

## Market Commentary

**Recap:** The oil market traded lower on Tuesday as the market continued to watch events unfold in the Middle East. It traded lower in overnight trading before it posted the day's trading range from a high of \$87.47 to a low of \$85.60 by mid-day amid the concerns over geopolitics and global oil supplies. The market retraced more than 38% of its move from a low of \$82.31 to a high of \$88.33 in light of comments made by Saudi Aramco's CEO, who stated that the company could increase its oil production within weeks if needed, as global consumption is set to reach a record level by year-end. The market later bounced off its low and traded sideways ahead of President Joe Biden's trip to Israel to prevent the conflict in the Middle East from widening. The market also positioned themselves ahead of the weekly petroleum stocks reports due later on Tuesday and Wednesday morning. The November WTI contract settled unchanged at \$86.66 and the December Brent contract settled up 25 cents at \$89.90. The product markets settled in positive territory, with the heating oil market settling up 2.75 cents at \$3.1767 and the RB market settling up 1.15 cents at \$2.2845.

**Market Analysis:** The oil market will continue to trade sideways in its recent trading range amid the uncertainty over geopolitics. Its daily stochastics are pointing sideways. It will look to the weekly petroleum stocks reports for further direction. The crude market is seen finding support at its low of \$85.60, \$85.32, \$84.61 followed by \$83.35, \$82.31 and \$81.50. Meanwhile, resistance is seen at \$87.47, \$88.33, \$89.59, \$90.27 and \$91.88. More distant upside is seen at \$93.10 and \$95.03.

**Fundamental News:** U.S. Secretary of State, Antony Blinken, said the United States and Israel had agreed to develop a plan to get humanitarian aid to civilians in Gaza without benefiting Hamas, and that President Joe Biden would visit Israel this week to hear how it would minimize civilian casualties in its war effort. Washington's top diplomat was on the fifth consecutive day of round-the-clock diplomacy in the region, shuttling back to Israel after visiting six Arab countries in four days. He said the U.S. shared Israel's concern that Hamas may seize or destroy aid entering Gaza or prevent it from reaching people in need. He also said that President Biden would travel to Israel on Wednesday to make clear that the top U.S. ally has the right to defend itself after Hamas gunmen rampaged through southern Israeli towns and military bases on October 7<sup>th</sup>, killing at least 1,300 people. Washington has moved an aircraft carrier strike group to the eastern Mediterranean and is set to move another carrier to the region in coming days, moves Blinken has said are meant as a deterrent, not a provocation. A U.S. official, speaking on condition of anonymity, said that the Bataan, another warship, was heading near the coast of Israel and would include a Marine expeditionary unit, with a total force of about 2,000 personnel. They have not been given a specific mission but could play a key role in any evacuation. Separately, the U.S. official said the United States has told some troops, potentially 2,000, to be ready to deploy within 24 hours if notified to the region and could include units that provide assistance such as medical aid, if needed.

Refinitiv tracking shows that global diesel imports into Europe so far this month were pegged at 3.76 million metric tons, which is down from 5.78 million tons in September.

Saudi oil giant Aramco's Chief Executive, Amin Nasser, said he saw global demand for oil at 103 million bpd in the second half of this year while world spare capacity is now at 3 million bpd. He said Saudi Aramco is able to increase its production capacity "in a couple of weeks" if needed as global demand continues to rise. He said the oil market is balanced and reasonable. He also said that Saudi Aramco's plan to increase its output capacity to 13 million bpd by 2027 is on track. He said that investments are needed in the oil and gas industry to meet demand, adding that without investments 5-7 million bpd of oil will be lost.

**Early Market Call - as of 8:50 AM EDT**

WTI - November \$88.03, up \$1.37  
 RBOB - November \$2.3111, up 2.66 cents  
 HO - November \$3.1525, down 2.42 cents

## All NYMEX | Prior Settlements

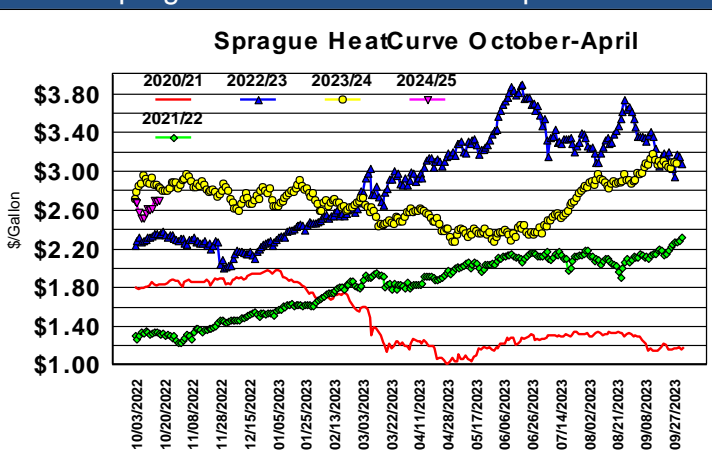
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	3.1767	0.0275	0.1566
Dec-23	3.0532	0.0111	0.1286
Jan-24	2.9888	0.0086	0.1242
Feb-24	2.9443	0.0077	0.1221
Mar-24	2.8899	0.0084	0.1156
Apr-24	2.8253	0.0082	0.1118
May-24	2.7778	0.0072	0.106
Jun-24	2.7468	0.0065	0.1
Jul-24	2.7367	0.006	0.0968
Aug-24	2.7319	0.0057	0.094
Sep-24	2.733	0.0056	0.0922
Oct-24	2.7328	0.0059	0.0907
Nov-24	2.7286	0.0064	0.0901
Dec-24	2.7198	0.0078	0.0898
Jan-25	2.7084	0.0089	0.0905
Feb-25	2.6904	0.0107	0.092
Mar-25	2.6667	0.0121	0.0928

Sprague HeatCurve October 2024-April 2025			\$2.6982
		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$4.46	\$85.4400	\$0.1800
Crude - Brent		\$89.9000	\$0.2500
Natural Gas		\$3.0790	-\$0.0300
Gasoline		\$2.2845	\$0.0115

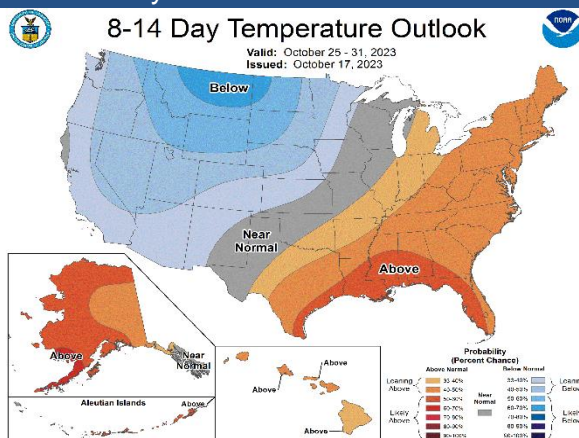
### API Report for the Week Ending October 13, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 4.4 million barrels	Down 30,000 barrels
Gasoline Stocks	Down 1.6 million barrels	Down 800,000 barrels
Distillate Stocks	Down 610,000 barrels	Down 900,000 barrels
Refinery Runs		Up 0.5% at 86.2%

## Sprague Heat Curve October-April



## 8-14 Day Weather Forecast



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