

Market Commentary

Recap: The oil market posted an inside trading day as it took a breather following Monday's volatility but remained cautious amid the military clashes between Israel and the Palestinian Islamist group Hamas. The oil market traded to a high of \$86.74 in overnight trading. However, the market, which held resistance at the level, erased some of its gains as the conflict in Israel and Gaza remained limited to that area for now without involving major oil producing neighbors. The market posted a low of \$85.12 by mid-morning and settled in a sideways trading pattern during the remainder of the session. The November WTI contract settled down 41 cents at \$85.97 and the December Brent contract settled down 50 cents at \$87.65. The product markets ended the session in positive territory, with the heating oil market settling up 5.35 cents at \$3.0201 and the RB market settling up 2.03 cents at \$2.2584.

Technical Analysis: The crude market is seen remaining range bound on Wednesday. While concerns eased about potential supply disruptions from the conflict between Israel and the Palestinian Islamist group Hamas, the market will remain cautious and seek further direction from any further developments. The market will also position itself ahead of the release of the weekly petroleum stocks reports, which are expected to show a small build in crude stocks and draws of about 1 million barrels in product markets. The oil market is seen finding support at its low of \$85.12, its gap from \$84.67 to \$83.28 and \$81.50. Meanwhile, resistance is seen at \$86.74, \$87.24, \$89.59, \$89.86, \$90.27 and \$91.88.

Fundamental News: Israel pounded the Gaza Strip on Tuesday with the fiercest air strikes in the 75-year history of its conflict with the Palestinians. Israel has vowed "mighty revenge" since Islamist gunmen rampaged through its towns. It has called up hundreds of thousands of reservists and placed Gaza under total siege. Israeli media said deaths from Saturday's Hamas attacks had reached 900, mostly civilians gunned down in homes, on streets or at a desert dance party, dwarfing past modern attacks by Islamists except 9/11. Gaza's health ministry said Israel's retaliatory strikes had killed at least 770 people and wounded more than 4,000. The air strikes, already the heaviest ever, intensified on Tuesday night.

JP Morgan said "while uncertainty is high, war in Israel is unlikely to disrupt oil supplies." The bank said supply could be disrupted if the U.S. were strictly to enforce restrictions on Iranian oil exports or if disruptions spread to the Strait of Hormuz. It maintained the Brent end of year price target of \$86/barrel. It said "our view remains that inventory draws observed in 3Q23 will transition into slight build in 4Q23 and 2024 with Brent exiting the year at \$86 and averaging \$83 in 2024."

GasBuddy reported that U.S. retail gasoline prices fell for the third straight week, with the nation's average retail price falling by 10.2 cents to \$3.67 per gallon for the week ending October 7th.

Saudi Arabia's cabinet said Saudi Arabia supports efforts to stabilize oil markets following its weekly meeting, citing its review of the results of the ministerial meeting of OPEC+.

Saudi Aramco has notified at least four North Asian buyers that it will supply full contractual volumes of crude oil in November, as the Kingdom maintained its output policy. Refiners in China, the largest buyer of Saudi crude oil, have kept their nominated volumes steady in November, totaling around 47 million barrels, comparing with about 50 million barrels in the previous month.

Early Market Call - as of 8:35 AM EDT

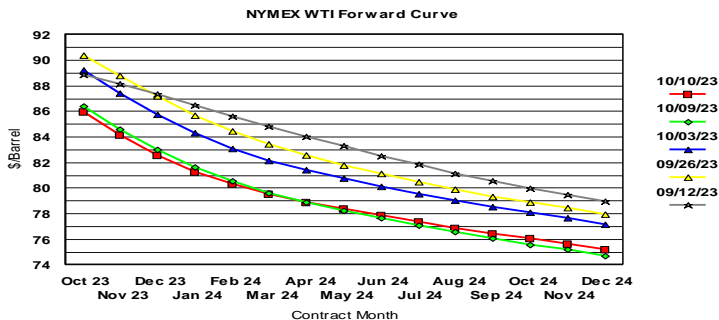
WTI - November \$85.15, down 85 cents
 RBOB - November \$2.2523, down 61 points
 HO - November \$2.9855, down 3.46 cents

All NYMEX | Prior Settlements

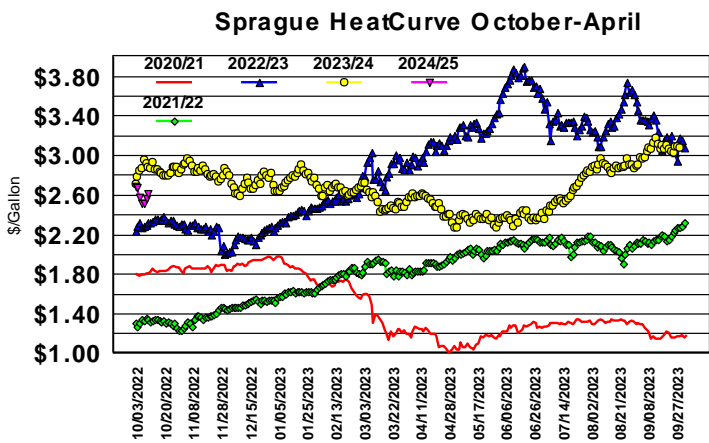
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	3.0201	0.0535	-0.1753
Dec-23	2.9246	0.0463	-0.1627
Jan-24	2.8646	0.0437	-0.1502
Feb-24	2.8222	0.0407	-0.1414
Mar-24	2.7743	0.0399	-0.1273
Apr-24	2.7135	0.0396	-0.1142
May-24	2.6718	0.0397	-0.1049
Jun-24	2.6468	0.0418	-0.0958
Jul-24	2.6399	0.0449	-0.0883
Aug-24	2.6379	0.0476	-0.0831
Sep-24	2.6408	0.0503	-0.0794
Oct-24	2.6421	0.0520	-0.0751
Nov-24	2.6385	0.0518	-0.0700
Dec-24	2.6300	0.0514	-0.0646
Jan-25	2.6179	0.0492	-0.0614
Feb-25	2.5984	0.0436	-0.0617
Mar-25	2.5739	0.0375	-0.0625

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$3.52	\$84.1300	-\$0.4700
Crude - Brent		\$87.6500	-\$0.5000
Natural Gas		\$3.3820	\$0.0060
Gasoline		\$2.2584	\$0.0203

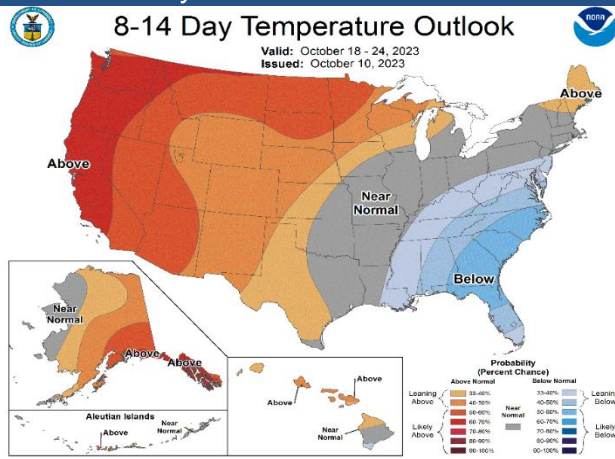
WTI Forward Curve



Sprague HeatCurve October-April



8-14 Day Weather Outlook



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