

Market Commentary

Recap: On Friday, the oil market traded mostly sideways before it rallied ahead of the weekend. Throughout the session, the market was weighing concerns over the economy and the concerns over the conflict between Israel and Hamas spreading in the Middle East. The oil market traded higher in overnight trading following the news that the U.S. military struck two bases in eastern Syria it believed were used by Iranian groups in retaliation for attacks on U.S. forces by Iranian-backed militia following the start of the Israel-Hamas conflict. The oil market extended its gains to over \$2 as it rallied to \$85.35 early in the morning. However, as the market failed to test its previous high, the market erased its gains and sold off to a low of \$83.10 following the economic data. While GDP data on Thursday showed the economy grew at the fastest pace in nearly two years, inflation could continue to increase and warrant tighter monetary policy, if consumer spending remains strong. The crude market later bounced higher, breaching its previous high and posted a high of \$85.90 on some late buying ahead of the close. The December WTI contract settled up \$2.33 at \$85.54 and the Brent market settled up \$2.55 at \$90.48. Meanwhile the product markets ended the session in positive territory, with the heating oil market settling up 80 points at \$3.0519 and the RB market settling up 5.64 cents at \$2.3125.

Technical Analysis: The oil market is seen remaining in its recent trading range from \$80-\$90 as traders await for any new developments in the Israel-Hamas conflict. While Israel stated earlier this week that it had decided to hold off on its ground invasion into Gaza, Israel's Prime Minister said on Friday that its military was still preparing for a full ground invasion. The market is seen finding resistance at its high of \$85.90, \$86.30, \$86.88 followed by \$88.29 and \$89.85. Meanwhile, support is seen at its low of \$83.10, \$82.56, \$82.37, \$82.08 followed by \$81.31 and \$80.20.

Fundamental News: Late Thursday, two U.S. military fighter jets struck weapons and ammunition facilities in Syria in retaliation for attacks on U.S. forces by Iranian-backed militia since the Gaza war started. Meanwhile, Israeli forces carried out their biggest Gaza ground attack in their 20-day war with Hamas overnight after Israel's Prime Minister, Benjamin Netanyahu, said Israeli troops were still preparing for a full ground invasion.

During a meeting of the EU's oil coordination group, European Union officials discussed diversifying oil stocks and creating a buffer for diesel and gasoline.

Goldman Sachs maintained its first quarter of 2024 Brent price forecast at \$95/barrel. It said the geopolitical conflict has currently not affected oil supply but said an Israeli natural gas field shutdown has lowered global LNG supply by 1%. It sees first quarter 2024 oil prices in a severe supply downside scenario with interruption of transportation through the Strait of Hormuz initially increasing 20% over its baseline in the first month of interruption. It estimates that the market assigned a less than 1% probability of first quarter 2024 Brent prices over \$135/barrel.

According to LSEG data, a total of 623,000 metric tons of gasoline will be shipped to the U.S. from Northwest Europe in October. Meanwhile, exports to West Africa will reach a seven month high of 932,000 metric tons in October, up from 688,000 tons in September.

Baker Hughes reported that the U.S. oil and natural gas rig count increased by 1 in the week ending October 27th to 625. It was the third consecutive increase. Baker Hughes reported that the number of oil rigs increased by 2 on the week to 504.

IIR Energy reported that U.S. oil refiners are expected to shut in about 2.2 million bpd of capacity in the week ending October 27th, increasing available refining capacity by 247,000 bpd. Offline capacity is expected to fall to 1.3 million bpd in the week ending November 3rd and further to 743 million bpd in the week ending November 10th.

Early Market Call - as of 8:30 AM EDT

WTI - December \$84.00, down \$1.54

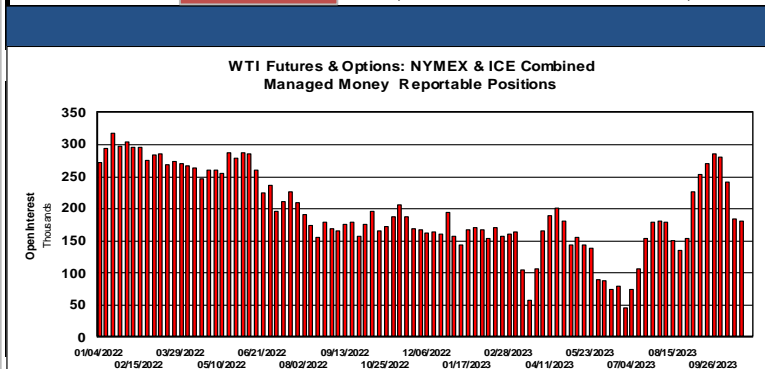
RBOB - November \$2.3009, down 1.16 cents

HO - November \$3.0353, down 1.66 cents

All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	3.0519	0.0080	-0.1047
Dec-23	2.9687	0.0031	-0.1030
Jan-24	2.9200	0.0030	-0.1018
Feb-24	2.8841	0.0051	-0.0953
Mar-24	2.8376	0.0088	-0.0799
Apr-24	2.7806	0.0108	-0.0686
May-24	2.7420	0.0128	-0.0566
Jun-24	2.7185	0.0157	-0.0452
Jul-24	2.7108	0.0176	-0.0378
Aug-24	2.7071	0.0184	-0.0324
Sep-24	2.7082	0.0186	-0.0291
Oct-24	2.7074	0.0181	-0.0277
Nov-24	2.7017	0.0169	-0.0275
Dec-24	2.6904	0.0165	-0.0269
Jan-25	2.6780	0.0168	-0.0263
Feb-25	2.6610	0.0170	-0.0248
Mar-25	2.6392	0.0171	-0.0233

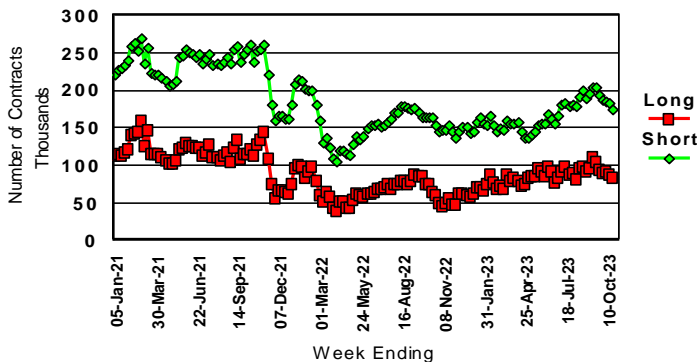
Sprague HeatCurve October 2024-April 2025		\$2.6698
	Close	Change
Crude - WTI	\$85.5400	\$2.3300
Crude - Brent	\$90.4800	\$2.5500
Natural Gas	\$3.1640	-\$0.0500
Gasoline	\$2.3125	\$0.0564



Commitment of Traders Report for the Week Ending October 24, 2023

Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



Managed Money Heat Positons

CFTC Commitment of Traders Report

