

## Market Commentary

**Recap:** The oil market ended the session in positive territory but ended the week down 8.81%, the largest weekly decline since the week ending March 17<sup>th</sup>. The market was pressured early in the session following another partial lifting of Russia's fuel export ban. Russia announced that it had lifted its ban on diesel exports for supplies delivered to ports by pipeline. It was also pressured by economic concerns amid the expectations that interest rates will increase and thus slow global growth. U.S. job growth increased by 336,000 in September compared with expectations of an increase of 170,000. The labor market's resilience suggests that monetary policy could remain tight for some time. The market traded sideways before it sold off to a low of \$81.50 early in the session following the jobs report. The market later retraced some of its losses ahead of the weekend and posted a high of \$83.28. The November WTI contract settled up 48 cents at \$82.79 and the December Brent contract settled up 51 cents at \$84.58. The product markets ended the session in positive territory, the heating oil market settling up 3.21 cents at \$2.9008 and the RB market settling up 32 points at \$2.1922.

**Technical Analysis:** The crude market, which held support at the lower boundary of a downward trend channel, is seen retracing some more of its sharp losses as stochastics are in oversold territory. The market is seen finding upside at its high of \$83.28, \$84.92, \$85.51 followed by \$86.67, \$88.27, \$89.59 and \$89.86. However, support is seen at its low of \$81.50, \$80.08, \$78.94, \$77.82 and \$77.32.

**Fundamental News:** On Friday, Russia's government said it had lifted a ban on pipeline diesel exports via ports, removing the majority of restrictions imposed on September 21<sup>st</sup>. The restrictions for gasoline exports are still in place. The government stated in a statement "The government lifted restrictions on exports of diesel fuel delivered to seaports by pipeline, provided that the manufacturer supplies at least 50% of the produced diesel fuel to the domestic market." According to Viktor Katona, head crude analyst at Kpler, the updated regulations are set to free up about 90% of pre-ban seaborne volumes for export or about 630,000 bpd.

Turkish Energy Minister Bayraktar said Thursday the Turkish section of the Iraq-Turkey crude oil pipeline and Turkey's Ceyhan oil terminal are all ready to transit Iraqi crude oil to market whenever Iraq is ready to resume shipments. He noted that the line has been ready to restart since Wednesday. He declined to comment on what issues may be preventing the restart of oil flow to the Ceyhan terminal.

U.S. gasoline prices are heading lower and may fall to \$3/gallon in many places in coming weeks with crude oil futures are down \$10/barrel over economic fears and eroding demand. The drop in gasoline prices could benefit consumers and cool inflation. Tom Kloza, global head of energy analysis at the Oil Price Information Service (OPIS) said gasoline prices, currently averaging \$3.77/gallon, could end up near \$3/gallon in regions including the Midwest and East Coast later this autumn. He said there were 20 U.S. states with some retailers charging under \$3/gallon and he expects half of the U.S. to hit that level by October 31<sup>st</sup>.

Baker Hughes reported that the number of active, oil-targeted rigs in the U.S. fell by five in week ending October 6<sup>th</sup> to 497.

IIR Energy reported that U.S. oil refiners are expected to have shut in almost 2.1 million bpd of capacity in the week ending October 6<sup>th</sup>, decreasing available refining capacity by 343,000 bpd. Offline capacity is expected to fall to about 2 million bpd in the week ending October 13<sup>th</sup> and to 1.6 million bpd in the week ending October 20<sup>th</sup>.

