

Market Commentary

Recap: Oil futures fell on Thursday, retreating from a three-week high, weighed down by weak Chinese economic data and a stronger U.S. dollar, dimming the outlook for demand growth. Economic weakness in China raises concerns about demand growth in the world's largest importer of crude oil, particularly given doubts about a report that Chinese health regulators were considering ending the country's Zero-COVID policy. Strength in the U.S. dollar surged to a two-week high, after the Federal Reserve's latest interest rate hike and comments from Chair Jerome Powell that interest rates will have to go higher than previously thought. WTI for December delivery lost \$1.83 per barrel, or 2.03% to \$87.17, while Brent Crude for January delivery lost \$1.49 per barrel, or 1.55% to \$94.67. Petroleum products finished mixed with December RBOB losing 0.33 cent per gallon, or 0.12% to \$2.6939 and ULSD for December delivery gained 18.79 cents per gallon, or 5.11% to \$3.8653.

Technical Analysis: Oil prices continue to run into headwinds, as they reversed course from Tuesday and Wednesday's gains. While demand concerns kept a lid on prices, tight supply concerns are underpinning this market. Worries about a global recession are being fueled by a sharp rise in the U.S. Dollar, which could dampen foreign demand for dollar-denominated oil. Tight supply concerns are being driven by another draw in U.S. stockpiles, OPEC+ output cuts and the upcoming embargo of Russian oil by the European Union. The main trend of this market is to the upside with a push through \$91.36 reaffirming the uptrend. Above \$91.36, additional resistance is set at \$94.37. Support is seen at \$87.29, \$86.41 and \$85.22. A break below \$85 will shift the trend to the downside.

Fundamental News: The U.S. Department of Energy said six companies had been awarded contracts for the latest sale of oil from the SPR. The contracts were awarded to companies including Phillips 66, Marathon Petroleum Supply and Trading LLC, Shell Trading and Valero Marketing and Supply. The sale is part of President Joe Biden's previously announced plan to sell 180 million barrels of oil from the reserve. Deliveries will take place in December.

Goldman Sachs forecast crude demand will increase about 500,000 bpd in the year-end as refineries ramp up and just as supply tightens. It maintained its forecast of \$115/barrel for Brent in the first quarter of 2023, with risks still skewed higher.

Diesel arrivals into Europe from Russia, the Middle East, Asia and the U.S. are expected to have reached 2.97 million tons so far in November. October arrivals reached a record high of 6.5 million tons as Europe stockpiled the fuel.

Kpler shipping data showed that deliveries of U.S. crude oil to Asia are set to reach a record 1.8 million bpd in November, as demand climbed on a widening discount to global oil. Refiners in China, India and South Korea are returning as big U.S. crude oil buyers after several months of importing Russian barrels.

Corpus Christi, Texas, residents told a local television station and a local newspaper they heard an explosion before a Thursday morning fire in the East Plant at Valero Energy Corp's refinery. A Corpus Christi community alert system said fire crews were responding to a "localized fire" at the 290,000 bpd refinery on Thursday morning that posed no threat to the surrounding community.

Colonial Pipeline Co is allocating space for Cycle 64 shipments on Line 2, its main distillate line from Houston, Texas to Greensboro, North Carolina.

Early Market Call - as of 8:40 AM EDT

WTI - December \$91.23, up \$3.06

RBOB - December \$2.7733, up 7.94 cents

HO - December \$3.8971, up 3.18 cents

All NYMEX | Prior Settlements

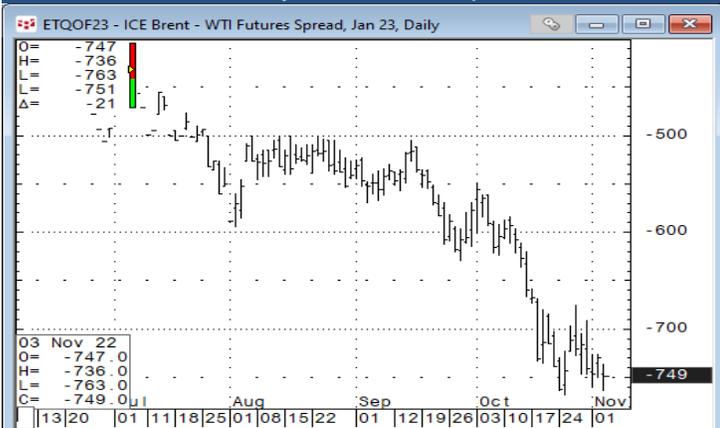
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-22	3.8653	0.1879	0.1586
Jan-23	3.649	0.1094	0.0845
Feb-23	3.5228	0.0833	0.0715
Mar-23	3.4037	0.0658	0.0655
Apr-23	3.2837	0.0501	0.0607
May-23	3.1871	0.0358	0.0525
Jun-23	3.1126	0.0235	0.049
Jul-23	3.0695	0.0162	0.0493
Aug-23	3.0391	0.0135	0.0496
Sep-23	3.0135	0.0119	0.0486
Oct-23	2.9897	0.0101	0.0461
Nov-23	2.9666	0.0082	0.0432
Dec-23	2.9439	0.0064	0.0392
Jan-24	2.9226	0.0058	0.0387
Feb-24	2.901	0.0058	0.0387
Mar-24	2.869	0.0058	0.0383
Apr-24	2.8282	0.0058	0.0369

Sprague HeatCurve October 2023-April 2024			\$2.9156
		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$7.49	\$87.1800	-\$1.6800
Crude - Brent		\$94.6700	-\$1.4900
Natural Gas		\$5.9750	-\$0.2930
Gasoline		\$2.6939	\$0.0033

EIA Working Gas Storage Report

	28-Oct-22	21-Oct-22	Change	28-Oct-21
East	848	825	23	897
Midwest	1042	1007	35	1,068
Mountain	204	199	5	213
Pacific	247	248	-1	256
South Central	1160	1116	44	1,168
Salt	299	277	22	318
Nonsalt	861	839	22	850
Total	3501	3394	107	3,602

ICE January Brent-WTI Spread



NYMEX WTI Forward Curve

