

## Market Commentary

**Recap:** The crude market posted an outside trading day and ended the week 2.36% lower as the geopolitical risk premium dissipated. Early on Friday, the market continued to trend higher in follow through strength seen on Thursday. The market gradually traded higher in overnight trading and rallied to a high of \$83.60 early in the session following the release of the nonfarm payrolls report for October showing 150,000 jobs were created, which was below expectations and below September's level of 297,000. The market rallied to its high as the slowing job growth was seen as making the case for a pause on increasing interest rates. However, the oil market erased all of its earlier gains and sold off \$3.50 from its high to a low of \$80.10 ahead of the close. The December WTI contract retraced some of its losses and settled down \$1.95 at \$81.37. The Brent contract settled down \$1.96 to \$84.89. The product markets ended the session in negative territory, with the heating oil market settling down 10.17 cents at \$2.9238 and the RB market settling down 4.5 cents at \$2.2010.

**Technical Analysis:** The oil market, which continues to trade within a range from \$80-\$86, will be driven by any news regarding the Israel-Hamas conflict over the weekend. The crude market is seen finding support at its low of \$80.10 followed by \$78.51, \$77.46 and \$77.03. Meanwhile, resistance is seen at its high of \$83.60, \$83.90 followed by \$85.04, \$85.30, \$85.90 and \$86.17.

**Fundamental News:** The U.S. House of Representatives passed a bill to impose further sanctions on Iranian oil. The Stop Harboring Iranian Petroleum bill would impose measures on foreign ports and refineries that process petroleum exported from Iran in violation of U.S. sanctions. The bill must be passed by the Senate and signed by President Joe Biden before becoming law.

According to LSEG data, shipments from northwest Europe to the U.S. fell to 521,000 tons in October from 757,000 tons in September and are estimated at 566,000 metric tons for November so far. LSEG data also showed that global diesel imports into Europe in November are scheduled to reach 4.96 million metric tons, down from 5.67 million tons in October.

Baker Hughes reported that U.S. energy firms this week cut the number of oil and natural gas rigs operating to the lowest level since February 2022. The oil and gas rig count fell by 7 to 618 in the week ending November 3<sup>rd</sup>. It reported that the U.S. oil rigs fell by 8 on the week to 496, the lowest level since January 2022, the U.S. natural gas rigs increased by 1 to 118.

IIR Energy reported that U.S. oil refiners are expected to shut in about 1.5 million bpd of capacity in the week ending November 3<sup>rd</sup>, increasing available refining capacity by 683,000 bpd. Offline capacity is expected to drop to 911,000 bpd in the week ending November 10<sup>th</sup> and further to 540,000 bpd in the week ending November 17<sup>th</sup>.

ANZ Research said the Israel-Hamas war puts Iran's oil production and exports at risk. It expects Saudi Arabia's voluntary cuts to remain in place this year, creating a market deficit of 2 million bpd in the fourth quarter. It said any broadening of conflict could threaten 20 million bpd of supply through the Strait of Hormuz and push prices towards \$120/barrel.

European Central Bank board member, Isabel Schnabel, said armed conflict in the Middle East is likely to have only a limited impact on global energy prices, provided that hostilities do not spread further.

### Early Market Call - as of 8:35 AM EDT

WTI - December \$81.37, up 86 cents

RBOB - December \$2.2215, up 2.05 cents

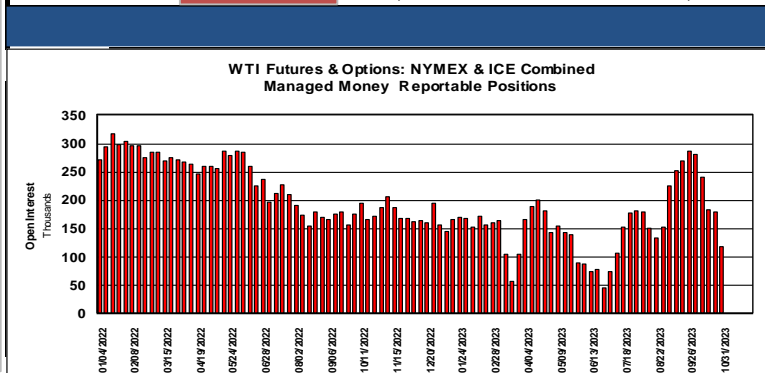
HO - December \$2.9343, up 1.05 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.9238	-0.1017	-0.0449
Jan-24	2.8603	-0.0907	-0.0597
Feb-24	2.8208	-0.0818	-0.0633
Mar-24	2.7772	-0.0738	-0.0604
Apr-24	2.7223	-0.0675	-0.0583
May-24	2.6829	-0.0624	-0.0591
Jun-24	2.6580	-0.0594	-0.0605
Jul-24	2.6493	-0.0570	-0.0615
Aug-24	2.6447	-0.0548	-0.0624
Sep-24	2.6455	-0.0527	-0.0627
Oct-24	2.6446	-0.0515	-0.0628
Nov-24	2.6384	-0.0515	-0.0633
Dec-24	2.6267	-0.0526	-0.0637
Jan-25	2.6144	-0.0531	-0.0636
Feb-25	2.5993	-0.0527	-0.0617
Mar-25	2.5799	-0.0520	-0.0593
Apr-25	2.5545	-0.0507	-0.0556

### Sprague HeatCurve October 2024-April 2025

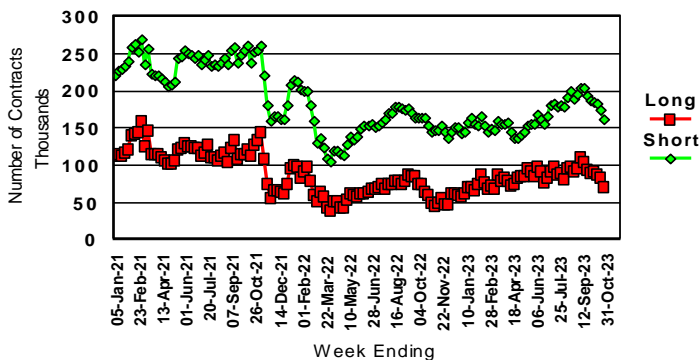
	Close	Change
Crude - WTI	\$80.2300	-\$1.9300
Crude - Brent	\$84.8900	\$1.9600
Natural Gas	\$3.5150	\$0.0430
Gasoline	\$2.2010	-\$0.0450



## Commitment of Traders Report for the Week Ending October 31, 2023

### Producer/Merchant Heat Positons

CFTC Commitment of Traders Report



### Managed Money Heat Positons

CFTC Commitment of Traders Report

