

Market Commentary

Recap: Oil futures ended on a mixed note Thursday, with the November U.S. benchmark contract ending higher on its expiration day, but the December contract little changed. Oil found some support from reports that China is looking to cut the duration of quarantine for inbound visitors, in a sign that perhaps the government might be looking to try and mitigate some of the worst effects of its zero-COVID policy. The reality is it's unlikely to make much difference given that as the weather gets colder, COVID infection rates are only likely to increase. U.S. benchmark West Texas Intermediate crude for November delivery rose 43 cents, or 0.5%, to settle at \$85.98 a barrel. The December WTI contract, which is the new front-month contract as of the close, settled at \$84.51, down by a penny for the session. Brent Crude for December delivery lost three cents per barrel, or 0.03% to \$92.38. RBOB Gasoline for November delivery lost 0.44 cent per gallon, or 0.17% to \$2.6478, while heating oil for November delivery lost 14.75 cents per gallon, or 3.78% to settle at \$3.7568.

Technical Analysis: WTI rallied early in the session on Thursday as it tried to pull away from the 10 and 50-day moving averages. As of now, the December contract is trending within a symmetrical triangle, which carries with it a period of sideways trading. Traders are still grappling with recent production cuts by OPEC+ and slackening demand set for by fears of a global economic slowdown. Feelings on these two fronts have traders flip-flopping, making it difficult to form sizeable positions. Until a definitive direction on this market can be decided on, we expect to see continued sideways trading. Resistance is seen at \$86.97, \$87.43 and above that at \$90. Support is seen at \$85, \$82, and \$81.30.

Fundamental News: Citi Research said the SPR sales help rebalance the oil market, with more to come. It said coordinated SPR releases and especially U.S. SPR releases have been meaningful for easing prices.

The EPA reported that the U.S. generated 501 million biodiesel blending credits in September, up from 453 million in August. It also reported that the U.S. generated 1.13 billion ethanol blending credits in September, down from 1.27 billion in August.

A CGT union representative said workers at TotalEnergies ended their strikes at all but two sites in France on Thursday, adding that morning staff at the Normandy and Feyzin refineries were the only ones to continue the stoppage. The CGT representative said morning staff at TotalEnergies' La Mede refinery and at a storage site in Dunkirk chose to resume work. The same decision was taken at the Donges refinery on Wednesday. While roughly one in five petrol stations in France is still grappling with shortages, supplies have been improving after the government increased imports and requisitioned some staff following almost four weeks of disruption.

Colonial Pipeline Co is allocating space for Cycle 61 shipments on Line 2, its main distillate line from Houston, Texas to Greensboro, North Carolina.

The U.S. Labor Department reported that the number of Americans filing new claims for unemployment benefits fell unexpectedly last week. It reported that initial claims for state unemployment benefits fell to a seasonally adjusted 214,000 in the week ending October 15th. Data for the prior week was revised to show 2,000 fewer applications filed than previously reported. The report showed that the number of people receiving benefits after an initial week of aid increased by 21,000 to 1.385 million in the week ending October 8th.

Early Market Call - as of 8:25 AM EDT

WTI - December \$84.64, up 12 cents
 RBOB - November \$2.6517, up 39 points
 HO - November \$3.6886, down 6.82 cents

All NYMEX | Prior Settlements

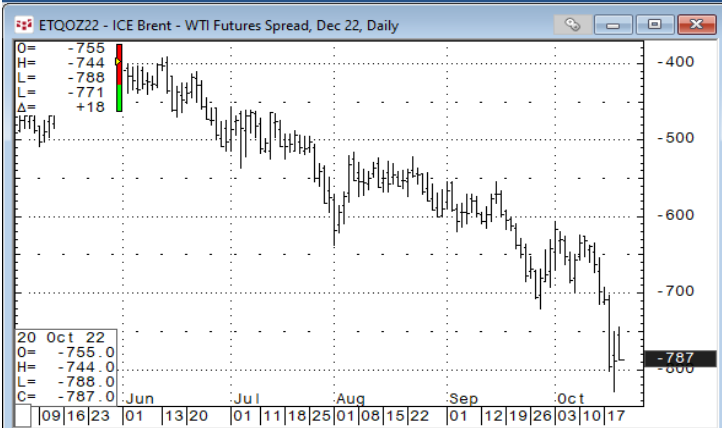
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-22	3.7568	-0.1475	-0.338
Dec-22	3.4838	-0.0768	-0.2238
Jan-23	3.3742	-0.0583	-0.205
Feb-23	3.2884	-0.0548	-0.196
Mar-23	3.1996	-0.0511	-0.1855
Apr-23	3.1034	-0.047	-0.1743
May-23	3.0271	-0.0434	-0.1648
Jun-23	2.9622	-0.0414	-0.1601
Jul-23	2.9249	-0.0396	-0.1581
Aug-23	2.8993	-0.0383	-0.1549
Sep-23	2.8787	-0.0366	-0.1515
Oct-23	2.8594	-0.0349	-0.1473
Nov-23	2.839	-0.0329	-0.1433
Dec-23	2.8201	-0.0284	-0.1369
Jan-24	2.7989	-0.0251	-0.1311
Feb-24	2.7799	-0.0229	-0.1258
Mar-24	2.7518	-0.0232	-0.127

Sprague HeatCurve October 2023-April 2024			\$2.7934
		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$7.87	\$84.5100	-\$0.0100
Crude - Brent		\$92.3800	-\$0.0300
Natural Gas		\$5.3580	-\$0.1040
Gasoline		\$2.6478	-\$0.0044

EIA Working Gas Storage Report

	14-Oct-22	07-Oct-22	Change	14-Oct-21
East	812	782	30	858
Midwest	987	952	35	1,023
Mountain	195	190	5	211
Pacific	249	249	0	253
South Central	1099	1058	41	1,104
Salt	271	253	18	281
Nonsalt	828	804	24	823
Total	3342	3231	111	3,448

ICE December Brent-WTI Spread



WTI Forward Curve

