

Market Commentary

Recap: The oil market on Thursday sold off in overnight trading but bounced higher on news of a Russian ban on fuel exports. The November WTI contract on its first day as the spot contract continued to find some further selling pressure following the news that while the Federal Reserve decided to keep rates unchanged, it said a further interest rate hike was likely by the end of the year. The market extended its previous losses by \$1.29 as it posted a low of \$88.37 in overnight trading. However, the market retraced its losses and rallied \$1.32 as it posted a high of \$90.98 by mid-morning on the news that Russia temporarily banned exports of gasoline and diesel to all countries outside a circle of four ex-Soviet states with immediate effect in order to stabilize its domestic market. The crude market later erased some of its gains and traded back below the \$90 level in afternoon trading. The November WTI contract settled down 3 cents at \$89.63 and the November Brent contract settled down 23 cents at \$93.30. Meanwhile, the product markets ended in positive territory, with the heating oil market settling up 4.12 cents at \$3.3680 and the RB market settling up 7 points at \$2.6199.

Technical Analysis: The crude market is seen trading mostly sideways, as any gains amid the news of Russia banning its product exports will remain limited by the concerns over the economy and demand as the Federal Reserve said there may be a further interest rate increase by the end of the year. The market is seen finding support at its low of \$88.37, \$88.04, \$87.82, and \$87.66 and \$86.66. Resistance is however, seen at its highs of \$90.98, \$91.07, \$92.43 and \$93.75.

Fundamental News: Platts is reporting that Russia is moving forward with the introduction of a ban on exports of diesel and gasoline. The ban, according to a government decree published Thursday, would include finished grade gasoline as well as summer, intermediate and winter diesel grades as well as heavy distillates including gasoil. The ban though would exclude exports to the Eurasian Economic Union, which include Armenia, Belarus, Kazakhstan and Kyrgyzstan. The measure is aimed at stabilizing prices in the domestic market by helping to increase supplies, while stopping so called grey exports.

Iraqi Prime Minister, Mohammed Shia Al-Sudani, said that he envisions an oil price of no less than \$85/barrel to \$95/barrel. He added that Iraq wanted to keep oil prices steady to "ensure the interests of producers and consumers".

U.S. oil refiners that increased processing this year amid increasing demand for gasoline and diesel are being hit by outages weighing on their ability to rebuild thin fuel stockpiles and helping drive up fuel prices. A more than 50% increase in mechanical outages in the first nine months this year combined with higher planned maintenance after a long run of operating at near full capacity has led to tightening fuel supplies and rising prices. A rally in global crude oil prices to more than \$90/barrel also has contributed to fuel price hikes nationwide. However, already depleted fuel inventories have come under increased pressure from refinery outages and could set the stage for a resumption of price hikes later in the year.

The EPA reported that the U.S. generated 701 million biodiesel (D4) blending credits in August, up from 636 million in July. It also reported that the U.S. generated 1.26 billion ethanol (D6) blending credits in August, down from 1.28 billion in July.

Early Market Call - as of 8:35 AM EDT

WTI - November \$90.54, up 91 cents

RBOB - October \$2.6386, up 1.87 cents

HO - October \$3.3837, up 1.57 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-23	3.3680	0.0412	-0.1135
Nov-23	3.2920	0.0464	-0.1036
Dec-23	3.1572	0.0389	-0.0906
Jan-24	3.0844	0.0297	-0.0797
Feb-24	3.0374	0.0258	-0.0669
Mar-24	2.9765	0.0228	-0.0576
Apr-24	2.9035	0.0189	-0.0511
May-24	2.8576	0.0147	-0.0458
Jun-24	2.8243	0.0111	-0.0414
Jul-24	2.8057	0.0095	-0.0375
Aug-24	2.7936	0.0082	-0.0341
Sep-24	2.7867	0.0072	-0.0315
Oct-24	2.7774	0.0058	-0.0296
Nov-24	2.7625	0.0034	-0.0295
Dec-24	2.7430	0.0005	-0.0309
Jan-25	2.7230	-0.0016	-0.0313
Feb-25	2.6988	-0.0033	-0.0298

Sprague HeatCurve October 2023-April 2024

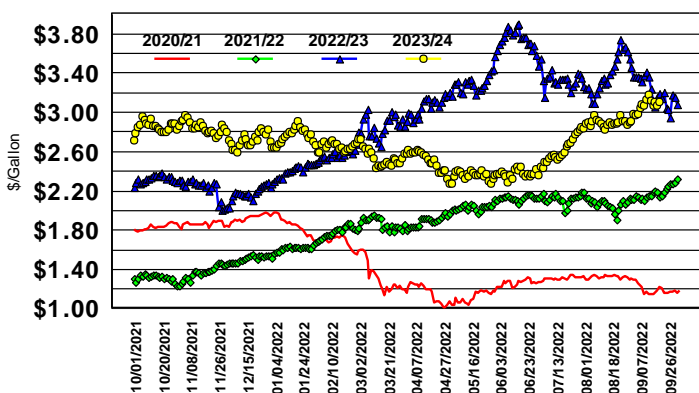
	Close	Change
Crude - WTI	\$89.6300	-\$0.0300
Crude - Brent	\$93.3000	-\$0.2300
Natural Gas	\$2.6100	-\$0.1230
Gasoline	\$2.6199	\$0.0070

EIA Working Gas Storage Report

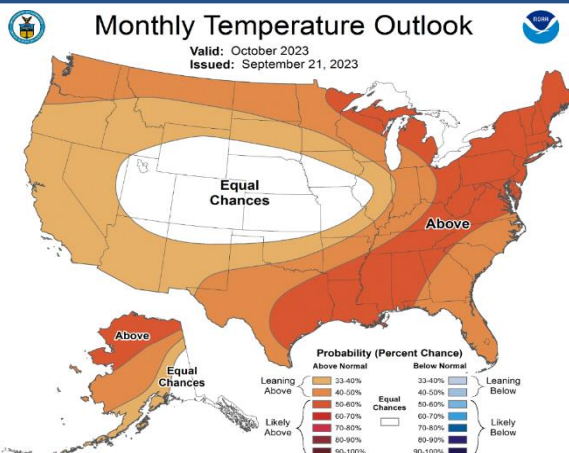
	15-Sep-23	08-Sep-23	Change	15-Sep-22
East	793	775	18	686
Midwest	931	904	27	839
Mountain	228	225	3	167
Pacific	263	260	3	237
South Central	1053	1041	12	931
Salt	242	241	1	197
Nonsalt	811	801	10	733
Total	3269	3205	64	2,859

Sprague HeatCurve October-April

Sprague HeatCurve October-April



October Temperature Outlook



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