

## Market Commentary

**Recap:** The crude market continued on its upward trend on Tuesday, retracing more of last week's sharp losses after the IEA increased its demand growth forecasts and the U.S. dollar fell on data showing inflation was slowing. The IEA increased its oil demand growth forecasts for this year by 1 million bpd to 2.4 million bpd and by 50,000 bpd to 930,000 bpd next year despite an expected slowdown in economic growth. The crude market traded slightly higher and settled in a sideways trading pattern before it was further supported by the inflation data. U.S. consumer prices were unchanged in October and the annual increase in underlying inflation was the smallest in two years, supporting views that the Federal Reserve was probably done raising interest rates. The market rallied to a high of \$79.77 by mid-morning and retraced more than 50% of its move from a high of \$83.60 to a low of \$74.91. The market later erased some of its gains and traded back towards the \$78.00 level in afternoon trading. The December WTI contract settled unchanged at \$78.26 and the January Brent contract settled down 5 cents at \$82.47. The product markets ended the session in negative territory, with the heating oil market settling down 22 points at \$2.8371 and the RB market settling down 1.31 cents at \$2.2228.

**Technical Analysis:** The oil market is seen remaining in its recent trading range from \$74.90 to \$81.05 as it awaits the release of the weekly inventory reports, which are expected to show a build of over 4 million barrels in crude stocks. The market is seen finding support at its low of \$77.79, \$76.21, \$75.31-\$75.21 and \$74.91. Meanwhile, resistance is seen at its high of \$79.77, \$80.28, \$81.05-\$81.10.

**Fundamental News:** The International Energy Agency raised its oil demand growth forecasts for this year and next, despite an expected deceleration in economic growth in nearly all major economies. The IEA said that although voluntary supply cuts from Saudi Arabia and Russia until the end of the year will keep supply tight, with demand growth still set to slow, the market could shift into surplus at the start of 2024. It said that while overall economic and oil demand growth are expected to slow down next year, demand in 2023 has been supported by resilient U.S. deliveries and record September demand from China. The IEA added that expectations for 2024 are underpinned by hopes of interest rate cuts and the recent fall in crude prices. For 2023, the IEA raised its growth forecast to 2.4 million bpd from 2.3 million bpd. For 2024, the IEA raised its growth forecast to 930,000 bpd from 880,000 bpd, still well below OPEC's forecast of 2.25 million bpd.

Iraq's Oil Minister, Hayan Abdel-Ghani, said that he is optimistic a deal to resume oil exports could be reached with the Kurdistan Regional Government in coming days. He said that KRG production sharing contracts are "not acceptable", saying he proposed to the KRG and foreign oil companies operating in Iraq's semi-autonomous Kurdistan to change current contracts to profit-sharing ones. A senior ministry official said differences over KRG contracts and debt repayments owed to oil companies in the region are the major obstacles delaying a final deal.

Citi Research sees Brent oil prices averaging \$73/barrel by the second quarter of 2024. It said oil prices should be in a downward channel since the September spike, as supply should be more than demand in 2024.

ExxonMobil's 630,000 bpd Beaumont refinery was set to return to normal operations after experiencing a power outage on November 10<sup>th</sup>.

ExxonMobil reported over the weekend it had experienced flaring in excess of permitted levels at its 251,800 b/d Joliet refinery.

Valero reported to state regulators it had experienced a temporary coker unit upset at its 335,000 b/d Port Arthur refinery on Friday.

**Early Market Call - as of 8:15 AM EDT**

WTI - December \$77.98, down 28 cents

RBOB - December \$2.1972, down 2.56 cents

HO - December \$2.8128, down 2.42 cents

## All NYMEX | Prior Settlements

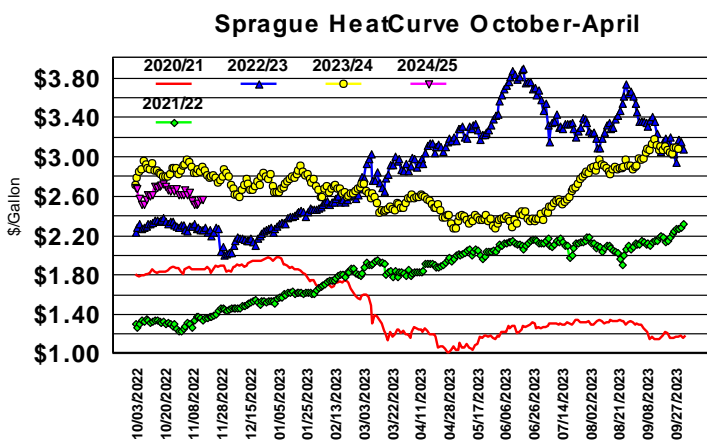
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.8371	-0.0022	-0.0013
Jan-24	2.7792	0.0027	0.0007
Feb-24	2.7465	0.0040	0.0046
Mar-24	2.7074	0.0038	0.0064
Apr-24	2.6608	0.0031	0.0089
May-24	2.6295	0.0028	0.0131
Jun-24	2.6065	0.0011	0.0120
Jul-24	2.5969	0.0004	0.0095
Aug-24	2.5944	0.0005	0.0097
Sep-24	2.5984	0.0013	0.0112
Oct-24	2.6000	0.0022	0.0121
Nov-24	2.5943	0.0030	0.0116
Dec-24	2.5822	0.0032	0.0101
Jan-25	2.5699	0.0034	0.0093
Feb-25	2.5559	0.0034	0.0096
Mar-25	2.5393	0.0035	0.0109
Apr-25	2.5176	0.0031	0.0123

Sprague HeatCurve October 2024-April 2025			\$2.5651
		Close	Change
Crude - WTI	Jan Brent- WTI Spread \$4.30	\$78.1700	-\$0.0200
Crude - Brent		\$82.4700	-\$0.0500
Natural Gas		\$3.1060	-\$0.0910
Gasoline		\$2.2228	-\$0.0131

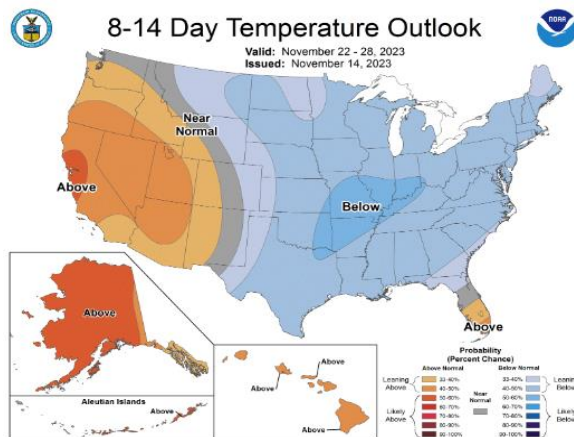
### API Report for the Week Ending November 10, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(exl SPR)	Up 1.34 million barrels	Up 4.5 million barrels
Gasoline Stocks	Up 195,000 barrels	Down 1.3 million barrels
Distillate Stocks	Down 1.02 million barrels	Down 2.7 million barrels
Refinery Runs		

## Sprague HeatCurve October-April



## 8-14 Day Weather Forecast



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