

Market Commentary

Recap: The oil market on Thursday retraced some of its previous losses and posted an inside trading day. The market, which lost about 7% in the previous two sessions, bounced off its lows as it took a breather from further losses even as China reported a decline in inflation, a sign of weakening domestic demand. The market posted the day's trading range by mid-morning as it traded to a low in overnight trading of \$75.21, the lower boundary of its recent trading channel, and later rallied to a high of \$77.16. However, the market erased some of its gains and traded sideways during the remainder of the session. The December WTI contract settled up 41 cents or 0.5% at \$75.74 and the January Brent contract settled up 47 cents or 0.59% at \$80.01. The product markets ended the session in mixed territory, with the heating oil market settling down 3.01 cents at \$2.7191 and the RB market settling up 3.23 cents at \$2.1608.

Technical Analysis: While the market is still in a downward trend, it is likely to trend mostly sideways ahead of the weekend as its stochastics remain in oversold territory and the market awaits for further direction from any economic data. The market is seen finding support at its low of \$75.21, \$74.91, \$74.58 followed by \$73.88, \$73.84 and \$72.98. Meanwhile, resistance is seen as its highs of \$77.16 and \$77.53 followed by \$78.23, \$79.26, \$80.28 and \$81.05-\$81.10.

Fundamental News: UBS said it expects Brent crude prices to move back up towards the \$90-\$100/barrel range despite recent weakness, citing tight supplies and rising global demand. UBS analysts said global consumption of crude remains well supported despite the weaker official forecast from the U.S. and key oil producers have remained disciplined on production, keeping supply tight. It said the risk of disruption to oil production arising from the Israel-Hamas war has not gone away, adding "our base case is that the conflict will not escalate. However, events in the region remain fluid."

Reuters estimated gasoline exports from Northwest Europe to the United States in October reached 510,000 tons down from the 724,000 tons shipped in September. It is estimating November shipments will fall to 488,000 tons.

Hedge fund manager, Pierre Andurand, said better-than-expected oil supplies have been the trigger for crude market's decline. He said "We had a lot less supply disruptions than in an average year." He stated that Iranian and U.S. oil output have been higher than expected. He said "mobility data shows an acceleration in demand and demand growth," suggesting consumption is not the cause. He said for a "substantial structural rally" in oil, there needs to be sustained inventory draws similar to those seen in July and August of more than 1.5 million bpd.

Reuters reported Thursday that Russian fuel producers have been told by the government to prepare for the removal of all remaining restrictions on the export of diesel and gasoline. The Russian government had eased export restrictions on October 6th which had allowed the export of diesel by pipeline.

Saudi Aramco notified at least four North Asian buyers that it will supply full contractual volumes of crude oil in December. On Sunday, Saudi Arabia said it would continue with its additional voluntary cut of 1 million bpd translating into production of around 9 million bpd for December. However, refiners in China have slightly cut their nominated volume for December, totaling around 46 million barrels, compared with about 47 million barrels for November and around 50 million barrels for October.

Early Market Call - as of 8:55 AM EDT

WTI - December \$76.78, up \$1.04

RB0B - December \$2.1944, up 3.38 cents

HO - December \$2.75, up 3.09 cents

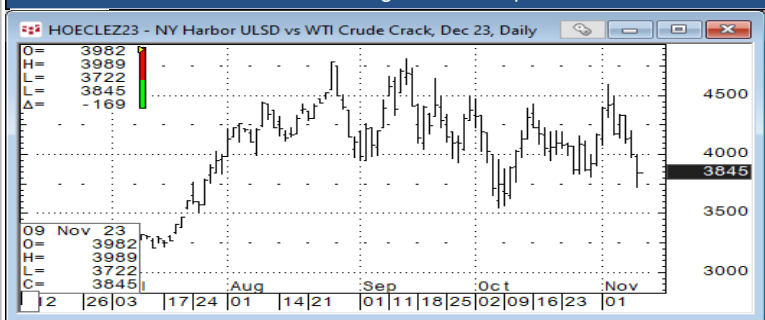
All NYMEX | Prior Settlements

Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
Dec-23	2.7191	-0.0301	-0.3064
Jan-24	2.6741	-0.0236	-0.2769
Feb-24	2.6470	-0.0194	-0.2556
Mar-24	2.6148	-0.0148	-0.2362
Apr-24	2.5770	-0.0098	-0.2128
May-24	2.5535	-0.0042	-0.1918
Jun-24	2.5400	-0.0006	-0.1774
Jul-24	2.5369	0.0007	-0.1694
Aug-24	2.5371	0.0014	-0.1624
Sep-24	2.5416	0.0014	-0.1566
Oct-24	2.5436	0.0015	-0.1525
Nov-24	2.5390	0.0014	-0.1509
Dec-24	2.5290	0.0017	-0.1503
Jan-25	2.5182	0.0015	-0.1493
Feb-25	2.5052	0.0017	-0.1468
Mar-25	2.4896	0.0025	-0.1423
Apr-25	2.4683	0.0031	-0.1369

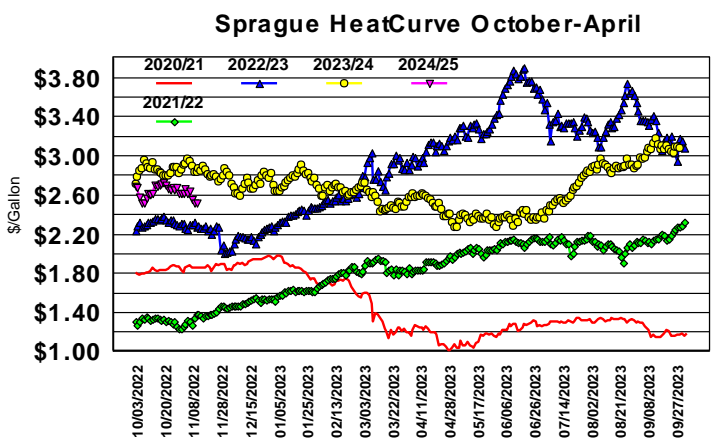
Sprague HeatCurve October 2024-April 2025

	Close	Change
Crude - WTI	\$75.7500	\$0.4400
Crude - Brent	\$80.0100	\$0.4700
Natural Gas	\$3.0410	-\$0.0650
Gasoline	\$2.1608	\$0.0323

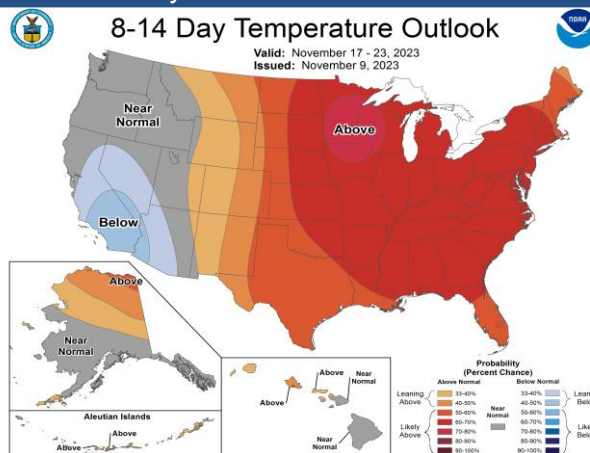
December Heating Oil Crack Spread



Sprague HeatCurve October-April



8-14 Day Weather Forecast



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