

Market Commentary

Recap: The oil market fell sharply to its lowest level since late July on concerns over demand amid weak trade data from China and doubts on whether the Federal Reserve has finished raising rates. The market was pressured overnight following trade data from China showing that exports fell at a faster pace than expected, signaling a continued decline in the Chinese economic outlook. China's exports in October fell by 6.4%, while its imports increased by 3% on the year. The crude market quickly breached its previous lows and continued to sell off throughout the session as the economic news overshadowed Saudi Arabia's and Russia's commitment to production cuts. It extended its losses to \$3.55 as it sold off to a low of \$77.27 ahead of the close. The December WTI, which posted a low not seen since July 24th, settled down \$3.45 or 4.3% at \$77.37. The January Brent contract settled down \$3.57 or 4.19% at \$81.61. The product markets ended the session in negative territory, with the heating oil market settling down 11.4 cents at \$2.8384 and the RB market settling down 6.82 cents at \$2.1677.

Technical Analysis: The crude market is seen retracing some of Tuesday's sharp losses before it continues to trend lower on the waning expectations of early interest rate cuts as some Fed officials have stated that the Fed may have to do more to bring inflation down to its 2% target. The market will look for further direction from Fed Chair Jerome Powell, who is due to speak on Wednesday and Thursday. The market is seen finding support at its low of \$77.17, \$76.44, \$75.83, \$75.69 and \$74.72. Meanwhile, resistance is seen at \$78.10, \$79.75, \$80.50, \$81.05, \$81.72 and \$82.24.

Fundamental News: In its Short Term Energy Outlook, the U.S. EIA cut its forecast for 2023 world oil demand growth by 300,000 bpd to 1.46 million bpd year on year. However, it increased its forecast for 2024 world oil demand growth by 80,000 bpd and now expects a 1.4 million bpd year on year increase. The EIA forecast that U.S. crude oil output will increase by 990,000 bpd to 12.9 million barrels in 2023, compared with a previous forecast of 1.01 million bpd and production in 2024 is forecast to increase by 250,000 bpd to 13.15 million bpd. U.S. total petroleum demand is expected to fall by 300,000 bpd to 20.1 million bpd in 2023 but increase by 300,000 bpd to 20.4 million bpd in 2024. In regards to prices, the EIA forecast Brent crude averaging \$83.99/barrel in 2023, down from a previous average of \$84.09/barrel, while the price of WTI is forecast to average \$79.41/barrel in 2023, down from a previous estimate of \$79.59/barrel.

OPEC's General Secretary, Haitham al-Ghais, said OPEC and its allies have taken a proactive and a preventative approach to achieve a stable crude market. He also stated that OPEC believes the global economy is healthy, despite challenges of inflation in major countries. He stated that the United States is doing very well, although Europe is struggling and noted that even Chinese annual growth is expected in the range of 4.5% to 5%. While he said that has been slower than expected, "we still see a healthy global economy growing despite all the challenges and pressures."

Bloomberg reported that a record number of supertankers are heading towards the U.S. to load oil. According to data gathered by Bloomberg, forty-eight tankers are bound for the U.S. in the coming three months, the highest level in at least six years. An analyst at Energy Aspects, Richard Price, said shipments from the U.S. Gulf Coast are expected to increase by 100,000 bpd year-on-year next month to 4.1 million bpd.

Early Market Call - as of 8:15 AM EDT

WTI - December \$76.19, down \$1.18
RBOB - December \$2.1525, down 1.24 cents
HO - December \$2.7739, down 6.45 cents

All NYMEX | Prior Settlements

Month	ULSD (HO) Close	Prior Settle Change	Change In One Week
Dec-23	2.8384	-0.1140	-0.0716
Jan-24	2.7785	-0.1107	-0.0776
Feb-24	2.7419	-0.1058	-0.0735
Mar-24	2.7010	-0.1019	-0.0660
Apr-24	2.6519	-0.0965	-0.0574
May-24	2.6164	-0.0924	-0.0540
Jun-24	2.5945	-0.0884	-0.0526
Jul-24	2.5874	-0.0860	-0.0530
Aug-24	2.5847	-0.0841	-0.0525
Sep-24	2.5872	-0.0824	-0.0514
Oct-24	2.5879	-0.0808	-0.0512
Nov-24	2.5827	-0.0795	-0.0522
Dec-24	2.5721	-0.0784	-0.0537
Jan-25	2.5606	-0.0774	-0.0548
Feb-25	2.5463	-0.0758	-0.0546
Mar-25	2.5284	-0.0739	-0.0533
Apr-25	2.5053	-0.0712	-0.0497

Sprague HeatCurve October 2024-April 2025

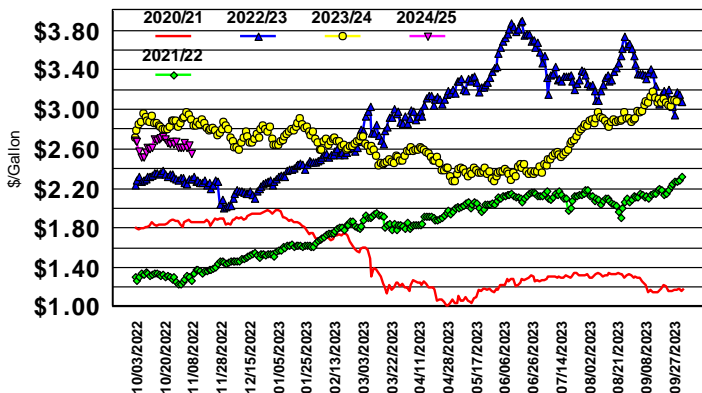
	Close	Change
Crude - WTI	\$77.2100	-\$3.3900
Crude - Brent	\$81.6100	-\$3.5700
Natural Gas	\$3.1400	-\$0.1240
Gasoline	\$2.1677	-\$0.0682

API Report for the Week Ending November 3, 2023

	Actual	Mkt Expectations
Crude Oil Stocks(excl SPR)	Up 11.9 million barrels	Down 300,000 barrels
Gasoline Stocks	Down 360,000 barrels	Down 800,000 barrels
Distillate Stocks	Up 980,000 barrels	Down 1.5 million barrels
Refinery Runs		Up 0.2% at 85.6%

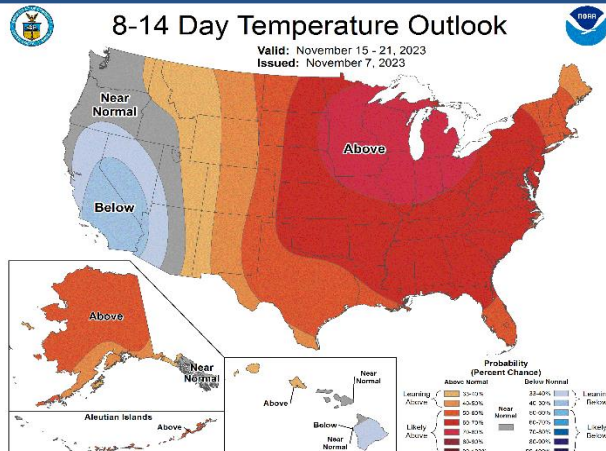
Sprague HeatCurve October-April

Sprague HeatCurve October-April



8-14 Day Weather Forecast

8-14 Day Temperature Outlook



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