

## Market Commentary

**Recap:** The crude market gave up some of its previous gains, with the October WTI contract posting an inside trading day on its expiration. The market weighed the increasing tension in the Middle East against concerns over China's slowing economy. The oil market erased some of Thursday's gains and posted a low of \$71.36 amid the news that China's central bank left its interest rates unchanged despite the slow economic growth in the country and the U.S. Federal Reserve's decision earlier in the week to cut rates by 50 basis points. Oil prices were pressured as concerns remain over the future demand for crude from China. However, the market retraced some of its losses and traded to a high of \$72.35 as its losses were limited by concerns over the situation in the Middle East. On Thursday, Israeli military launched attacks against Hezbollah targets in Lebanon and Hezbollah's leader Hassan Nasrallah said the attacks on its members amounted to a declaration of war. The market later traded in a sideways trading pattern. The October WTI contract went off the board down 3 cents at \$71.92 and the November Brent contract settled down 16 cents at \$71.00. The November Brent contract settled down 39 cents at \$74.49. Meanwhile, the product markets ended the session lower, with the heating oil market settling down 1.05 cents at \$2.1615 and the RB market settling down 2.36 cents at \$2.0364.

**Technical Analysis:** The oil market will continue to trade mostly sideways as it weighs the geopolitical news against concerns over demand. The market will look to the headlines for further direction amid the escalating tension in the Middle East. The market is seen finding resistance at its high of \$71.45, \$71.53, \$73.18, \$73.35 and \$75.20, basis the November WTI contract. Meanwhile, support is seen at \$70.37, \$69.13, \$68.58-\$68.51, \$68.03, \$67.70, \$67.58 and \$66.55.

**Fundamental News:** U.S. President Joe Biden said reaching a Gaza ceasefire deal is still realistic. He said "We have to keep at it."

A senior Lebanese security source and another source said Israel's Mossad spy agency planted a small amount of explosives inside 5,000 Taiwan-made pagers ordered by Lebanese group Hezbollah months before Tuesday's detonations. The operation was an unprecedented Hezbollah security breach that saw thousands of pagers detonate across Lebanon, killing nine people and wounding nearly 3,000 others, including the group's fighters and Iran's envoy to Beirut. Iran-backed Hezbollah has vowed to retaliate against Israel, whose military declined to comment on the blasts. Hezbollah fighters have been using pagers as a low-tech means of communication in an attempt to evade Israeli location-tracking. However, the senior Lebanese source said the devices had been modified by Israel's spy service "at the production level." The source said 3,000 of the pagers exploded when a coded message was sent to them, simultaneously activating the explosives.

Baker Hughes reported that U.S. energy firms this week resumed cutting the number of oil and natural gas rigs after adding rigs in the previous week. The oil and gas rig count fell by two to 588 in the week ending September 20<sup>th</sup>. Baker Hughes said the number of oil rigs was unchanged at 488 this week, while gas rigs fell by one to 96.

IIR Energy reported that U.S. oil refiners are expected to shut in about 928,000 bpd of capacity in the week ending September 20<sup>th</sup>, cutting available refining capacity by 4,000 bpd. Offline capacity is expected to fall to 914,000 bpd in the week ending September 27<sup>th</sup> and then further increase to 941,000 bpd in the week ending October 4<sup>th</sup>.

Marathon's Carson, California refinery reported planned flaring from September 23<sup>rd</sup>-25<sup>th</sup>.

**Early Market Call - as of 8:35 AM EDT**

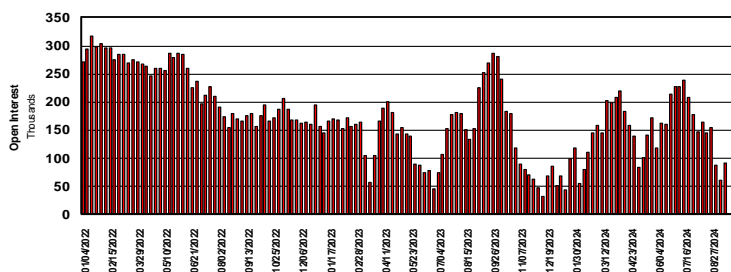
WTI - Nov \$70.96, down 4 cents  
 RBOB - Oct \$2.0205, down 1.59 cents  
 HO - Oct \$2.1660, up 45 points

## All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-24	2.1615	-0.0105	0.0698
Nov-24	2.1735	-0.0089	0.0682
Dec-24	2.1828	-0.0076	0.0647
Jan-25	2.1926	-0.0070	0.0633
Feb-25	2.1949	-0.0062	0.0616
Mar-25	2.1904	-0.0050	0.0624
Apr-25	2.1827	-0.0041	0.0626
May-25	2.1807	-0.0032	0.0629
Jun-25	2.1828	-0.0020	0.0636
Jul-25	2.1926	-0.0009	0.0637
Aug-25	2.2025	0.0001	0.0638
Sep-25	2.2124	0.0008	0.0634
Oct-25	2.2216	0.0011	0.0623
Nov-25	2.2262	0.0018	0.0614
Dec-25	2.2278	0.0022	0.0611
Jan-26	2.2317	0.0024	0.0610
Feb-26	2.1949	-0.0317	0.0256

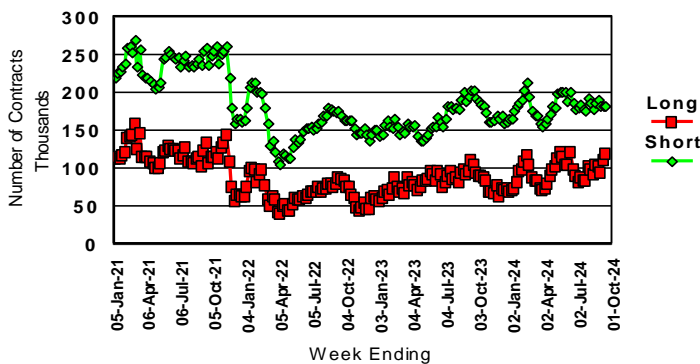
Sprague HeatCurve October 2024-April 2025		\$2.1857	
	Close	Change	
Crude - WTI	Nov Brent- WTI Spread	\$71.0000	-\$0.1600
Crude - Brent		\$74.4900	-\$0.3900
Natural Gas	\$3.49	\$2.4340	\$0.0860
Gasoline		\$2.0364	-\$0.0236

WTI Futures & Options: NYMEX & ICE Combined  
Managed Money Reportable Positions



## Commitment of Traders Report for the Week Ending September 17, 2024

Producer/Merchant Heat Positons  
CFTC Commitment of Traders Report



Managed Money Heat Positons  
CFTC Commitment of Traders Report

