

## Market Commentary

**Recap:** The oil market posted an inside trading day after the market was well supported by Saudi Arabia and Russia on Sunday reaffirming their commitment to their additional voluntary output cuts until the end of the year. The oil market bounced off Friday's lows and opened up more than 60 cents at \$81.13 after Saudi Arabia confirmed it would continue its additional cut of 1 million bpd in December and Russia announced it would continue its voluntary cut of 300,000 bpd from its crude and petroleum product exports until the end of December. The market posted the day's trading range by mid-morning as it traded off a low of \$80.66 on the opening to a high of \$82.24. The crude market later erased its gains and traded back below the \$81.00 level ahead of the close. The December WTI contract settled up 31 cents at \$80.82 and the December Brent contract settled up 29 cents at \$85.18. The product markets ended the session in positive territory, with the heating oil market settling up 2.86 cents at \$2.9524 and the RB market settling up 3.49 cents at \$2.2359.

**Technical Analysis:** The oil market will remain mired in a sideways trading range we have previously mentioned from \$80-\$86, as the market continues to discount any geopolitical risks. While the Saudi Arabian and Russian statements was a reiteration of their previous statements, it may increase speculation that the producers will extend their voluntary cuts into 2024 and limit the market's losses. The market is seen finding support at its low of \$80.66, \$80.10, \$78.51, \$77.46 and \$77.03. Meanwhile, resistance is seen at its high of \$82.24, \$83.60, \$83.82, \$84.98, followed by \$85.30, \$85.90, \$86.13 and \$86.30.

**Fundamental News:** Saudi Arabia and Russia confirmed on Sunday they would continue with their additional voluntary oil output cuts until the end of the year as concerns over demand and economic growth continue to weigh on crude markets. Both countries said their cuts would be reviewed next month to consider extending, deepening or increasing it. An official source at Saudi Arabia's Ministry of Energy said Saudi Arabia will continue with its voluntary output cut of 1 million bpd until the end of December. Later, Russia's Deputy Prime Minister, Alexander Novak, said Russia will continue the additional voluntary supply cut of 300,000 bpd from its crude oil and petroleum product exports until the end of December 2023 as previously announced.

IIR Energy said U.S. oil refiners are expected to shut in about 911,000 bpd of capacity in the week ending November 10<sup>th</sup>, increasing available refining capacity by 637,000 bpd. Offline capacity is expected to fall to 540,000 bpd in the week ending November 17<sup>th</sup>.

According to company statements and oil analysts, U.S. crude oil refiners this quarter will cut rates from the high summer run rates as weak gasoline margins and plant overhauls cut operating goals. Refinery executives are aiming for low-90s utilization rates this quarter after running in the mid-to upper 90% range most of the year. A decline for seasonal maintenance and a greater shift to producing distillates have cut production. Analysts said production will be enough to keep gasoline prices tame with demand weaker than the production cuts.

Enbridge said Friday it has launched an open season to move 110,000 b/d of additional crude oil on its Flanagan South pipeline from Alberta to the U.S. Gulf Coast. If the open season is successful, Flanagan South will approach 90% term-contracted on its 720,000 b/d capacity. The company also said it expects to have an open season this quarter for its long-haul 1 million b/d Gray Oak pipeline which runs between the Permian Basin to the Enbridge Ingleside Energy Center in Corpus Christi. This open season is believed to be for 200,000 b/d.

