

Market Commentary

Recap: The oil market retraced some of its losses after falling to a three week low earlier in the session despite the strength in the U.S. dollar. Traders weighed some bearish economic news and tightening supply. The market traded lower early in the session as the U.S. dollar rallied to a 10-month high after U.S. job openings data pointed to a still tight labor market that could prompt the Federal Reserve to increase interest rates next month. After rallying last week as the market traded towards the \$100 level, the market seems to have reconsidered whether that level is warranted in light of the latest economic reports showing that the manufacturing sectors in the U.S. and Europe remained in contraction in September. The oil market traded to a low of \$87.76 in overnight trading on the strength in the dollar. However, the market retraced its earlier losses and rallied to a high of \$90.27 by mid-day amid the expected draws in the weekly petroleum stock reports. The November WTI later erased some of its gains ahead of the close and settled up 41 cents at \$89.23 and the December Brent contract settled up 21 cents at \$90.92. The product markets ended the session down 2.71 cents at \$3.1954 and the RB market settled down 5.21 cents at \$2.3601.

Market Analysis: The oil market on Wednesday will be driven by the weekly petroleum stocks reports, which are expected to show draws in crude stocks of over 1 million barrels. The market will also await any news regarding the OPEC+ meeting on Wednesday, although no change in their output policy is expected. The market is seen retracing some more of its sharp losses before it continues on a downward trend, as stochastics are trending lower, after failing to trade much above the \$95.00 level. The crude market is seen finding support at its low of \$87.76, \$87.66, \$86.58, \$86.18 and \$86.12. Meanwhile, resistance is seen at its high of \$90.27, \$91.82, \$91.88 and \$93.10. More distant resistance is seen at \$95.03.

Fundamental News: The U.S. Department of Energy last Friday rejected the delivery and cancelled a contract for 1.5 million barrels for the SPR after discovering that the company delivering the oil was attempting to introduce a very low quality crude in to the SPR that did not meet the quality for storage in the SPR.

Despite comments from Turkey's energy minister this week that the Ceyhan oil pipeline would restart "within this week", a senior Iraqi oil official told Platts that it is "unlikely" that the key pipeline will restart any time soon. The Iraqi official noted that there are key financial and commercial issues that remain to be resolved. The flows along the pipeline have been suspended since March.

Interfax cited Deputy Prime Minister Alexander Novak as saying that Russia is setting no time frame for the fuel export ban it introduced last month and it will remain in place as long as necessary to stabilize prices and address shortages on the domestic market.

Bloomberg reported that as OPEC+ ministers prepare to review global oil markets, delegates from OPEC and its partners do not expect Wednesday's meeting of the Joint Ministerial Monitoring Committee to recommend any policy changes. UAE Energy Minister, Suhail al Mazrouei, said that OPEC+ has "the right policy." High prices are bringing a windfall for Saudi Crown Prince Mohammed bin Salman and they are also an important source of extra revenue for Russia's President Vladimir as his country wages war on Ukraine. The two leaders said they will review the decision each month but there is little expectation of any changes stemming from this week's committee meeting.

Analysts at S&P Global Commodity Insights do not expect OPEC+ to raise output unless oil prices move above \$100 per barrel for some time. A key OPEC+ monitoring committee is scheduled to meet on October 4th, with the next full ministerial meeting of OPEC+ scheduled for November 26th.

Early Market Call - as of 8:35 AM EDT

WTI - November \$87.08, down \$2.15

RBOB - November \$2.3079, down 5.22 cents

HO - November \$3.0989, down 9.48 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-23	3.1954	-0.0271	0.0241
Dec-23	3.0873	-0.0164	0.0118
Jan-24	3.0148	-0.0115	-0.0128
Feb-24	2.9636	-0.0081	-0.0224
Mar-24	2.9016	-0.0076	-0.0266
Apr-24	2.8277	-0.0074	-0.03
May-24	2.7767	-0.0084	-0.0377
Jun-24	2.7426	-0.0095	-0.0416
Jul-24	2.7282	-0.0101	-0.0391
Aug-24	2.721	-0.0114	-0.0363
Sep-24	2.7202	-0.0118	-0.0333
Oct-24	2.7172	-0.0123	-0.0311
Nov-24	2.7085	-0.0126	-0.0297
Dec-24	2.6946	-0.0131	-0.0283
Jan-25	2.6793	-0.013	-0.0266
Feb-25	2.6601	-0.0127	-0.0239
Mar-25	2.6364	-0.0123	-0.0201

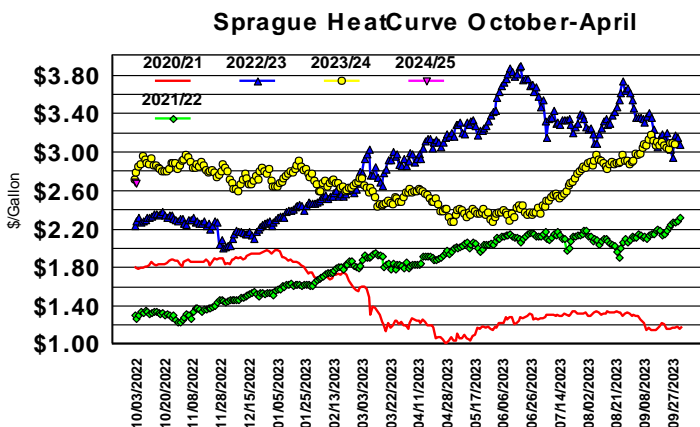
Sprague HeatCurve October 2024-April 2025

	Close	Change
Crude - WTI	\$87.4400	\$0.2700
Crude - Brent	\$90.9200	\$0.2100
Natural Gas	\$2.9490	\$0.1090
Gasoline	\$2.3601	-\$0.0521

API Report for the Week Ending September 29, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Down 4.2 million barrels	Down 1.4 million barrels
Gasoline Stocks	Up 3.9 million barrels	Unchanged
Distillate Stocks	Up 350,000 barrels	Down 1.6 million barrels
Refinery Runs		Down 0.3% at 89.2%

Sprague HeatCurve October-April



WTI Forward Curve

