

Market Commentary

Recap: The oil market moved lower in overnight trading as it remained pressured by concerns over global demand and oversupply. The market was weighed by reports of Russia's weekly average seaborne crude exports increasing to its highest level since early July and the EIA raising its 2023 forecast for U.S. crude oil supply and lowering its oil price forecast in its Short Term Energy Outlook on Tuesday. The crude market posted a low of \$67.71 in overnight trading before it bounced off that level and retraced its losses. The market bounced higher, with OPEC blaming the latest crude price decline on "exaggerated concerns" about oil demand growth in its latest monthly oil market report. OPEC kept its forecast for world oil demand growth unchanged for 2024. The crude market extended its gains to over \$1 following the release of the EIA's weekly petroleum stock reports, which showed larger than expected draws in crude stocks of over 4.2 million barrels on the week. It later settled in a sideways trading range ahead of the Fed rate decision announcement. The market posted a high of \$69.74 ahead of the close, following the Fed decision to leave interest rates unchanged and were pivoting towards a cut next year. The January WTI contract settled up 86 cents at \$69.47 and the Brent market settled up \$1.02 at \$74.26. The product markets ended the session higher, with the heating oil market settling up 4.07 cents at \$2.5481 and the RB market settling up 4.52 cents at \$2.0249.

Technical Analysis: The crude market will likely continue to retrace some more of its recent losses on the Fed announcement that lent the markets some support during Wednesday's session. It will look to the IEA's monthly report for further direction on Thursday. The market also remains concerned over the recent attacks on tankers in the Red Sea off Yemen's coast by Yemeni Houthi forces. The market is seen finding upside at its highs of \$69.86, \$71.96, \$72.25, \$72.60, \$73.65, \$74.12 and \$75.03-\$75.06. Meanwhile, support is seen at its low of \$67.71, \$67.05, \$66.80, and \$66.32.

Fundamental News: OPEC said it remained cautiously optimistic about 2024 oil market fundamentals and blamed "exaggerated concerns" about demand for a recent decline in prices, as it stuck to its relatively high 2024 oil demand forecast. OPEC, in its monthly report said speculators had played a major role in pushing prices lower. It said "The market dynamic was fueled by exaggerated concerns about oil demand growth, which negatively impacted market sentiment." OPEC kept its forecast for world oil demand growth in 2023 steady at 2.46 million bpd. In 2024, OPEC sees demand growth of 2.25 million bpd, also unchanged from last month. The report also stated that OPEC produced 27.84 million bpd, down 57,000 bpd on the month, citing figures from secondary sources, as production in Iraq, Angola and Nigeria decreased. Saudi Arabia told OPEC that it cut production by 122,000 bpd to 8.818 million bpd in November.

OPEC's Secretary General, Haitham Al Ghais, said that the oil industry is in jeopardy without adequate levels of investment.

A U.S. defense official said the U.S. Navy destroyer Mason shot down a Houthi drone launched from Yemen that was headed in its direction as it responded to reports of an attack on a commercial vessel. The U.S. official said the Admore Encounter reported no damage or injuries and continued on its way.

Maritime sources said a tanker in the Red Sea off Yemen's coast was fired on by gunmen in a speedboat and targeted with missiles, the latest incident to threaten the shipping lane after Yemeni Houthi forces warned ships not to travel to Israel. British maritime security firm Ambrey and other sources said a second vessel was also approached by the speedboat in the same area but was not attacked. The Iran-aligned Houthi group has sought to support their Palestinian ally Hamas in the Gaza war by firing missiles at Israel and threatening shipping in the busy Bab al-Mandab Strait, next to Yemen at the southern entrance to the Red Sea.

Early Market Call - as of 8:20 AM EDT

WTI - January \$71.03, up \$1.56
 RBOB - January \$2.0690, up 4.47 cents
 HO - January \$2.5838, up 3.61 cents

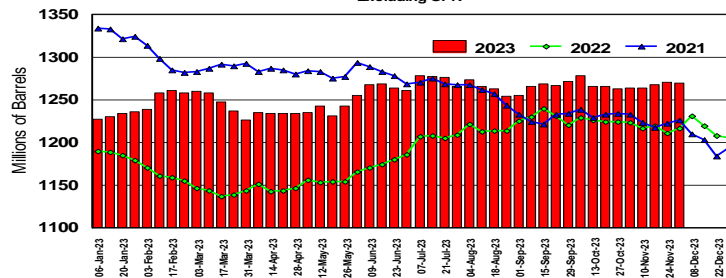
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.5481	0.0407	-0.0281
Jan-24	2.5226	0.0423	-0.0151
Feb-24	2.4856	0.0401	-0.0163
Mar-24	2.4459	0.0379	-0.0162
Apr-24	2.4186	0.0349	-0.0166
May-24	2.4025	0.0317	-0.0189
Jun-24	2.4015	0.0306	-0.0195
Jul-24	2.4033	0.0303	-0.0181
Aug-24	2.4083	0.0303	-0.0156
Sep-24	2.4136	0.0300	-0.0127
Oct-24	2.4146	0.0300	-0.0101
Nov-24	2.4109	0.0307	-0.0072
Dec-24	2.4071	0.0306	-0.0051
Jan-25	2.4016	0.0303	-0.0028
Feb-25	2.3928	0.0295	-0.0004
Mar-25	2.3784	0.0295	0.0026
Apr-25	2.3713	0.0288	0.0026

Sprague HeatCurve October 2024-April 2025		\$2.4033
	Close	Change
Crude - WTI	\$69.7200	\$0.8700
Crude - Brent	\$74.2600	\$1.0200
Natural Gas	\$2.3350	\$0.0240
Gasoline	\$2.0249	\$0.0452

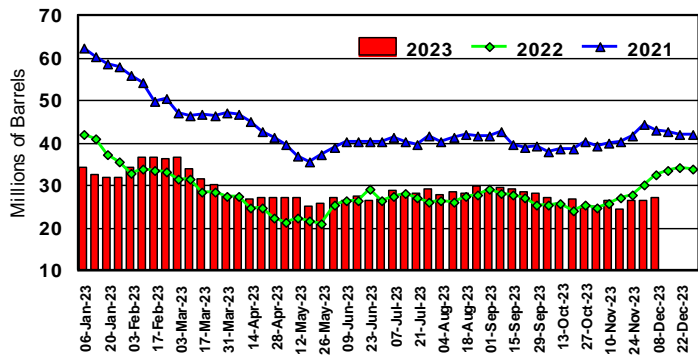
Feb Brent-WTI Spread \$4.54

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending December 8, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 4.258 million barrels
 Cushing, OK Crude Stocks Up 1.228 million barrels
Gasoline Stocks Up 409,000 barrels
Distillate Stocks Up 1.494 million barrels
Refinery % Operated 90.2%, up 0.3%

PADD #1

	Week Ending Dec 8, 2023	Week Ending Dec 1, 2023	Week Ending Dec 9, 2022
Distillate Stocks (in million bbl)	3.9	3.0	4.5
New England	12.5	12.5	14.8
Central Atlantic	27.2	26.3	32.4
Distillate Imports (thousands b/d)	197	73	185