Department of Treasury said the U.S. has extended its authorization for certain transactions with PDVSA, allowing transactions through May 16<sup>th</sup>.

According to a notice posted on the U.S. Department of Treasury website, the U.S. has issued a new round of Russia-related sanctions targeting three Liberian flagged crude tankers, among others.

The Biden administration on Thursday said it would hold an auction of oil and gas drilling rights in the Gulf of Mexico on December 20<sup>th</sup> following a court order. Earlier this week, the U.S. 5<sup>th</sup> Circuit Court of Appeals dismissed an effort by environmental groups to block an expansion of the sale and said it must be held within 37 days.

Data from the Joint Organizations Data Initiative showed that Saudi Arabia's crude oil exports in September increased by 3% on the month to 5.75 million bpd. Saudi Arabia's crude oil production increased 0.7% to 8.98 million bpd. Domestic refineries' crude throughput increased by 336,000 bpd to 2.866 million bpd while direct crude burn fell by 120,000 bpd to 606,000 bpd.

The U.S. EPA reported that the U.S. generated 733 million biodiesel (D4) blending credits in October, up from 673 million in September. It also reported that the U.S. generated 1.3 billion ethanol blending credits in October, up from 1.18 billion in September.

**Early Market Call - as of 8:10 AM EDT**

WTI - December \$73.87, up 97 cents

RBOB - December \$2.1232, up 2.21 cents

HO - December \$2.7699, up 1.97 cents

## All NYMEX | Prior Settlements

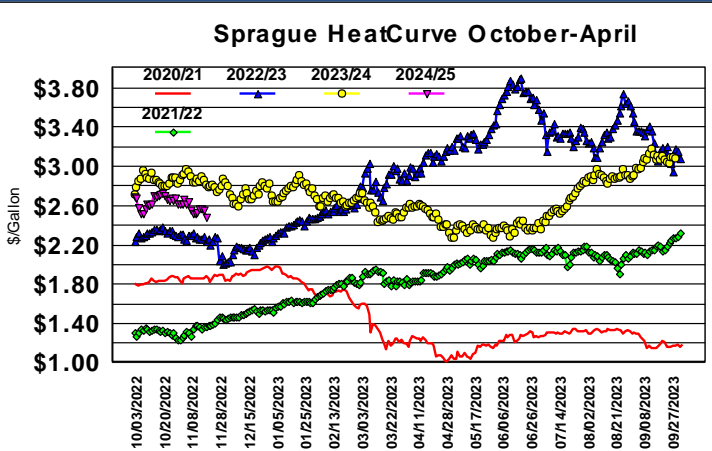
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.7502	-0.1185	0.0311
Jan-24	2.6722	-0.1189	-0.0019
Feb-24	2.6376	-0.1161	-0.0094
Mar-24	2.6012	-0.1093	-0.0136
Apr-24	2.5584	-0.1025	-0.0186
May-24	2.5292	-0.0957	-0.0243
Jun-24	2.5082	-0.0901	-0.0318
Jul-24	2.5007	-0.0855	-0.0362
Aug-24	2.5002	-0.0820	-0.0369
Sep-24	2.5065	-0.0791	-0.0351
Oct-24	2.5101	-0.0765	-0.0335
Nov-24	2.5054	-0.0746	-0.0336
Dec-24	2.4943	-0.0730	-0.0347
Jan-25	2.4833	-0.0711	-0.0349
Feb-25	2.4703	-0.0693	-0.0349
Mar-25	2.4543	-0.0678	-0.0353
Apr-25	2.4328	-0.0673	-0.0355

Sprague HeatCurve October 2024-April 2025			\$2.4783
		Close	Change
Crude - WTI	Jan Brent-WTI Spread \$4.33	\$73.0900	-\$3.7000
Crude - Brent		\$77.4200	-\$3.7600
Natural Gas		\$3.0620	-\$0.1280
Gasoline		\$2.1011	-\$0.1007

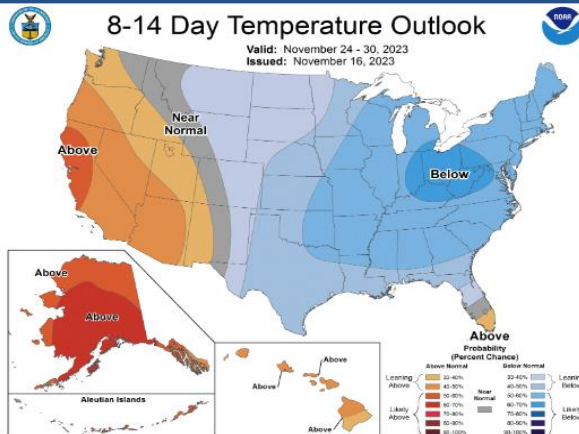
## EIA Working Gas Storage Report

	11-Nov-23	03-Nov-23	Change	10-Nov-22
East	931	924	7	880
Midwest	1116	1105	11	1,082
Mountain	256	253	3	208
Pacific	292	28	264	242
South Central	1238	1206	32	1,223
Salt	332	313	19	325
Nonsalt	906	893	13	899
Total	3833	3773	60	3,635

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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