

## Market Commentary

**Recap:** The oil market broke a three-day losing streak and settled in positive territory after it retraced its earlier losses. Early in the session, the market traded over the \$82 level before further selling pushed the market to a low of \$80.22. However, the market bounced off its low and rallied higher to a high of \$82.83 in afternoon trading. The market was supported by expectations that the Federal Reserve will abstain from further hikes following its decision on Wednesday to leave interest rates unchanged, reducing concerns of an economic contraction that would cut demand. The market was also well supported by a weakening dollar. The December WTI contract settled up \$2.02 or 2.5% at \$82.46, while the January Brent contract settled up \$2.22 or 2.62% at \$86.85. The product markets also settled in positive territory, with the heating oil market settling up 6.4 cents at \$3.0255 and the RB market settling up 6.05 cents at \$2.2460.

**Technical Analysis:** The crude market is seen remaining range bound on Friday as it retraces its recent sell off. The market is seen trading in a range from \$80 to \$86, as stochastics look ready to cross back up. The oil market is seen finding resistance at high of \$82.83, \$83.09, \$83.42 and \$83.90. Further upside is seen at \$85.04, \$85.30, \$85.90 and \$86.17. Meanwhile, support is seen at \$80.85, its low of \$80.22-\$80.20. More distant support is seen at \$78.51, \$77.46 and \$77.03.

**Fundamental News:** A short term diesel outlook from analysts at S&P Global Commodity Insights noted that setting aside the price shock of 2022 for all refined products in response to the Russian invasion of Ukraine, spot ULSD prices in the Midwest have reached 10-year highs, as distillate inventories in late September and early October fell rapidly helped by fall refinery maintenance and an active fall harvest season got underway. They expected stock draws will remain strong in the region through November and diesel prices will remain elevated.

Trade sources said oil traders will pay premiums for the annual supply of most grades of Middle East crude in 2024, on concerns over supply from the region after the Israel-Gaza conflict heightened geopolitical tensions. The annual deals between trading firms purchasing from producers and equity holders of Middle East crude were mostly concluded by the start of this week, nearly a month since the conflict between Israel and Hamas militants broke out. A trader said volatility in oil markets may have driven up prices for some of the cargoes sold in these annual deals.

The Biden administration postponed a November 8<sup>th</sup> sale of offshore drilling rights in the Gulf of Mexico pending the outcome of a lawsuit over oil and gas development and federal protection of an endangered species of whale. This follows a decision by a U.S. appeals court on October 26<sup>th</sup> to temporarily pause a lower court order requiring the Interior Department to expand the auction, which was originally scheduled to be held in September.

Platts is estimating global refinery outages decreased by roughly 560,000 b/d to 8.77 million b/d for the week ending October 27<sup>th</sup> and should decline to 7.2 million b/d capacity being offline by November 3<sup>rd</sup>.

Venezuela's oil exports in October fell to less than 700,000 bpd amid operational issues at the country's main production region, in a sign any sustained output recovery after the lifting of U.S. oil sanctions might take time.

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

WTI - December \$83.56, up \$1.11

RBOB - December \$2.2550, up 90 points

HO - December \$3.0425, up 1.7 cents

## All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	3.0255	0.0640	0.0599
Jan-24	2.9510	0.0600	0.0340
Feb-24	2.9026	0.0608	0.0236
Mar-24	2.8510	0.0619	0.0222
Apr-24	2.7898	0.0630	0.0200
May-24	2.7453	0.0623	0.0161
Jun-24	2.7174	0.0602	0.0146
Jul-24	2.7063	0.0576	0.0131
Aug-24	2.6995	0.0555	0.0108
Sep-24	2.6982	0.0539	0.0086
Oct-24	2.6961	0.0518	0.0068
Nov-24	2.6899	0.0500	0.0051
Dec-24	2.6793	0.0492	0.0054
Jan-25	2.6675	0.0482	0.0063
Feb-25	2.6520	0.0476	0.0080
Mar-25	2.6319	0.0466	0.0098
Apr-25	2.6052	0.0466	0.0122

### Sprague HeatCurve October 2024-April 2025

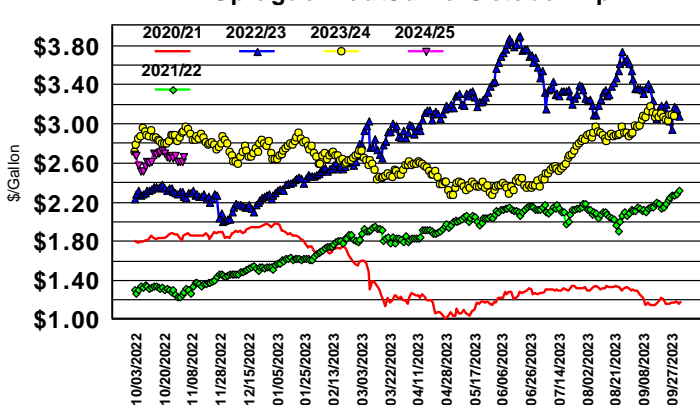
	Close	Change
Crude - WTI	\$82.1600	\$2.0600
Crude - Brent	\$86.8500	\$2.2200
Natural Gas	\$3.4720	-\$0.0220
Gasoline	\$2.2460	\$0.0605

### EIA Working Gas Storage Report

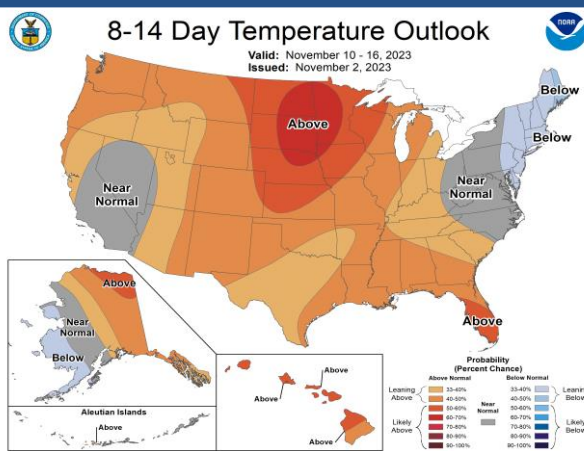
	27-Oct-23	20-Oct-23	Change	27-Oct-22
East	925	908	17	845
Midwest	1100	1075	25	1,037
Mountain	255	252	3	203
Pacific	285	283	2	247
South Central	1214	1182	32	1,154
Salt	313	299	14	296
Nonsalt	901	883	18	858
Total	3779	3700	79	3,486

## Sprague HeatCurve October-April

### Sprague HeatCurve October-April



## 8-14 Weather Forecast



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