

## Market Commentary

**Recap:** The crude market on Friday settled in negative territory but was higher for the week as traders weighed the potential for the spread of conflict in the Middle East. Earlier in the session, the market had been well supported by heightened concerns that the Israeli-Palestinian crisis will escalate into a wider conflict in the Middle East. Israeli Defense Minister Yoav Gallant told troops gathered at the Gaza border on Thursday that they would soon see the Palestinian enclave "from inside", suggesting an expected ground invasion could be nearing. Adding to concerns about the potential broadening of the conflict, the Pentagon said the U.S. had intercepted missiles fired from Yemen toward Israel. The oil market traded higher overnight in follow through strength seen in the post settlement period on Thursday afternoon, when the market continued to rally and posted a new high for the session. The November WTI breached its previous high of \$90.68 and posted a high of \$90.78 in overnight trading. However, the market which seemed to be holding support at the \$90.00, sold off to a low of \$88.33 ahead of the weekend. The November WTI contract settled down 62 cents at \$88.75. The market was pressured as Baker Hughes reported an increase in its weekly rig count and may have also traded lower on news that Hamas had released two U.S. hostages from Gaza for humanitarian reasons in response to Qatari mediation efforts. The December Brent contract settled down 22 cents at \$92.16. The product markets ended the session mixed, with the heating oil market settling down 1.64 cents at \$3.1566 and the RB market settling up 1.19 cents at \$2.3736.

**Technical Analysis:** While the market oil market erased some of its gains on Friday, it remains in an upward trend towards its previous highs. The market will seek further direction from any developments in the Middle East over the weekend. Technically, the market is seen finding resistance at its high of \$90.78, \$91.88, \$93.10 and \$95.03. Meanwhile, support is seen at its low of \$88.33, \$86.60, \$85.60, \$83.35, \$82.31 and \$81.50.

**Fundamental News:** On Thursday, the U.S. Department of Energy said Washington is seeking to buy 6 million barrels of crude for delivery to the SPR in December and January, as it continues its plan to replenish the emergency stockpile.

JP Morgan said it sees a largely balanced oil market in the fourth quarter, with Brent ending the year at \$86/barrel.

Russia's Foreign Ministry spokesman, Alexei Zaitsev, said that the OPEC+ group of leading oil producers had helped to stabilize oil markets and resisted external pressure, despite "Western manipulation" in the form of price caps on Russian oil. He also said that Russia was a responsible supplier to global energy markets and that cooperation with OPEC+ was of great significance.

U.S. energy firms this week added oil and natural gas rigs for a second consecutive week for the first time since mid-September. Baker Hughes reported that the oil and gas rig count increased by two to 624 in the week ending October 20<sup>th</sup>. The U.S. oil rigs increased by one to 502 this week, while gas rigs also increased by one to 118.

IIR Energy reported that U.S. oil refiners are expected to shut in about 2.3 million bpd of capacity in the week ending October 20<sup>th</sup>, cutting available refining capacity by 94,000 bpd. Offline capacity is expected to fall to 1.8 million bpd in the week ending October 27<sup>th</sup> and further to 1.1 million bpd in the week ending November 3<sup>rd</sup>.

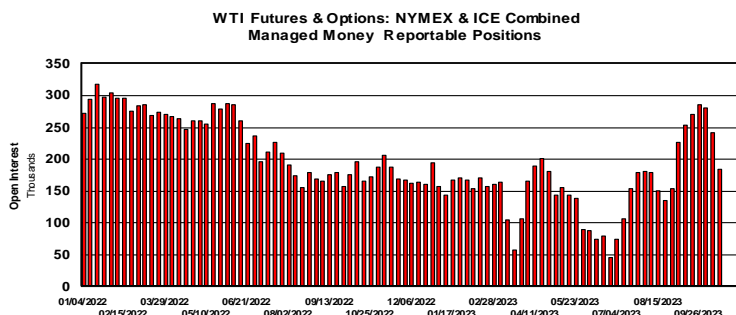
The Saudi Crown Prince and the United Arab Emirates' President met on Friday, as the two Gulf states worked to overcome their differences amid a conflict between Israel and Hamas that threatens to engulf the Middle East.

**Early Market Call - as of 8:40 AM EDT**  
**WTI - December \$87.77, down 33 cents**  
**RBOB - November \$2.3675, down 61 points**  
**HO - November \$3.1631, up 65 points**

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	3.1566	-0.0164	-0.0551
Dec-23	3.0717	-0.0057	-0.0086
Jan-24	3.0218	-0.0031	0.0126
Feb-24	2.9794	-0.0025	0.0217
Mar-24	2.9175	-0.0058	0.0163
Apr-24	2.8492	-0.0086	0.0152
May-24	2.7986	-0.0114	0.0132
Jun-24	2.7637	-0.0143	0.0097
Jul-24	2.7486	-0.0164	0.0049
Aug-24	2.7395	-0.0178	0.0009
Sep-24	2.7373	-0.0182	-0.0021
Oct-24	2.7351	-0.0192	-0.0032
Nov-24	2.7292	-0.0204	-0.0040
Dec-24	2.7173	-0.0220	-0.0058
Jan-25	2.7043	-0.0232	-0.0054
Feb-25	2.6858	-0.0237	-0.0029
Mar-25	2.6625	-0.0237	-0.0006

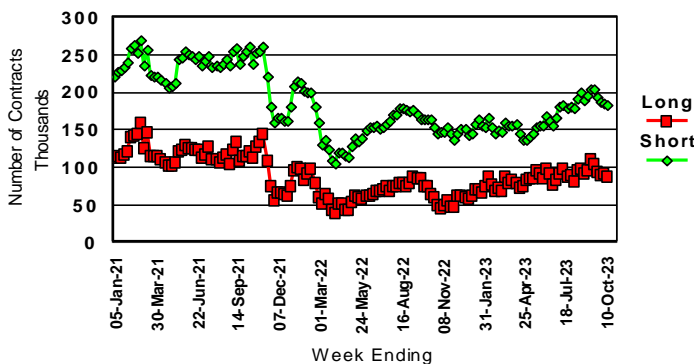
Sprague HeatCurve October 2024-April 2025		\$2.6953
	Close	Change
Crude - WTI	\$88.0800	-\$0.2900
Crude - Brent	\$92.1600	-\$0.2200
Natural Gas	\$2.8990	-\$0.0580
Gasoline	\$2.3736	\$0.0119



## Commitment of Traders Report for the Week Ending October 17, 2023

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