### Early Market Call - as of 8:15 AM EDT

WTI - December \$79.00, down \$1.82

RBOB - December \$2.1903, down 4.56 cents

HO - December \$2.8830, down 6.94 cents

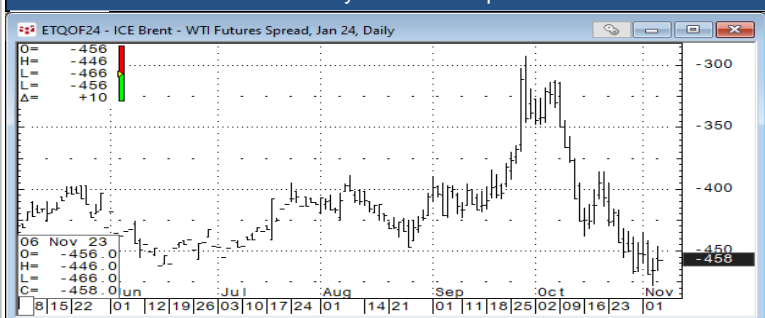
## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.9524	0.0286	0.0683
Jan-24	2.8892	0.0289	0.0478
Feb-24	2.8477	0.0269	0.0396
Mar-24	2.8029	0.0257	0.0385
Apr-24	2.7484	0.0261	0.0382
May-24	2.7088	0.0259	0.0344
Jun-24	2.6829	0.0249	0.0302
Jul-24	2.6734	0.0241	0.0273
Aug-24	2.6688	0.0241	0.0254
Sep-24	2.6696	0.0241	0.0243
Oct-24	2.6687	0.0241	0.0231
Nov-24	2.6622	0.0238	0.0213
Dec-24	2.6505	0.0238	0.0200
Jan-25	2.6380	0.0236	0.0188
Feb-25	2.6221	0.0228	0.0185
Mar-25	2.6023	0.0224	0.0185
Apr-25	2.5765	0.0220	0.0201

### Sprague HeatCurve October 2024-April 2025

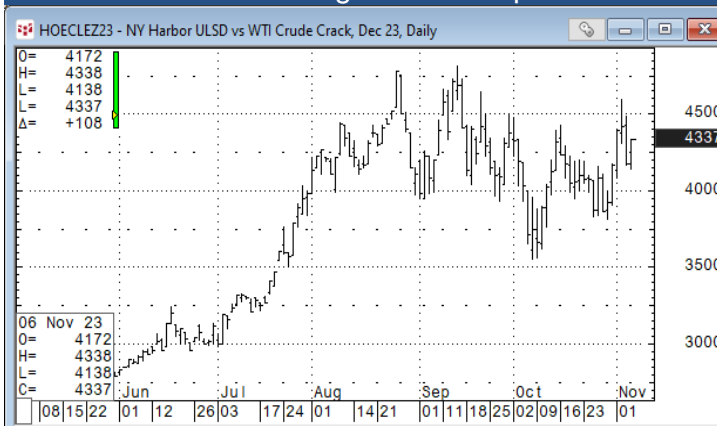
	Close	Change
Crude - WTI	\$80.6000	\$0.3700
Crude - Brent	\$85.1800	\$0.2900
Natural Gas	\$3.2640	-\$0.2510
Gasoline	\$2.2359	\$0.0349

### ICE January Brent-WTI Spread

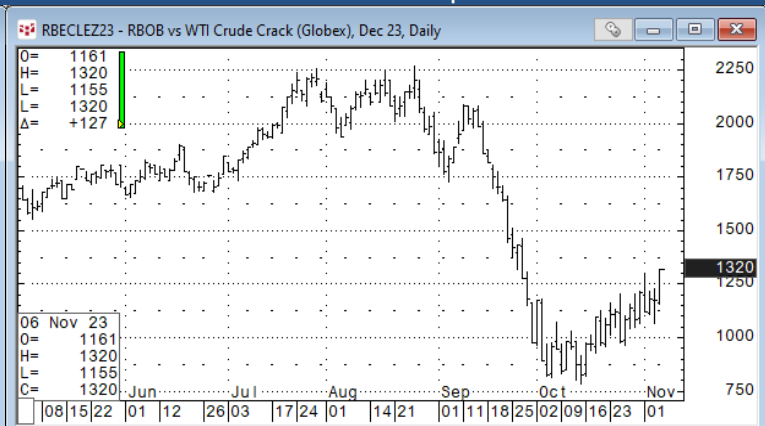


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## December Heating Oil Crack Spread



## December RBOB Crack Spread



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