

Market Commentary

Recap: The oil market continued on its downward trend for the fourth consecutive session on Tuesday as several attempts to rebound throughout the day failed. The market saw some volatile trading as a stronger dollar offset supply concerns after Russia's Deputy Prime Minister said OPEC+ was ready to deepen oil production cuts in the first quarter of 2024 to eliminate "speculation and volatility" if existing actions to cut production were not enough. The market traded sideways overnight before it traded over the \$74.00 level and sold off to a low of \$72.17 on the comment made by Russia's Deputy Prime Minister. In yo-yo fashion, the market bounced off its low and posted a high of \$74.12 by mid-morning before it retraced all of its gains ahead of the close. The January WTI contract settled down 72 cents at \$72.32 and the February Brent contract settled down 83 cents at \$77.20, the lowest settlements since July. The product markets ended the session lower, with the heating oil market settling down 1.86 cents at \$2.6411 and the RB market settling down 2.39 cents at \$2.1103.

Technical Analysis: The oil market is seen continuing on its recent downward trend after the market's attempt to trade higher continued to fail. The market remains skeptical about the OPEC+ output cuts, despite the recent comments made by Saudi Arabia and Russia. While the market remains in a downward channel, the market may see a slight rebound in prices as it focuses on the weekly petroleum stock reports, which are expected to show a build of over 4 million barrels in crude stocks for the week ending December 1st. The market is seen finding support at its low of \$72.17, \$71.19, \$70.22, \$69.90 and \$68.14. Meanwhile, resistance is seen at its high of \$74.12, \$75.03, \$76.76, \$79.60 and \$79.65. More distant resistance is seen at \$80.37 and \$80.79.

Fundamental News: The State of Alaska reported that North Slope production held steady in November averaging 469,799 b/d, up just 1,279 b/d, but year on year output was off 29,045 b/d.

The Kremlin said oil output cuts agreed by the OPEC+ group will take time to kick in, as it confirmed that President Vladimir Putin would visit the United Arab Emirates and Saudi Arabia on Wednesday. The Kremlin said Russian President Vladimir Putin and Saudi Arabia's Crown Prince Mohammed bin Salman will discuss cooperation within the OPEC+ group of leading oil producers during Putin's visit to Saudi Arabia on Wednesday. Kremlin spokesman, Dmitry Peskov, said Russia's President will also host Iranian President Ebrahim Raisi in Moscow the following day.

Russian Deputy Prime Minister, Alexander Novak, said the OPEC+ group of oil producing countries stands ready to strengthen oil production cuts in the first quarter of 2024 to eliminate "speculation and volatility". He said that Russia will start tightening restrictions on oil and fuel supplies under the OPEC+ deal as early as this month. He said Russia intends to completely fulfil its obligations regarding voluntary reduction of oil and fuel supplies by 500,000 bpd as early as January.

In a final communique of the Gulf Cooperation Council summit on Tuesday, the council said it supports the decisions of OPEC+, which aims to ensure oil market stability.

Russian Foreign Minister Sergei Lavrov told his Iranian counterpart Hossein Amirabdollahian in talks on Tuesday that it was important to increase efforts to overcome the impact of Western sanctions on both their countries. He was hosting Iran's Foreign Minister ahead of a visit by Iranian President Ebrahim Raisi to Russia on December 7th.

Early Market Call - as of 8:40 AM EDT

WTI - January \$71.69, down 63 cents
 RBOB - December \$2.0892, down 2.11 cents
 HO - December \$2.6295, down 1.16 cents

All NYMEX | Prior Settlements

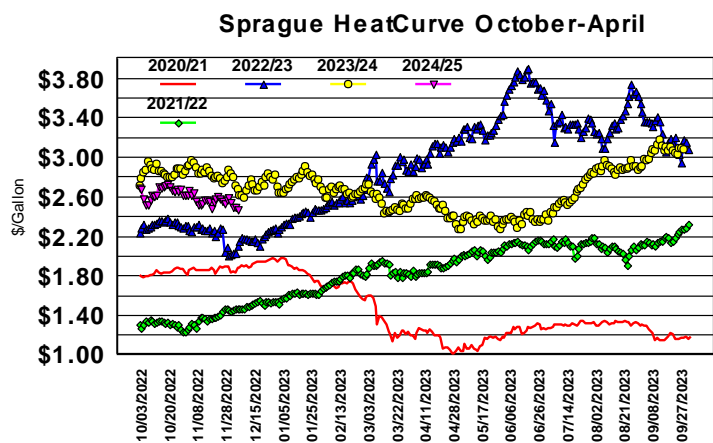
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Jan-24	2.6411	-0.0186	-0.1754
Feb-24	2.6048	-0.0208	-0.1695
Mar-24	2.5699	-0.0218	-0.1593
Apr-24	2.5297	-0.0223	-0.1462
May-24	2.5006	-0.0220	-0.1360
Jun-24	2.4842	-0.0206	-0.1268
Jul-24	2.4826	-0.0195	-0.1195
Aug-24	2.4821	-0.0202	-0.1168
Sep-24	2.4842	-0.0221	-0.1172
Oct-24	2.4855	-0.0226	-0.1155
Nov-24	2.4825	-0.0224	-0.1114
Dec-24	2.4745	-0.0220	-0.1072
Jan-25	2.4668	-0.0213	-0.1027
Feb-25	2.4563	-0.0210	-0.0994
Mar-25	2.4422	-0.0202	-0.0964
Apr-25	2.4224	-0.0193	-0.0935
May-25	2.4116	-0.0180	-0.0913

Sprague HeatCurve October 2024-April 2025			\$2.4616
		Close	Change
Crude - WTI	Feb Brent-WTI Spread \$4.67	\$72.5300	-\$0.7900
Crude - Brent		\$77.2000	-\$0.8300
Natural Gas		\$2.7100	\$0.0160
Gasoline		\$2.1103	-\$0.0239

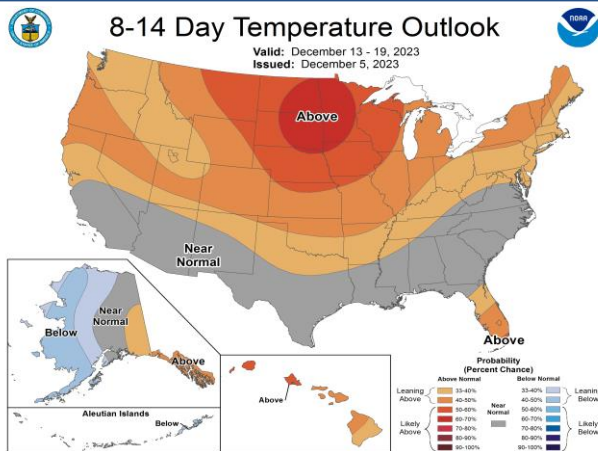
API Report for the Week Ending December 1, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 594,000 barrels	Down 4.1 million barrels
Gasoline Stocks	Up 2.8 million barrels	Up 800,000 barrels
Distillate Stocks	Up 1.9 million barrels	Up 800,000 barrels
Refinery Runs		Up 1.7%, at 91.5%

Sprague HeatCurve October-April



8-14 Day Weather Forecast



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