

Market Commentary

Recap: Crude oil prices were on the rise early on Friday morning on continuing fears that the oil markets remain tight with the G7 agreeing on a fixed price capping mechanism on Russian crude. WTI rose more than 5 cents, as the Strategic Petroleum Reserve releases have neared their end. Throughout the SPR release period, which spanned from April to now releasing about 180 million barrels, commercial crude oil inventories rose between 20 and 30 million barrels. With the SPR releases now in the rearview, the market is fearing a substantial decrease in U.S. oil inventories. The dollar also fell as much as 1.8% on Friday, bolstering the price for WTI as it becomes significantly more attractive for those who hold other currencies. WTI for December delivery gained \$4.71 per barrel or 5.36% to \$92.61 this week and \$4.44, or 5.04% on the session. ICE Brent Crude for January delivery gained \$4.80 per barrel or 5.12% to \$98.57 this week and finished up \$3.90 or 4.12% for Friday's session. RBOB for December delivery gained 17.19 cents per gallon, or 6.71% to \$2.7348 this week and 4.09 cents or 1.52% during Friday's session. ULSD for December delivery gained 16.93 cents per gallon, or 4.52% to \$3.9148 this week and 4.95 cents or 1.28% for the session.

Technical Analysis: The U.S. and its G7 allies' sanctions on Russian oil go into effect on December 5, which is largely expected to curtail Russia's oil exports by at least some amount. The sanctions on Russia's crude oil, the end to the SPR releases, the falling dollar, and OPEC+'s expected production cuts are then colliding with stubbornly flat U.S. oil production, creating the perfect storm for high oil prices. This combined with the Friday's technical breakout to the upside, should see a push toward \$94.37, the 38% retracement set by the Jun high of \$123.68 and the September low of \$76.25. Beyond this level additional resistance is set at \$98.52 and \$99.97, the 50% retracement of the aforementioned range. To the downside, support is set at \$87.98, \$86.23 and \$85.

Fundamental News: According to Refinitiv analysis, gasoline exports to the U.S. are expected to recover in November compared with low volumes reported last month. Refinitiv Oil Research is tracking a potential 185,000 tons of exports of Northwest European gasoline to the U.S. this week, aboard five medium range tankers, after last week saw just two gasoline tankers embarking on the transatlantic journey.

U.S. energy firms this week added oil and natural gas rigs for a third time in four weeks. Baker Hughes reported that the oil and gas rig count increased by 2 to 770 in the week ending November 4th. It reported that U.S. oil rigs increased by 3 to 613 this week, the highest level since March 2020, while gas rigs fell by 1 to 155, the lowest level since late July 2022.

IIR Energy reported that U.S. oil refiners are expected to shut in 657,000 bpd of capacity in the week ending November 4th, increasing available refining capacity by 610,000 bpd.

U.S. refiners this quarter will run their plants at near or above 90% of capacity, as tight fuel supplies spur high profits and operating rates. Marathon Petroleum Corp aims to operate its system at 93% of combined oil processing capacity in the fourth quarter, down from 98% of capacity last quarter. Second-largest refiner, Valero Energy plans to run at between 91% and 95% of capacity this quarter, while LyondellBasell Industries targets an above 90% rate, and Phillips 66 projects a low-to-mid 90% run rate. Matthew Blair, refining analyst at researcher Tudor Pickering & Holt, stated that overall, refiners are forecasting production will remain close to third quarter levels, which averaged 92.75%. John Paisie, President of energy consultancy and researcher Stratas Advisors, said the plans reflect increased demand for diesel and jet fuel with U.S. inventories below the five-year average.

Valero shut relevant units after a fire at the East Plant of its Corpus Christi, Texas oil refinery.

Early Market Call - as of 8:40 AM EDT

WTI - December \$91.96, down 66 cents

RBOB - December \$2.6943, down 4.13 cents

HO - December \$3.8527, down 6.21 cents

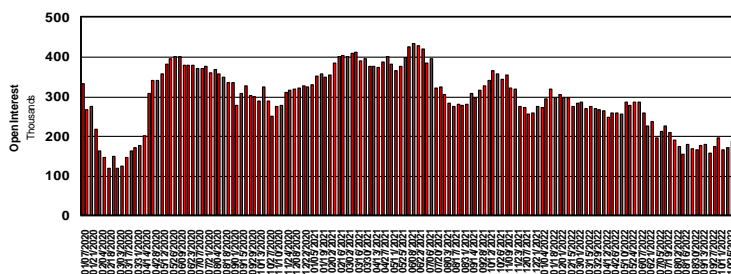
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-22	3.9148	0.0495	0.1693
Jan-23	3.6971	0.0481	0.1075
Feb-23	3.5724	0.0496	0.1046
Mar-23	3.4578	0.0541	0.1111
Apr-23	3.3423	0.0586	0.1191
May-23	3.249	0.0619	0.1196
Jun-23	3.1771	0.0645	0.1193
Jul-23	3.1341	0.0646	0.1183
Aug-23	3.1021	0.063	0.1163
Sep-23	3.0742	0.0607	0.1125
Oct-23	3.0485	0.0588	0.1075
Nov-23	3.0232	0.0566	0.1012
Dec-23	2.9989	0.055	0.0943
Jan-24	2.9755	0.0529	0.0915
Feb-24	2.9536	0.0526	0.091
Mar-24	2.9222	0.0532	0.0922
Apr-24	2.8819	0.0537	0.0923

Sprague HeatCurve October 2023-April 2024

	Close	Change
Crude - WTI	\$91.4500	\$4.2700
Crude - Brent	\$98.5700	\$3.9000
Natural Gas	\$6.4000	\$0.4250
Gasoline	\$2.7348	\$0.0409

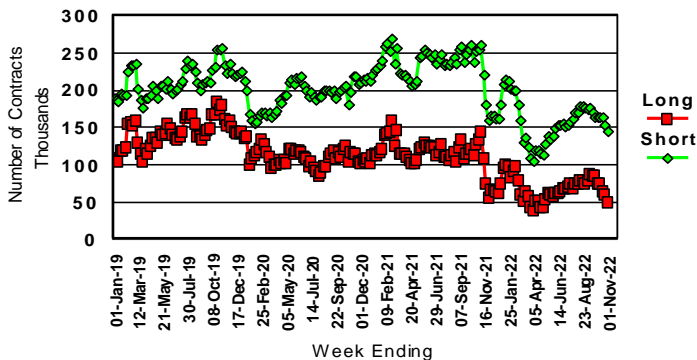
WTI Futures & Options: NYMEX & ICE Combined
Managed Money Reportable Positions



Commitment of Traders Report for the Week Ending November 1, 2022

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

