

Market Commentary

Recap: The oil market sold off more than 4% on Wednesday as the market continued to weigh the effectiveness of an extension of the OPEC+ output cuts against a worsening demand outlook in China. The market was further pressured by the larger than expected build in gasoline stocks. Concerns over China's economic health weighed on prices, a day after rating agency Moody's lowered its outlook on China's A1 rating to negative from stable. The market breached its previous low of \$72.02 and continued to trend towards the \$70.00 level ahead of the release of the EIA weekly petroleum stock report. The market extended its losses to \$69.11, the lowest level since the end of June. This followed the release of the inventory report showing a larger than expected build in gasoline stocks of over 5.4 million barrels on the week, which outweighed a draw in crude stocks of over 4.6 million barrels on the week. The January WTI contract later traded in a sideways trading range ahead of the close and settled down \$2.99 at \$69.38, while the February Brent contract settled down \$2.90 at \$74.30. Meanwhile, the RB market sold off sharply to a low of \$2.0184, the lowest level since December 6, 2021 after the EIA reported a larger than expected build in gasoline stocks. The RB market settled down 8.01 cents at \$2.0302 and the heating oil market settled down 6.49 cents at \$2.5762.

Technical Analysis: The crude market remains in its downward trend channel amid concerns over market demand and as the market continues to doubt the effectiveness of the OPEC+ cuts despite the recent assurances from Saudi Arabia and Russia. The market is seen finding support at its low of \$69.11, \$68.93, \$67.83 and \$67.05. Meanwhile, resistance is seen at its high of \$72.60, \$73.12, \$74.12, \$74.36 followed by \$75.03, \$75.59 and \$76.76.

Fundamental News: The EIA reported that U.S. crude stocks fell by 4.6 million barrels to 445 million barrels in the week ending December 1st. U.S. weekly crude production fell by 100,000 bpd to 13.1 million bpd, the first decline since July.

Russian President Vladimir Putin is visiting the United Arab Emirates and Saudi Arabia on Wednesday and will hold talks with Saudi Arabian Crown Prince Mohammed bin Salman, a rare trip abroad to discuss oil, OPEC+ and the conflicts in Gaza and Ukraine. Russia's President is due to hold talks with President Sheikh Mohammed Bin Zayed Al Nahyan in Abu Dhabi and then travel to Saudi Arabia for his first face-to-face meeting with Saudi Arabia's Crown Prince since October 2019. The Kremlin said they would discuss energy cooperation, included as part of OPEC+.

Algeria's Energy Ministry said Algeria does not rule out extending its voluntary oil production cuts beyond the first quarter of next year or taking additional measures to support the oil market.

According to a Reuters survey, OPEC oil output fell in November in the first monthly decline since July, because of lower shipments by Nigeria and Iraq amid ongoing cuts by Saudi Arabia and other members of the wider OPEC+ alliance to support the market. OPEC has produced 27.81 million bpd, down by 90,000 bpd from October. The decline comes despite a further increase in supply from Iran, one of the OPEC members exempt from making output cuts. Iran's output reached another five-year high of 3.2 million bpd, offsetting some of the cutbacks made elsewhere. Output from the 10 OPEC members that are subject to OPEC+ supply cut agreements fell by 130,000 bpd to 22.69 million bpd.

IIR Energy reported that U.S. oil refiners are expected to shut in 168,000 bpd of capacity in the week ending December 8th, increasing available refining capacity by 50,000 bpd.

Early Market Call - as of 9:15 AM EDT

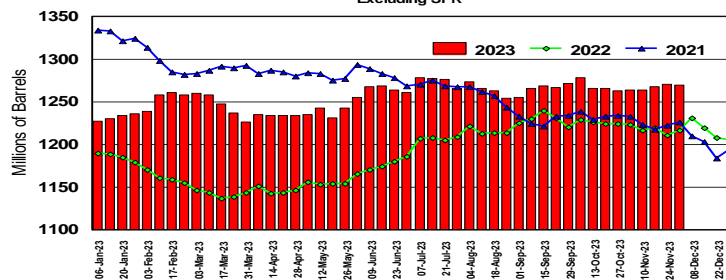
WTI - January \$70.35, up 97 cents
 RBOB - January \$2.0395, up 93 points
 HO - January \$2.5952, up 1.9 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.5762	-0.0649	-0.2325
Jan-24	2.5377	-0.0671	-0.2307
Feb-24	2.5019	-0.0680	-0.2253
Mar-24	2.4621	-0.0676	-0.2180
Apr-24	2.4352	-0.0654	-0.2107
May-24	2.4214	-0.0628	-0.2031
Jun-24	2.4210	-0.0616	-0.1985
Jul-24	2.4214	-0.0607	-0.1964
Aug-24	2.4239	-0.0603	-0.1964
Sep-24	2.4263	-0.0592	-0.1936
Oct-24	2.4247	-0.0578	-0.1887
Nov-24	2.4181	-0.0564	-0.1839
Dec-24	2.4122	-0.0546	-0.1787
Jan-25	2.4044	-0.0519	-0.1733
Feb-25	2.3932	-0.0490	-0.1680
Mar-25	2.3758	-0.0466	-0.1632
Apr-25	2.3687	-0.0429	-0.1570

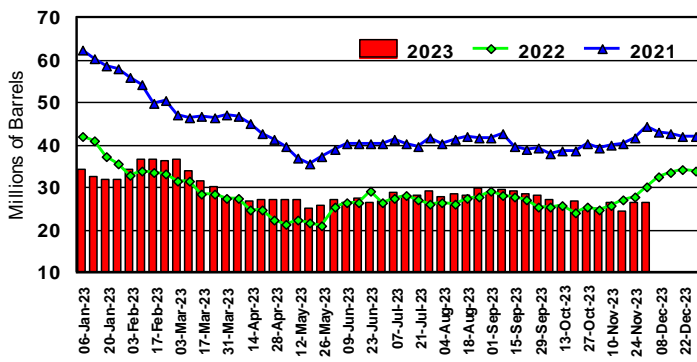
Sprague HeatCurve October 2024-April 2025		\$2.4081
	Close	Change
Crude - WTI	\$69.6500	-\$2.8800
Crude - Brent	\$74.3000	-\$2.9000
Natural Gas	\$2.5690	-\$0.1410
Gasoline	\$2.0302	-\$0.0801

Total U.S. Oil Stocks Excluding SPR



Weekly EIA Petroleum Status Report for the Week Ending December 1, 2023

Distillate Stocks PADD #1



Overall U.S. Stats

Crude Oil Stocks(excluding SPR) Down 4.633 million barrels
 Cushing, OK Crude Stocks Up 1.829 million barrels
Gasoline Stocks Up 5.42 million barrels
Distillate Stocks Up 1.267 million barrels
Refinery % Operated 90.5%, up 0.7%

PADD #1

	Week Ending Dec 1, 2023	Week Ending Nov 24, 2023	Week Ending Dec 2, 2022
Distillate Stocks (in million bbl)	3.0	3.5	4.1
Central Atlantic	12.5	11.9	13.5
Total PADD #1	26.3	26.6	30.1
Distillate Imports (thousands b/d)	73	83	338