

Market Commentary

Recap: The crude market on Thursday traded lower after it retraced some of its recent sharp losses. The market opened 10 cents lower at \$69.28 before it rebounded and gradually traded to a high of \$70.48 early in the morning. It later erased all of its earlier gains and breached its previous low of \$69.11 as it extended its losses 58 cents to a low of \$68.80 in afternoon trading. The prospects of weak economic growth over the next few quarters, after almost two years of interest rate increases by most of the world's central banks, are weighing on the crude market. The market later settled in a sideways trading range ahead of the close. The January WTI contract ended lower for the sixth consecutive session, down 4 cents at \$69.34, its lowest settlement since June 27th. The February Brent contract also settled lower for the sixth consecutive session, down 25 cents at \$74.05, its lowest settlement since June 28th. Meanwhile, the product markets ended the session in negative territory, with the heating oil market settling down 2.7 cents at \$2.5492 and the RB market settling down 2.9 cents at \$2.0012.

Technical Analysis: The oil market is likely to continue to trend lower within its downward trend channel amid the market's concern over demand. The market sentiment is unlikely to change until there is some evidence that OPEC+ is voluntarily cutting its output as the group recently agreed upon. The market this week is likely to settle below its 200-day average for the first time since January of 2021. The crude market is seen finding support at its low of \$68.80, \$67.53 and \$67.05. Meanwhile, resistance is seen at its high of \$70.48, \$72.60, \$72.93, \$74.12, \$74.20, \$75.03 and \$75.47. More distant resistance is seen at \$76.76 and \$77.79.

Fundamental News: On Thursday, Russian President Vladimir Putin and Saudi Crown Prince Mohammed bin Salman called for all OPEC+ members to join an agreement on oil output cuts, saying they were for the good of producers and the broader global economy. Hours after the two leaders' meeting, the Kremlin released a joint statement detailing wide-ranging talks between them on oil, OPEC+, the wars in Gaza and Ukraine and even Iran's nuclear program. The Kremlin said Russian President Vladimir Putin discussed OPEC+ cooperation on oil markets and the Middle East situation during talks with Saudi Crown Prince Mohammed bin Salman on Wednesday. Kremlin spokesman, Dmitry Peskov, said "The parties agree that our countries bear a great responsibility for interaction in order to maintain the international energy market at the proper level, in a stable, predictable state." The Kremlin said "They stressed the importance of continuing this cooperation, and the need for all participating countries to join to the OPEC+ agreement, in a way that serves the interests of producers and consumers and supports the growth of the global economy."

Iraq's Oil Minister, Hayan Abdel-Ghani, said Iraq renews its support of the OPEC+ agreement and its commitments to the voluntary output cut. He said Iraq's decision comes within the framework of joint efforts to achieve oil market balance and stability.

According to ANZ Research commodity strategists, the oil market has been overly bearish following the OPEC+ output cuts. They said the deal should be seen as a success even though the cuts are voluntary and added that a surprise unwinding of the additional cuts in the second quarter of next year can't be ruled out." They said market sentiment is unlikely to change until there is material evidence of the cuts.

According to LSEG tracking, diesel arrivals in Europe in November reached 4.54 million metric tons, down from 4.62 million tons in October. LSEG analyst Raj Rajendran, said Brazil overtook Turkey as the biggest buyer of Russian diesel loaded in November, increasing to a record near 1 million tons.

Early Market Call - as of 8:15 AM EDT
WTI - January \$70.85, up \$1.51
RBOB - January \$2.0506, up 4.94 cents
HO - January \$2.6140, up 6.48 cents

All NYMEX | Prior Settlements

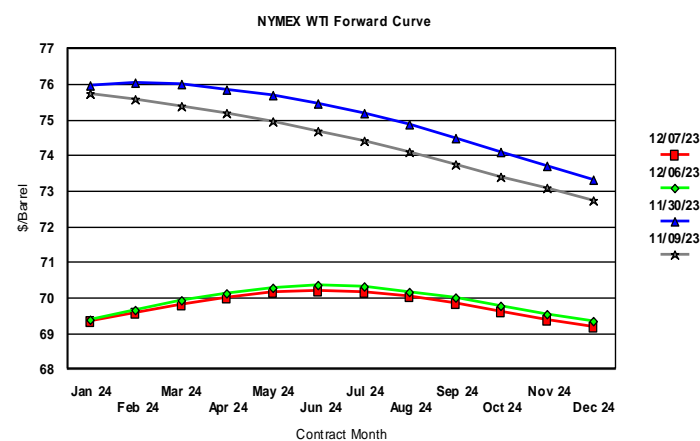
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.5492	-0.0270	-0.2050
Jan-24	2.5181	-0.0196	-0.1981
Feb-24	2.4841	-0.0178	-0.1917
Mar-24	2.4452	-0.0169	-0.1856
Apr-24	2.4197	-0.0155	-0.1768
May-24	2.4065	-0.0149	-0.1682
Jun-24	2.4053	-0.0157	-0.1640
Jul-24	2.4054	-0.0160	-0.1621
Aug-24	2.4073	-0.0166	-0.1626
Sep-24	2.4099	-0.0164	-0.1593
Oct-24	2.4090	-0.0157	-0.1541
Nov-24	2.4040	-0.0141	-0.1485
Dec-24	2.3989	-0.0133	-0.1428
Jan-25	2.3917	-0.0127	-0.1366
Feb-25	2.3810	-0.0122	-0.1308
Mar-25	2.3646	-0.0112	-0.1252
Apr-25	2.3567	-0.0120	-0.1199

Sprague HeatCurve October 2024-April 2025			\$2.3946
		Close	Change
Crude - WTI	Feb Brent- WTI Spread \$4.46	\$69.5900	-\$0.0600
Crude - Brent		\$74.0500	-\$0.2500
Natural Gas		\$2.5850	\$0.0160
Gasoline		\$2.0012	-\$0.0290

EIA Working Gas Storage Report

	01-Dec-23	24-Nov-23	Change	01-Dec-22
East	876	915	-39	835
Midwest	1082	1111	-29	1,030
Mountain	245	252	-7	194
Pacific	289	298	-9	218
South Central	1228	1260	-32	1,190
Salt	334	343	-9	325
Nonsalt	894	917	-23	864
Total	3719	3836	-117	3,465

WTI Forward Curve



Sprague Heat Curve October-April

