

Market Commentary

Recap: WTI oil prices dropped 3.7% to a session-low \$85.65 a barrel, while Brent dropped 3.4% to session low of \$92.73. Monday's decline was driven largely by a stronger dollar and a return of worries about inflation and a drop in oil demand as the number of coronavirus cases in China continue to surge. Data last week showed a slight easing of inflationary price pressures in October that quickly triggered risk appetite in financial markets. But several Fed officials quickly jumped in to say it's way too soon to claim any victory over inflation. Meanwhile, the Organization of the Petroleum Exporting Countries cut its forecast for global oil demand growth this year and next, citing economic headwinds. December WTI lost \$3.09 per barrel, or 3.47% to \$85.87, the largest one day dollar and percentage decline since Friday, Oct. 14, 2022, snapping a two session winning streak. January delivery lost \$2.85 per barrel, or 2.97% to \$93.14, its largest one day dollar and percentage decline since Friday, Oct. 14, 2022. RBOB Gasoline for December delivery lost 8.11 cents per gallon, or 3.11% to \$2.5285, while December heating oil fell 1.13 cents per gallon, or 0.32% to \$3.5440.

Technical Analysis: Traders bought early in the session in anticipation of a weaker U.S. dollar and optimism over future demand from China. Prices reversed to the downside as the U.S. dollar surprisingly strengthened, weighing on dollar-denominated commodities. Traders may have also felt that they got a little too enthusiastic about China easing COVID restrictions. In the near term, oil prices will be driven by the U.S. dollar and COVID restrictions in China, with a stronger dollar and increased restrictions putting pressure on the market. Longer term, the market will garner support from OPEC+ and its production cuts and the upcoming European Union embargo of Russian oil. Worth noting is that for the first time since June 30, the 10-day moving average crossed below the 50-day moving average on a daily spot continuation chart. This is quite significant, as the last time this occurred, WTI fell to its recent low of \$76.25. That being said, we would look for a run at this level. Support above this level is set at \$84.79 and \$81.65. Resistance is set between \$87.72 and \$87.96 and above this range at \$90 and \$91.28.

Fundamental News: OPEC cut its forecast for 2022 global oil demand growth for a fifth time since April and also cut next year's figure, citing increasing economic challenges including high inflation and rising interest rates. In its monthly report, OPEC estimated that oil demand in 2022 will increase by 2.55 million bpd or 2.6%, down 100,000 bpd from the previous forecast. OPEC said "The world economy has entered a period of significant uncertainty and rising challenges in the fourth quarter of 2022." Next year, OPEC expects oil demand to increase by 2.24 million bpd, also 100,000 bpd lower than previously forecast. Despite commenting on the rising challenges, OPEC left its 2022 and 2023 global economic growth forecasts steady and said while risks were skewed to the downside, there was also upside potential. OPEC said that in the second and third quarters of this year, global oil supply outpaced total oil demand by 200,000 bpd and 1.1 million bpd, respectively, having been in a deficit of 300,000 bpd in the first quarter. The report said that OPEC output fell by 210,000 bpd in October to 29.49 million bpd, more than the pledged OPEC+ reduction, led by a 149,000 bpd cut by Saudi Arabia.

Genscape reported that crude oil stocks held in Cushing, Oklahoma as of Friday, November 11th fell by 1,357,864 barrels on the week and by 392,043 barrels from Tuesday, November 8th to 28,766,653 barrels.

European gasoline flows to West Africa are estimated to be starting November at a slower pace, after reaching an eight-month high in October. Total November export volumes across the U.S. and West Africa arbitrage routes are tracking at 575,000 tons so far.

IIR Energy reported that U.S. oil refiners are expected to shut in about 392,000 bpd of capacity in the week ending November 18th, increasing available refining capacity by 171,000 bpd. Offline capacity is expected to fall to 267,000 bpd in the week ending November 25th.

Early Market Call - as of 8:45 AM EDT

WTI - December \$85.02, down 85 cents

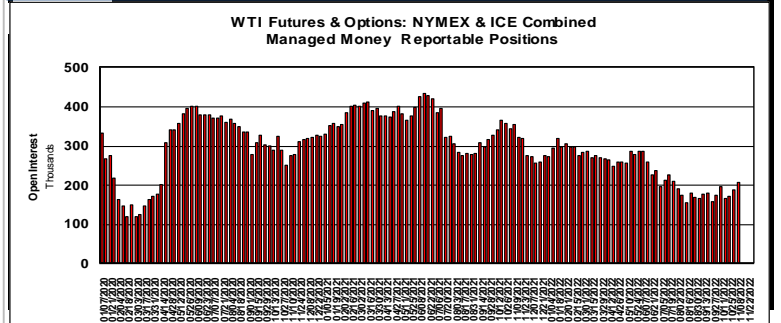
RBOB - December \$2.5184, down 1.01 cents

HO - December \$3.5788, up 3.32 cents

All NYMEX | Prior Settlements

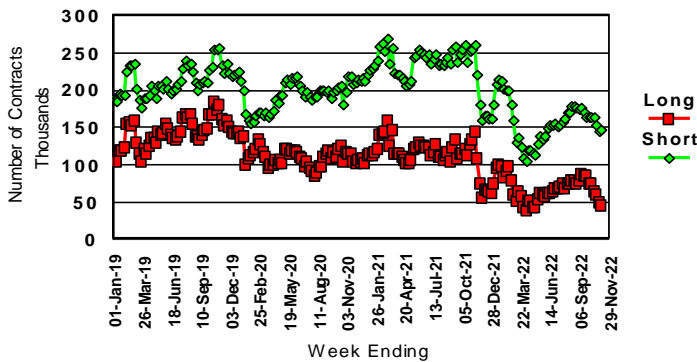
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-22	3.544	-0.0113	-0.2371
Jan-23	3.429	-0.0217	-0.1855
Feb-23	3.3328	-0.0286	-0.1734
Mar-23	3.2387	-0.0351	-0.166
Apr-23	3.1403	-0.0394	-0.1603
May-23	3.0663	-0.0412	-0.1477
Jun-23	3.0114	-0.0398	-0.1317
Jul-23	2.9802	-0.0364	-0.1189
Aug-23	2.956	-0.0323	-0.1094
Sep-23	2.9354	-0.0296	-0.1017
Oct-23	2.9155	-0.0285	-0.097
Nov-23	2.8952	-0.0282	-0.0941
Dec-23	2.8742	-0.0283	-0.0926
Jan-24	2.8518	-0.0283	-0.0924
Feb-24	2.8303	-0.0284	-0.0914
Mar-24	2.7992	-0.0284	-0.0905
Apr-24	2.7591	-0.0285	-0.0898

Sprague HeatCurve October 2023-April 2024			\$2.8450
		Close	Change
Crude - WTI	<div style="background-color: #c00000; color: white; padding: 5px; display: inline-block;"> Jan Brent- WTI Spread \$7.98 </div>	\$85.1600	-\$3.0000
Crude - Brent		\$93.1400	-\$2.8500
Natural Gas		\$5.9330	\$0.0540
Gasoline		\$2.5285	-\$0.0811



Commitment of Traders Report for the Week Ending November 8, 2022

Producer/Merchant Heat Positons
CFTC Commitment of Traders Report



Managed Money Heat Positons
CFTC Commitment of Traders Report

