

Market Commentary

Recap: The oil market on Tuesday consolidated its trading following back to back gains as traders turned cautious ahead of this week's EIA crude stocks report and Sunday's OPEC+ meeting. The market, which had retraced almost 38% of its move from a high of \$88.37 to a low of \$72.37 on Monday, saw some profit taking on Tuesday ahead of the Thanksgiving holiday on Thursday and the OPEC+ meeting on Sunday. The market is likely expecting an extension of Saudi Arabia's and Russia's output cuts, with Saudi Arabia seeking additional barrels from other members to share the burden of the cuts, which may result in a limited supply cut. The market was also pressured as President Joe Biden said that a deal to free some Israeli hostages held by militant group Hamas is imminent. The crude market traded in a sideways trading range for much of the day after it traded to \$77.80 in overnight trading and posted a low of \$76.92 early in the morning. However, the market traded higher ahead of the close, posting a high of \$77.92. The January WTI contract settled down 6 cents at \$77.77 on its first day as the spot contract, while the January Brent contract settled up 13 cents at \$82.45. The product markets ended the session in positive territory for the third consecutive session, with the heating oil market settling up 7.54 cents at \$2.9249 and the RB market settling up 78 points at \$2.2338.

Technical Analysis: The crude market on Wednesday is seen trading sideways amid a small crude stocks build expected in the weekly petroleum stocks report. The market is also seen trading within its recent trading range amid the lower volumes ahead of Thursday's Thanksgiving Day holiday and as traders position themselves ahead of the OPEC+ meeting over the weekend. The market is seen finding resistance at its highs of \$77.92 and \$78.46 followed by \$78.48, \$78.69, \$79.65 and \$80.37. Further upside is seen at \$80.79, \$81.90 and \$82.26. Meanwhile, support is seen at \$76.92, \$75.41 followed by \$72.91 and \$72.37.

Fundamental News: The head of the International Energy Agency, Fatih Birol, said the oil market is "on edge" over the latest crisis in the Middle East. He said the war in Gaza between Israel and militant Palestinian group Hamas has not currently had a significantly effect on market prices. However, he added "if one or more of the oil producing countries in the region is directly involved in the conflict, we may see the implications of that." Separately, the head of IEA's oil markets and industry division, Toril Bosoni, said the global oil market will see a slight surplus of supply in 2024 even if the OPEC+ nations extend their cuts into next year. She, however said that the oil market is in a deficit and stocks are declining "at a fast rate".

LSEG data showed that gasoline shipments from northwest Europe to the U.S. fell to 542,000 tons in October from 724,000 tons in September and are expected to reach 638,000 tons for November. Meanwhile, gasoline exports from northwest European to West Africa increased to 967,000 tons in October, up from 739,000 tons in September and are expected to reach 891,000 tons in November.

U.S. officials said seven energy companies have been impacted by an oil discharge near Main Pass Oil Gathering Co's pipeline system in the Gulf of Mexico that is estimated to have released more than a million gallons of crude oil. The pipeline was closed by Main Pass Oil Gathering Co on Thursday morning after crude oil was spotted around 19 miles offshore of the Mississippi River delta, near Plaquemines Parish.

Citi expects Saudi Arabia to roll its 1 million bpd voluntary cut through the first quarter of 2024 and Russia to pledge its 300,000 bpd output cut. It said it expects the rest of OPEC+ members to commit to their existing quotas through 2024, though compliance may slip over time. It said prices should be supported around current levels into the year-end and early 2024, consistent with its 3 month Brent price forecast of \$80/barrel. Citi expects OPEC+ to continue to manage output policy to try to keep a floor below prices over the next 6-12 months as the surplus looks manageable near-term.

Early Market Call - as of 8:15 AM EDT

WTI - January \$74.66, down 3.15 cents

RBOB - December \$2.1693, down 6.45 cents

HO - December \$2.8370, down 8.79 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.9249	0.0754	0.0878
Jan-24	2.8522	0.0645	0.0730
Feb-24	2.8137	0.0585	0.0672
Mar-24	2.7686	0.0497	0.0612
Apr-24	2.7155	0.0413	0.0547
May-24	2.6767	0.0330	0.0472
Jun-24	2.6496	0.0281	0.0431
Jul-24	2.6368	0.0253	0.0399
Aug-24	2.6327	0.0240	0.0383
Sep-24	2.6363	0.0236	0.0379
Oct-24	2.6367	0.0225	0.0367
Nov-24	2.6284	0.0208	0.0341
Dec-24	2.6141	0.0191	0.0319
Jan-25	2.6003	0.0170	0.0304
Feb-25	2.5840	0.0140	0.0281
Mar-25	2.5650	0.0117	0.0257
Apr-25	2.5422	0.0107	0.0246

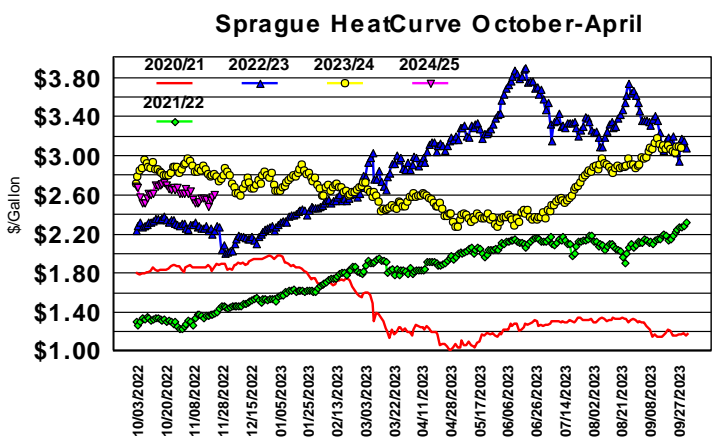
Sprague HeatCurve October 2024-April 2025

	Close	Change
Crude - WTI	\$77.7700	-\$0.0600
Crude - Brent	\$82.4500	\$0.1300
Natural Gas	\$2.8460	-\$0.0360
Gasoline	\$2.2338	\$0.0078

API Report for the Week Ending November 10, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 9.1 million barrels	Up 100,000 barrels
Gasoline Stocks	Down 1.79 million barrels	Up 1.1 million barrels
Distillate Stocks	Down 3.5 million barrels	Down 400,000 barrels
Refinery Runs		Up 0.8% at 86.9%

Sprague HeatCurve October-April



8-14 Day Weather Forecast

