

Market Commentary

Recap: The oil market on Monday continued to trade sideways, within last Thursday's trading range. The market weighed the prospect of increased supply against escalating tensions in the Middle East. The crude market remained pressured by the reports that Saudi Arabia is committed to OPEC+ increasing its production in December and the expectations that Libya's shut in oil production will resume following the news that Libya's eastern-based parliament agreed on Monday to approve the nomination of a new governor of the central bank. However, its losses remain limited by fears that a widening conflict in the Middle East could curtail Iranian crude supply. The crude market rallied to a high of \$69.32 in overnight trading following the reports over the weekend of Israel conducting strikes that killed Hezbollah and Hamas leaders in Lebanon and hit Houthi targets in Yemen, three groups that are supported by Iran. However, the market erased its gains and posted a low of \$67.57 early in the morning before it once again retraced its losses as the market weighs whether the Middle East conflict will spread in the region. The November WTI contract settled up 1 cent at \$68.17, while the November Brent contract settled down 2 cents at \$71.77. The product markets ended the session mixed, with the heating oil market settling down 9 points at \$2.1318 and the RB market settling up 91 points.

Technical Analysis: The crude market is seen remaining in its recent sideways trading range as it awaits for further news regarding the Middle East conflict. The market is seen finding support as the weekly petroleum stocks reports are expected to show draws across the board, with draws of about 2 million barrels in crude stocks. Support is seen at its lows of \$67.57, \$67.06, \$66.95 followed by \$66.55, \$64.99 and \$64.61. Meanwhile, resistance is seen at its high of \$69.32, \$69.68, \$70.01, \$70.32, \$71.72 and \$72.40.

Fundamental News: The EIA reported that U.S. oil demand increased in July to the highest seasonal level since 2019 while output declined for the second time in three months. Total oil consumption increased 1.2% from June to 20.48 million bpd in July, the highest for that month since 2019. Demand for both gasoline and ultra-low sulfur diesel was at the highest seasonal levels since 2019, whereas jet fuel demand of 1.83 million bpd was the highest for any month since August 2019. Total U.S. oil production fell by 25,000 bpd from June to 13.205 million bpd in July.

On Friday, Israel killed Hezbollah leader Sayyed Hassan Nasrallah in an airstrike in Beirut. The Israeli military said on Saturday it had eliminated Nasrallah in the strike on the group's central command headquarters in Beirut's southern suburbs on Friday. Meanwhile, Lebanon's caretaker Prime Minister Najib Mikati said his government was ready to fully implement a U.N. resolution that had aimed to end Hezbollah's armed presence south of the Litani River as part of an agreement to stop the war with Israel. Iranian Foreign Ministry spokesperson, Nasser Kanaani, said Tehran would not let any of Israel's "criminal acts" go unanswered. He was referring to the killing of Hezbollah leader Sayyed Hassan Nasrallah and an Iranian Guard deputy commander, Brigadier General Abbas Nilforoushan, who died in the same strikes on Friday.

The Palestinian militant group Hamas said an Israeli airstrike killed its leader in Lebanon in the city of Tyre on Monday, and another Palestinian organization said three of its leaders died in a strike in central Beirut, the first such hit inside the capital's limits. Another group, the Popular Front for the Liberation of Palestine said three of its leaders were killed in a strike that targeted Beirut's Kola district. The United States has urged a diplomatic resolution to the conflict in Lebanon but has also authorized its military to reinforce in the region. U.S. President Joe Biden called for a ceasefire in Lebanon on Monday but a U.S. official said Israeli troop deployments suggested a ground incursion against Hezbollah militants could be imminent.