**Early Market Call - as of 8:40 AM EDT**

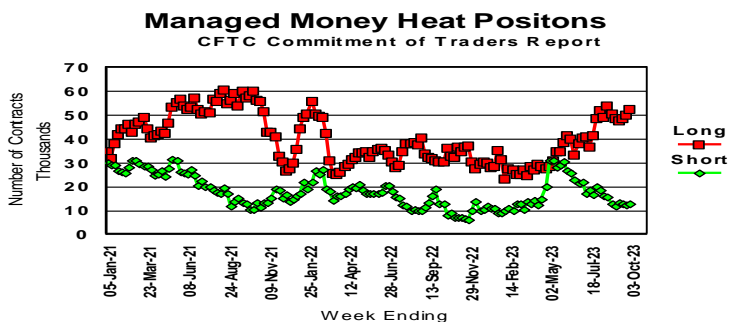
WTI - October \$85.99, up \$3.20  
 RBOB - October \$2.2592, up 6.7 cents  
 HO - October \$2.9673, up 6.65 cents

## All NYMEX | Prior Settlements

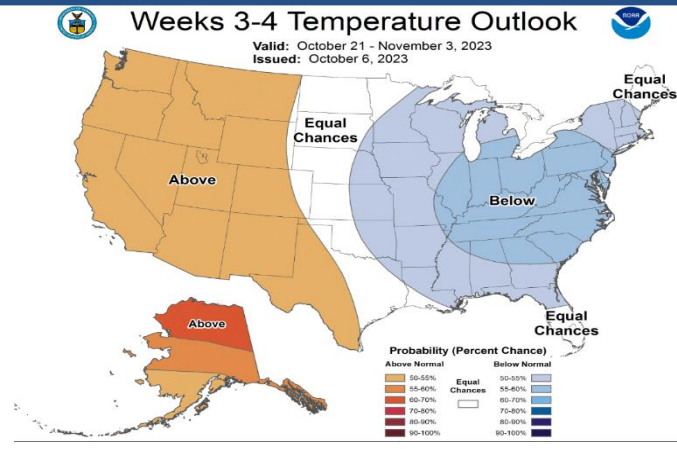
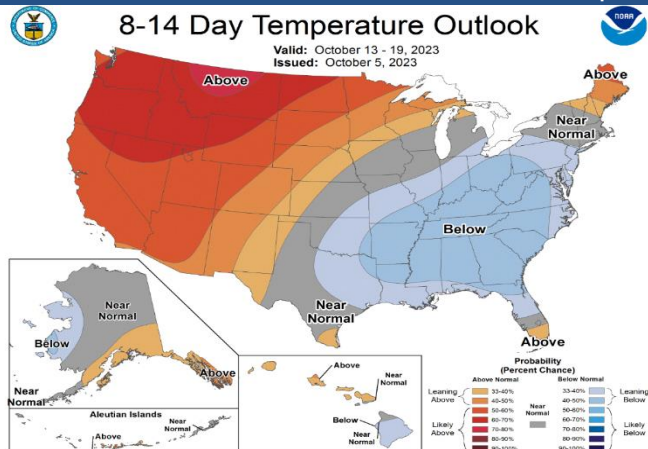
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Nov-23	2.9008	0.0321	-0.3998
Dec-23	2.8243	0.0252	-0.3335
Jan-24	2.7703	0.0140	-0.2953
Feb-24	2.7314	0.0075	-0.2725
Mar-24	2.6835	0.0044	-0.2517
Apr-24	2.6232	0.0014	-0.2326
May-24	2.5815	-0.0003	-0.2199
Jun-24	2.5548	-0.0003	-0.2094
Jul-24	2.5470	0.0003	-0.1987
Aug-24	2.5433	0.0005	-0.1927
Sep-24	2.5440	0.0008	-0.1897
Oct-24	2.5438	0.0020	-0.1860
Nov-24	2.5404	0.0043	-0.1801
Dec-24	2.5326	0.0050	-0.1735
Jan-25	2.5228	0.0043	-0.1667
Feb-25	2.5091	0.0038	-0.1601
Mar-25	2.4911	0.0036	-0.1531

Sprague HeatCurve October 2024-April 2025		Close	Change
Crude - WTI	Dec Brent- WTI Spread \$3.30	\$81.2800	\$0.4700
Crude - Brent		\$84.5800	\$0.5100
Natural Gas		\$3.3380	\$0.1720
Gasoline		\$2.1922	\$0.0032

## Commitment of Traders Report



## Temperature Outlooks



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