

Market Commentary

Recap: The oil market traded lower on Monday as it continued to erase its previous gains in light of the diplomatic efforts over the weekend to prevent the Gaza conflict from spreading. The recent diplomatic developments helped ease tensions, bringing some hope of a de-escalation in the conflict after Hamas released two U.S. hostages held in Gaza on Friday. Aid convoys started to arrive in the Gaza Strip from Egypt over the weekend, while U.S. President Joe Biden had calls on Sunday with the leaders of Canada, France, Britain, Germany and Italy following his visit to Israel last week. The oil market continued to trend lower after posting a high of \$88.29 on the opening on Sunday night. It extended its losses to over \$2 as it sold off to a low of \$85.35 in afternoon trading. The market later settled in a sideways trading range ahead of the close. The December WTI contract settled down \$2.59 at \$85.49 and the December Brent contract settled down \$2.33 at \$89.83. The product markets ended the session in negative territory, with the heating oil market settling down 6.11 cents at \$3.0955 and the RB market settling down 4.51 cents at \$2.3285.

Technical Analysis: The crude market will remain driven by the developments in the Israel-Hamas conflict. Technically, the market is seen remaining range bound as its stochastics look ready to trend sideways and cross to the downside. The oil market is seen finding support at its low of \$85.35, \$85.03, \$84.39 and \$83.89. Meanwhile, resistance is seen at \$87.55, \$88.05, \$88.23, followed by \$88.41 and \$89.85. More distant upside is seen at \$89.89, \$90.96 and \$92.48.

Fundamental News: Citi said it expects a meaningful rebound in commodities assets under management for October towards \$700 billion, on the back of Middle East geopolitics and position squaring across the petroleum complex and gold. Citi said short-term momentum model forecasts higher oil prices into the month-end with a neutral-bullish signal for ICE Brent in the next 5-10 days.

Chevron Corp said it will buy Hess Corp in a \$53-billion all-stock deal. CEO John Hess of Hess Corp, is expected to join Chevron's board of directors once the deal closes. Chevron Corp said it will no longer use put options to hedge the crude oil production it is acquiring from Hess Corp, once the deal is completed. In its most recent earnings report, the company had contracts in place that locked in \$70/barrel for about 80,000 bpd of WTI production and \$75/barrel for about 50,000 barrels of Brent production for the rest of the year.

Global diesel imports into Europe so far this month were pegged at 3.76 million metric tons, down from 5.78 million tons last month. Meanwhile, LSEG tracking shows that gasoline exports from northwest Europe to the U.S. and West Africa are set to reach 986,000 metric tons so far this month, down from 1.27 million tons in September.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.9 million bpd of capacity in the week ending October 27th, increasing available refining capacity by 375,000 bpd. Offline capacity is expected to fall to 1.1 million bpd in the week ending November 3rd.

Citgo Petroleum Corp reported that operating conditions at its 167,500 bpd Corpus Christi, Texas East plant have made flaring necessary on October 22nd.

Delek reported that equipment malfunction resulted in flaring at its 73,000 bpd Big Spring, Texas refinery on October 22nd. The refiner is trying to minimize emissions while its attempts to restart the unit.

Early Market Call - as of 8:55 AM EDT

WTI - December \$85.61, up 12 cents

RBOB - November \$2.3188, down 97 points

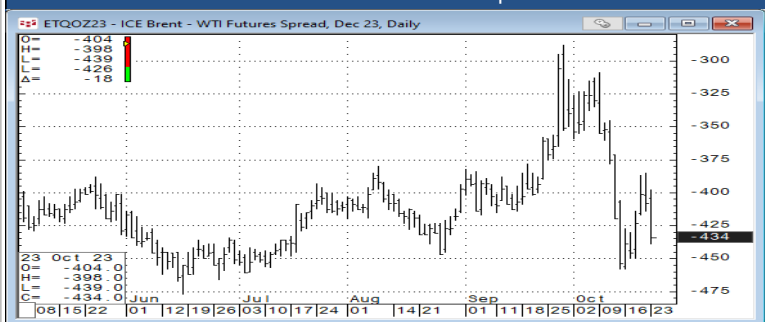
HO - November \$3.0818, down 1.37 cents

All NYMEX | Prior Settlements

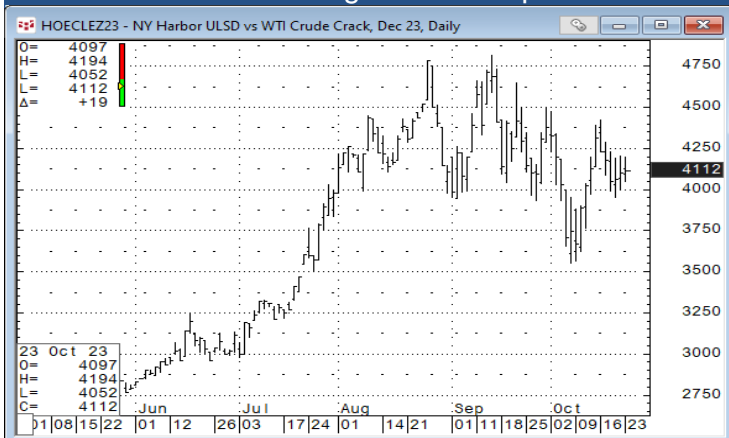
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	3.0955	-0.0611	-0.0537
Dec-23	3.0156	-0.0561	-0.0265
Jan-24	2.9689	-0.0529	-0.0113
Feb-24	2.9283	-0.0511	-0.0083
Mar-24	2.8718	-0.0457	-0.0097
Apr-24	2.8070	-0.0422	-0.0101
May-24	2.7600	-0.0386	-0.0106
Jun-24	2.7283	-0.0354	-0.0120
Jul-24	2.7144	-0.0342	-0.0163
Aug-24	2.7062	-0.0333	-0.0200
Sep-24	2.7050	-0.0323	-0.0224
Oct-24	2.7036	-0.0315	-0.0233
Nov-24	2.6979	-0.0313	-0.0243
Dec-24	2.6867	-0.0306	-0.0253
Jan-25	2.6738	-0.0305	-0.0257
Feb-25	2.6555	-0.0303	-0.0242
Mar-25	2.6322	-0.0303	-0.0224

Sprague HeatCurve October 2024-April 2025			\$2.6647
		Close	Change
Crude - WTI	Dec Brent-WTI Spread \$4.34	\$85.4900	-\$2.5900
Crude - Brent		\$89.8300	-\$2.3300
Natural Gas		\$2.9260	\$0.0270
Gasoline		\$2.3285	-\$0.0451

ICE December Brent-WTI Spread



December Heating Oil Crack Spread



December RBOB Crack Spread