Early Market Call - as of 8:45 AM EDT

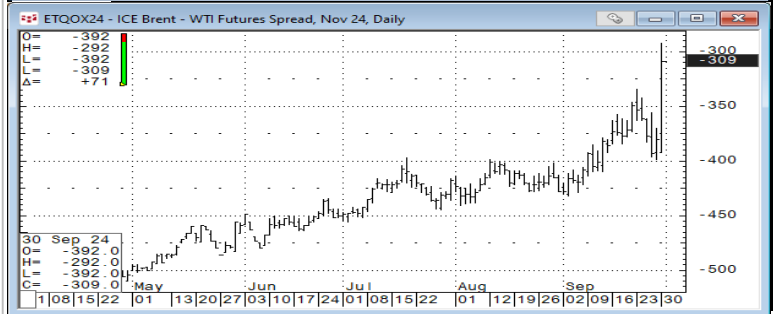
WTI - Nov **\$67.38, down 79 cents**
 RBOB - Nov **\$1.9061, down 2.9 cents**
 HO - Nov **\$2.1266, down 2.78 cents**

All NYMEX | Prior Settlements

	ULSD (HO) Close	Prior Settle Change	Change In One Week
Oct-24	2.1318	-0.0009	-0.0133
Nov-24	2.1544	0.0031	-0.0062
Dec-24	2.1631	0.0040	-0.0091
Jan-25	2.1716	0.0040	-0.0111
Feb-25	2.1745	0.0050	-0.0113
Mar-25	2.1689	0.0054	-0.0126
Apr-25	2.1607	0.0058	-0.0133
May-25	2.1598	0.0065	-0.0132
Jun-25	2.1640	0.0067	-0.0115
Jul-25	2.1743	0.0067	-0.0111
Aug-25	2.1845	0.0069	-0.0107
Sep-25	2.1946	0.0071	-0.0105
Oct-25	2.2047	0.0069	-0.0101
Nov-25	2.2107	0.0068	-0.0084
Dec-25	2.2134	0.0060	-0.0071
Jan-26	2.2188	0.0058	-0.0057
Feb-26	2.1745	-0.0375	-0.0478

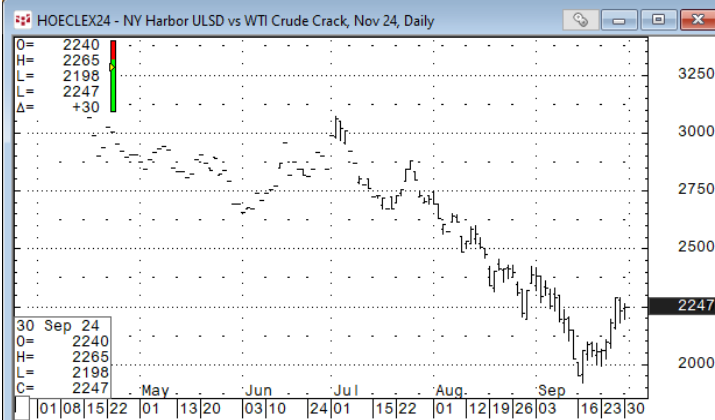
Sprague HeatCurve October 2024-April 2025		\$2.1645
		Change
Crude - WTI	Nov Brent- WTI Spread	\$68.1700
Crude - Brent		\$71.7700
Natural Gas		\$2.9230
Gasoline		\$1.9621

ICE November Brent-WTI Spread

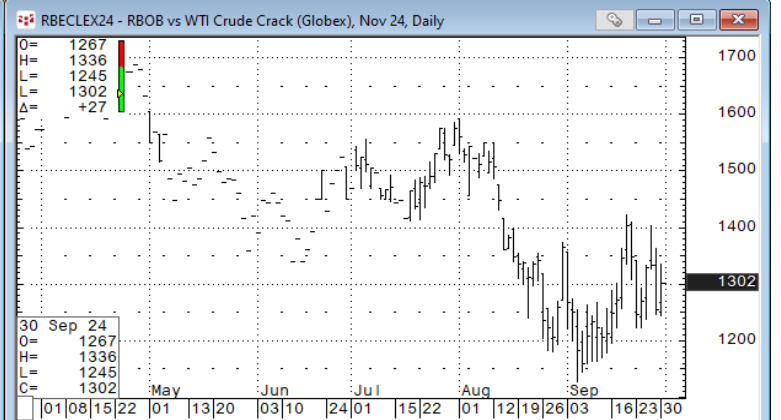


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November Heating Oil Crack Spread



November RBOB Crack Spread



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