

## Market Commentary

**Recap:** The oil market traded lower as it positioned itself ahead of the weekly petroleum stock reports and the outcome of the Federal Reserve meeting on Wednesday. The market was pressured as Israel's ground offensive in the Gaza Strip has not caused any further escalation of conflict in the Middle East so far. The oil market traded mostly sideways early in the session as it retraced some of Monday's losses and posted a high of \$83.37. The market was steady as a drop in euro zone inflation helped offset some earlier weakness due to weak economic data from China. Weaker than expected manufacturing and non-manufacturing activity data in China prompted fears of slowing fuel demand. However, the crude market breached its previous low of \$81.82 and posted a low of \$80.93 ahead of the close. The market may have been further pressured by news that Hamas may release a number of hostages over the coming days. The December WTI contract settled down \$1.29 at \$81.02 and the December Brent contract settled down 4 cents at \$87.41.

**Market Analysis:** The crude market will likely retrace some of its losses before it continues on its downward trend amid the news of the possible hostage release over the coming days and as the conflict between Israel and Hamas remains contained. The market is seen finding support at its low of \$80.93 and \$80.20. More distant support is seen at \$79.94 and \$78.51. Meanwhile, resistance is seen at \$82.80, its high of \$83.37, \$84.45, \$85.30, \$85.48, \$85.90, \$86.30 and \$86.51.

**Fundamental News:** A Reuters survey showed that slow global economic growth will keep crude prices anchored below \$90/barrel this year and next, unless the Israel-Hamas conflict draws in more countries in the Middle East and exacerbates supply tightness. A survey of 40 economists and analysts forecast Brent crude would average \$84.80/barrel this year, and \$86.62/barrel in 2024, little changed from estimates of \$84.09/barrel and \$86.45/barrel projected in September. U.S. crude forecasts were also slightly higher at \$80.32/barrel for 2023 and \$83.02/barrel next year, from the \$79.64/barrel and \$82.99/barrel estimates last month.

A spokesman of Hamas' armed wing said that Hamas told mediators that it will release a number of foreign captives in the coming days.

According to sources, Saudi Arabia's military has gone into a state of high alert following deadly clashes with Yemen's Iran-backed Houthis rebels.

The EIA reported that U.S. crude oil in August increased by 94,000 bpd to 13.053 million bpd, a new monthly record, from a revised level of 12.959 million bpd in July. Oil production in Texas increased by 0.5% to a monthly record of 5.63 million bpd, while output in New Mexico and North Dakota increased to 1.8 million bpd and 1.22 million bpd, respectively. U.S. total oil demand in August increased by 3% or 616,000 bpd on the year to 20.881 million bpd compared with an increase of 1% in July. Gasoline demand in August increased by 2% or 184,000 bpd on the year to 9.299 million bpd and distillate demand increased by 4.9% or 194,000 bpd to 4.134 million bpd.

According to a Reuters survey, OPEC's oil output has increased for a third consecutive month in October, led by increases in Nigeria and Angola. OPEC produced 27.9 million bpd in October, up by 180,000 bpd from September.

### Early Market Call - as of 8:20 AM EDT

WTI - December \$82.72, up \$1.70

RBOB - December \$2.2589, up 4.16 cents

HO - December \$2.9542, up 4.42 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Nov-23	2.991	0.0247	-0.0539
Dec-23	2.91	0.0259	-0.0525
Jan-24	2.8561	0.0147	-0.0609
Feb-24	2.8154	0.0073	-0.0626
Mar-24	2.767	0.0026	-0.0596
Apr-24	2.7093	-0.0009	-0.0574
May-24	2.6704	-0.004	-0.0539
Jun-24	2.6471	-0.0056	-0.0493
Jul-24	2.6404	-0.0057	-0.0454
Aug-24	2.6372	-0.0062	-0.0427
Sep-24	2.6386	-0.0067	-0.0415
Oct-24	2.6391	-0.0065	-0.0409
Nov-24	2.6349	-0.006	-0.0403
Dec-24	2.6258	-0.0047	-0.0387
Jan-25	2.6154	-0.0038	-0.037
Feb-25	2.6009	-0.0027	-0.034
Mar-25	2.5817	-0.0021	-0.0313

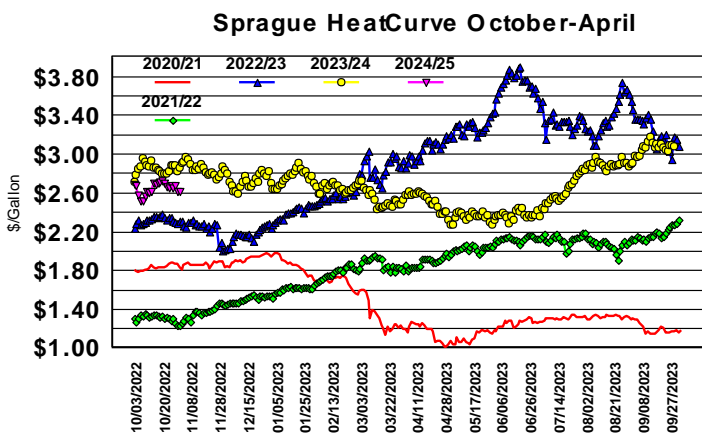
### Sprague HeatCurve October 2024-April 2025

	Close	Change
Crude - WTI	\$81.0200	-\$1.2900
Crude - Brent	\$87.4100	-\$0.0400
Natural Gas	\$3.5750	\$0.2230
Gasoline	\$2.2227	\$0.0027

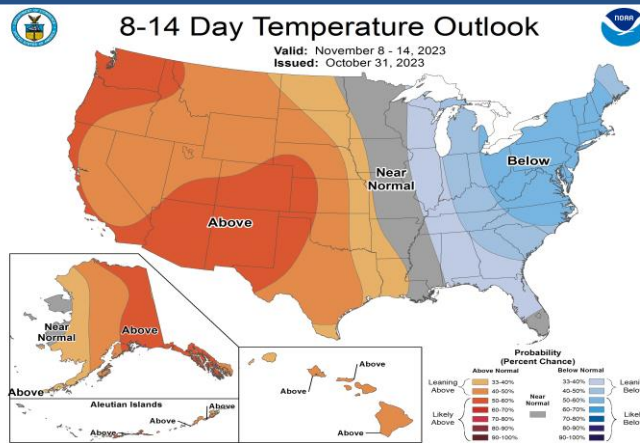
### API Report for the Week Ending October 27, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 1.3 million barrels	Up 870,000 barrels
Gasoline Stocks	Down 360,000 barrels	Down 1.3 million barrels
Distillate Stocks	Down 2.5 million barrels	Down 1.7 million barrels
Refinery Runs		Up 0.73% at 94.3%

## Sprague Heat Curve October-April



## 8-14 Day Weather Forecast



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