

Market Commentary

Recap: Both WTI and Brent traded higher on Monday on expectations of strong demand and a belief that OPEC and its allies will not release more oil than the global economy can handle. Meanwhile, China announced it released fuel reserves; however bullish traders appear unmoved by the news. According to a Reuters' poll, oil prices are expected to hover near \$80 towards the year end, as tight supplies and higher gas bills encourage a switch to crude for power generation. WTI and Brent crude were capped earlier in the session, but recovered following China's weekend statement that it would tap its state fuel reserve while national refiners ramp up output sharply to avert a diesel shortage in the world's second-largest oil user. In a rare public statement on Sunday, China said it was releasing gasoline and diesel reserves to boost market supply and stabilize prices.

December WTI gained 48 cents, or 0.6%, to settle at \$84.05 a barrel, while January Brent added 99 cents, or 1.1%, to settle at \$84.71 a barrel. December RBOB added 3.96 cents, to settle at \$2.4093 a gallon, while December heating oil settled at \$2.5031 a gallon, a gain of 2.44 cents.

Technical Analysis: Crude oil futures continue to push forward, as there appear to be plenty of buyers down below. December WTI has once again come up to test the \$85 level, but just can't seem to break above it with continued momentum. To the downside, the 10-day moving average for this spot contract has acted as a pivotal area, with some weak longs vacating positions. But so far, the December contract has been unable to hold below this technical number. The \$85 level has proven to be a significant area of resistance, but at some point, we do believe that we will see a strong push above it. Above \$85, there is resistance set at \$87.95 and above that at \$90, where see this market heading. On the downside, support rests at \$78 and below that at \$75.

Fundamental News: The state-run Saudi Press Agency reported that Saudi Arabia has stressed the importance of ensuring affordable price for energy at the G20 meeting in Italy. The agency cited comments made on Sunday by Energy Minister Abdulaziz bin Salman Al Saud.

Kuwait and Iraq support sticking to plans to raise oil output by 400,000 bpd at an OPEC+ meeting on Thursday, as the U.S. called again for extra supply to curb rising prices. Kuwait's Oil Minister, Mohammad Abdulatif al-Fares, said that the OPEC member supports the plan to raise output, which would ensure adequate crude supply to balance the global market. Meanwhile, Iraq's state oil marketing company, SOMO, said on Saturday that the OPEC member sees raising output as already planned was sufficient to meet demand and stabilize the market. Saudi Arabia has already dismissed calls for more oil supplies from the group, saying the oil market was well-supplied.

China's National Food and Strategic Reserves Administration said the country has released reserves of gasoline and diesel to increase market supply and support price stability in some regions. The release of the reserves was made in accordance with the recent supply and demand situation in the domestic oil product market. Sinopec Corp plans to fully utilize domestic refining capacity in November and increase diesel supply by 29% from a year earlier to ensure filling stations do not run out of stock. Sinopec Corp plans to increase November and December diesel supplies by nearly 50% each month versus average levels during the first eight months of this year. In September and October, Sinopec's diesel supplies had each increased by 20% on the month. PetroChina said it increased its imports of crude oil by 10% on the year in October and ramped up diesel supply by 23%.

Gasoline exports from Europe to the U.S. East Coast in October fell to 390,000 tons from over 1 million tons in September. Exports from Europe to West Africa however increased to a three-month high of 1.5 million tons in October.

Early Market Call - as of 8:20 AM EDT

WTI - Dec \$83.77, down 28 cents

RBOB - Dec \$2.4132, up 43 points

HO - Dec \$2.4877, down 1.57 cents

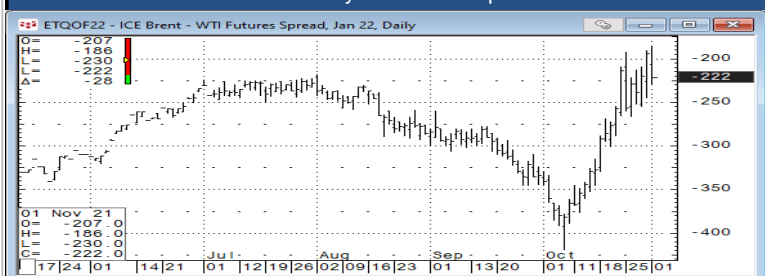
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-21	\$2.5031	\$0.0244	-\$0.0541
Jan-22	\$2.4879	\$0.0258	-\$0.0549
Feb-22	\$2.4639	\$0.0258	-\$0.0556
Mar-22	\$2.4338	\$0.0260	-\$0.0548
Apr-22	\$2.3974	\$0.0259	-\$0.0546
May-22	\$2.3702	\$0.0253	-\$0.0547
Jun-22	\$2.3517	\$0.0247	-\$0.0529
Jul-22	\$2.3406	\$0.0241	-\$0.0512
Aug-22	\$2.3319	\$0.0231	-\$0.0491
Sep-22	\$2.3266	\$0.0223	-\$0.0544
Oct-22	\$2.3226	\$0.0215	-\$0.0446
Nov-22	\$2.3194	\$0.0209	-\$0.0420
Dec-22	\$2.3153	\$0.0205	-\$0.0397
Jan-23	\$2.3094	\$0.0199	-\$0.0381
Feb-23	\$2.2960	\$0.0193	-\$0.0371
Mar-23	\$2.2768	\$0.0186	-\$0.0369
Apr-23	\$2.2528	\$0.0179	-\$0.0363

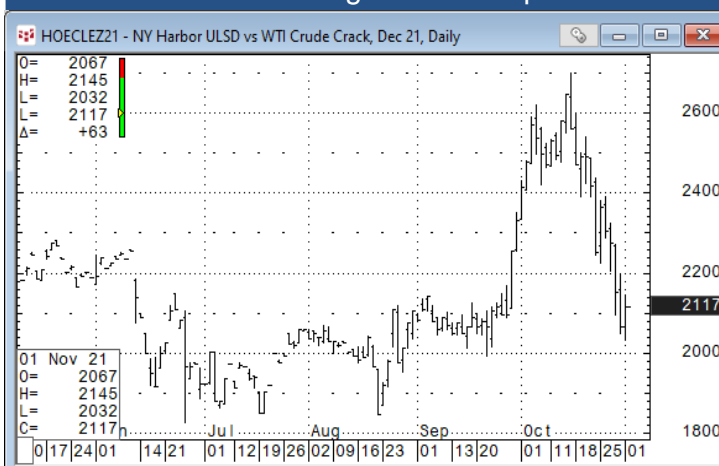
Settlements

		Close	Change
Crude - WTI	Jan Brent-	\$82.4500	\$0.6700
Crude - Brent	WTI Spread	\$84.7100	\$0.9900
Natural Gas	\$2.26	\$5.1860	-\$0.0240
Gasoline		\$2.4093	\$0.0396

ICE January Brent-WTI Spread



December Heating Oil Crack Spread



December RBOB Crack Spread

